

# AN ACT

To amend sections 109.71, 121.07, 1101.15, 1109.15, 1109.43, 1111.02, 1111.04, 1111.06, 1111.07, 1111.08, 1121.30, 1151.14, 1151.321, 1161.18, 1161.51, 1181.06, 1181.25, 1315.21, 1315.99, 1733.25, 3953.30, 3953.32, 3953.33, 4719.01, and 4973.17; to enact new sections 1151.348, 1315.01 to 1315.11, and 1315.16 to 1315.18; to enact sections 1161.601, 1315.081, 1315.101, 1315.12, 1315.121, 1315.122, 1315.13, 1315.14, 1315.15, 1315.151, 1315.152, 1315.153, and 1315.161; to repeal sections 1151.348, 1315.01, 1315.02, 1315.03, 1315.04, 1315.05, 1315.06, 1315.07, 1315.08, 1315.09, 1315.10, 1315.11, 1315.16, 1315.17, and 1315.18; and to repeal section 1125.28 of the Revised Code, as it results from S.B. 293 of the 121st General Assembly, to modify the Financial Institutions Law with respect to debt suspension and cancellation contracts, trust powers, boards of directors, on premises police officers, and bankers' banks; to revise the Money Transmitters Law, including with respect to licensing, net worth, reporting, investigations, and enforcement; and to modify the Title Insurance Law relative to lender's title insurance, closing or settlement protection, and annual reviews of escrow and other accounts.

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

SECTION 1. That sections 109.71, 121.07, 1101.15, 1109.15, 1109.43, 1111.02, 1111.04, 1111.06, 1111.07, 1111.08, 1121.30, 1151.14, 1151.321, 1161.18, 1161.51, 1181.06, 1181.25, 1315.21, 1315.99, 1733.25, 3953.30,

3953.32, 3953.33, 4719.01, and 4973.17 be amended and new sections 1151.348, 1315.01, 1315.02, 1315.03, 1315.04, 1315.05, 1315.06, 1315.07, 1315.08, 1315.09, 1315.10, 1315.11, 1315.16, 1315.17, and 1315.18 and sections 1161.601, 1315.081, 1315.101, 1315.12, 1315.121, 1315.122, 1315.13, 1315.14, 1315.15, 1315.151, 1315.152, 1315.153, and 1315.161 of the Revised Code be enacted to read as follows:

Sec. 109.71. There is hereby created in the office of the attorney general the Ohio peace officer training commission. The commission shall consist of nine members appointed by the governor with the advice and consent of the senate and selected as follows: one member representing the public; two members who are incumbent sheriffs; two members who are incumbent chiefs of police; one member from the bureau of criminal identification and investigation; one member from the state highway patrol; one member who is the special agent in charge of a field office of the federal bureau of investigation in this state; and one member from the department of education, trade and industrial education services, law enforcement training.

As used in sections 109.71 to 109.77 of the Revised Code:

(A) "Peace officer" means:

(1) A deputy sheriff, marshal, deputy marshal, member of the organized police department of a township or municipal corporation, member of a township police district or joint township police district police force, member of a police force employed by a metropolitan housing authority under division (D) of section 3735.31 of the Revised Code, or township constable, who is commissioned and employed as a peace officer by a political subdivision of this state or by a metropolitan housing authority, and whose primary duties are to preserve the peace, to protect life and property, and to enforce the laws of this state, ordinances of a municipal corporation, resolutions of a township, or regulations of a board of county commissioners or board of township trustees, or any of those laws, ordinances, resolutions, or regulations;

(2) A police officer who is employed by a railroad company and appointed and commissioned by the secretary of state pursuant to sections 4973.17 to 4973.22 of the Revised Code;

(3) Employees of the department of taxation engaged in the enforcement of Chapter 5743. of the Revised Code and designated by the tax commissioner for peace officer training for purposes of the delegation of investigation powers under section 5743.45 of the Revised Code;

(4) An undercover drug agent;

(5) Enforcement agents of the department of public safety whom the

director of public safety designates under section 5502.14 of the Revised Code;

(6) An employee of the department of natural resources who is a natural resources law enforcement staff officer designated pursuant to section 1501.013, a park officer designated pursuant to section 1541.10, a forest officer designated pursuant to section 1503.29, a preserve officer designated pursuant to section 1517.10, a wildlife officer designated pursuant to section 1531.13, or a state watercraft officer designated pursuant to section 1547.521 of the Revised Code;

(7) An employee of a park district who is designated pursuant to section 511.232 or 1545.13 of the Revised Code;

(8) An employee of a conservancy district who is designated pursuant to section 6101.75 of the Revised Code;

(9) A police officer who is employed by a hospital that employs and maintains its own proprietary police department or security department, and who is appointed and commissioned by the secretary of state pursuant to sections 4973.17 to 4973.22 of the Revised Code;

(10) Veterans' homes police officers designated under section 5907.02 of the Revised Code;

(11) A police officer who is employed by a qualified nonprofit corporation police department pursuant to section 1702.80 of the Revised Code;

(12) A state university law enforcement officer appointed under section 3345.04 of the Revised Code or a person serving as a state university law enforcement officer on a permanent basis on June 19, 1978, who has been awarded a certificate by the executive director of the Ohio peace officer training commission attesting to the person's satisfactory completion of an approved state, county, municipal, or department of natural resources peace officer basic training program;

(13) A special police officer employed by the department of mental health pursuant to section 5119.14 of the Revised Code or the department of mental retardation and developmental disabilities pursuant to section 5123.13 of the Revised Code;

(14) A member of a campus police department appointed under section 1713.50 of the Revised Code;

(15) A member of a police force employed by a regional transit authority under division (Y) of section 306.35 of the Revised Code;

(16) Investigators appointed by the auditor of state pursuant to section 117.091 of the Revised Code and engaged in the enforcement of Chapter 117. of the Revised Code;

(17) A special police officer designated by the superintendent of the state highway patrol pursuant to section 5503.09 of the Revised Code or a person who was serving as a special police officer pursuant to that section on a permanent basis on October 21, 1997, and who has been awarded a certificate by the executive director of the Ohio peace officer training commission attesting to the person's satisfactory completion of an approved state, county, municipal, or department of natural resources peace officer basic training program;

(18) A special police officer employed by a port authority under section 4582.04 or 4582.28 of the Revised Code or a person serving as a special police officer employed by a port authority on a permanent basis on May 17, 2000, who has been awarded a certificate by the executive director of the Ohio peace officer training commission attesting to the person's satisfactory completion of an approved state, county, municipal, or department of natural resources peace officer basic training program;

(19) A special police officer employed by a municipal corporation who has been awarded a certificate by the executive director of the Ohio peace officer training commission for satisfactory completion of an approved peace officer basic training program and who is employed on a permanent basis on or after March 19, 2003, at a municipal airport, or other municipal air navigation facility, that has scheduled operations, as defined in section 119.3 of Title 14 of the Code of Federal Regulations, 14 C.F.R. 119.3, as amended, and that is required to be under a security program and is governed by aviation security rules of the transportation security administration of the United States department of transportation as provided in Parts 1542. and 1544. of Title 49 of the Code of Federal Regulations, as amended;

(20) A police officer who is employed by an owner or operator of an amusement park that has an average yearly attendance in excess of six hundred thousand guests and that employs and maintains its own proprietary police department or security department, and who is appointed and commissioned by a judge of the appropriate municipal court or county court pursuant to section 4973.17 of the Revised Code;

(21) A police officer who is employed by a bank, savings and loan association, savings bank, credit union, or association of banks, savings and loan associations, savings banks, or credit unions and, who has been appointed and commissioned by the secretary of state pursuant to sections 4973.17 to 4973.22 of the Revised Code, and who has been awarded a certificate by the executive director of the Ohio peace officer training commission attesting to the person's satisfactory completion of a state,

county, municipal, or department of natural resources peace officer basic training program.

(B) "Undercover drug agent" has the same meaning as in division (B)(2) of section 109.79 of the Revised Code.

(C) "Crisis intervention training" means training in the use of interpersonal and communication skills to most effectively and sensitively interview victims of rape.

(D) "Missing children" has the same meaning as in section 2901.30 of the Revised Code.

Sec. 121.07. (A) Except as otherwise provided in this division, the officers mentioned in sections 121.04 and 121.05 of the Revised Code and the offices and divisions they administer shall be under the direction, supervision, and control of the directors of their respective departments, and shall perform such duties as the directors prescribe. In performing or exercising any of the examination or regulatory functions, powers, or duties vested by Title XI, Chapters 1733. and 1761., and sections 1315.01 to ~~1315.14~~ 1315.18 of the Revised Code in the superintendent of financial institutions, the superintendent of financial institutions and the division of financial institutions are independent of and are not subject to the control of the department or the director of commerce.

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

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

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

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

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

state;

(b) Represent itself as a bank.

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

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

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

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

(B)(1) Except as provided in division (B)(2) of this section, no person, other than a corporation licensed in accordance with authority granted in Chapter 1111. of the Revised Code as a trust company, ~~a savings and loan association licensed under section 1151.348 of the Revised Code to serve as a fiduciary~~, a national bank with trust powers, or a federal savings association with trust powers, shall do either of the following:

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

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

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

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

(c) A savings and loan association may serve as a trustee to the extent

authorized by section 1151.191 of the Revised Code.

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

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

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

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

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

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

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

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

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

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

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

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

(2) A bank shall not offer or finance, directly or indirectly, a debt suspension agreement or debt cancellation contract requiring a lump sum.

single payment for the agreement or contract payable at the outset of the agreement or contract, if the debt subject to the agreement or contract is secured by one to four family, residential real property.

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

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

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

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

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

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

(B) A bank may invest, in the aggregate, up to ten per cent of its ~~stated~~ capital ~~and surplus~~ in shares of a bankers' bank or a bankers' bank holding company, or both.

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

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

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

(1) More than one bankers' bank;

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

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



Sec. 1111.02. (A) Except as provided in divisions (B) and (C) of this section, no person shall solicit or engage in trust business in this state except a corporation that is one of the following:

(1) A corporation licensed under section 1111.06 of the Revised Code that is one of the following:

(a) A bank doing business under authority granted by the superintendent of financial institutions;

(b) A savings and loan association doing business under authority granted by the superintendent of financial institutions;

(c) A savings bank doing business under authority granted by the superintendent of financial institutions;

(d) A bank authorized to accept and execute trusts and doing business under authority granted by the bank chartering authority of another state or country;

~~(e)~~(e) A corporation organized under the laws of another state or country and authorized to accept and execute trusts in that state or country.

(2) A bank authorized to accept and execute trusts and doing business under authority granted by the comptroller of the currency;

(3) A savings association authorized to accept and execute trusts and doing business under authority granted by the office of thrift supervision;

~~(4) A savings and loan association licensed under section 1151.348 of the Revised Code.~~

(B) This chapter shall not apply to any of the following:

(1) A savings and loan association serving as a trustee to the extent authorized by section 1151.191 of the Revised Code;

(2) A savings bank serving as a trustee to the extent authorized by section 1161.24 of the Revised Code;

(3) A corporation that is incorporated under the laws of another state or the United States, has its principal place of business in another state, is currently qualified to do and is engaging in trust business in the state where the corporation has its principal place of business, and is doing any of the following:

(a) Serving as ancillary executor or administrator of property in this state that is in the estate of a decedent, after appointment as executor or administrator of the estate by the courts of the decedent's state of residence;

(b) As trustee, acquiring, holding, or transferring a security interest in lands or other property in this state, by mortgage, deed of trust, or other instrument, to secure any evidence of indebtedness;

(c) Certifying to any evidence of indebtedness.

(C) The following persons shall not be subject to this chapter until July

1, 1997:

(1) Any person, other than a person described in division (A) or (B) of this section, that is serving as a fiduciary under a trust instrument, will, or other document executed before July 1, 1997;

(2) Any person, other than a person described in division (A) or (B) of this section, that is named as a fiduciary in, or is nominated as a fiduciary under, a trust instrument, will, or other document executed before July 1, 1997.

Sec. 1111.04. (A) Prior to soliciting or engaging in trust business in this state, a trust company shall pledge to the treasurer of state interest bearing securities authorized in division (B) of this section, having a par value, not including unaccrued interest, of one hundred thousand dollars, and approved by the superintendent of financial institutions. The trust company may pledge the securities either by delivery to the treasurer of state or by placing the securities with a qualified trustee for safekeeping to the account of the treasurer of state, the corporate fiduciary, and any other person having an interest in the securities under Chapter 1109. of the Revised Code, as their respective interests may appear and be asserted by written notice to or demand upon the qualified trustee or by order of judgment of a court.

(B) Securities pledged by a trust company to satisfy the requirements of division (A) of this section shall be one or more of the following:

(1) Bonds, notes, or other obligations of or guaranteed by the United States or for which the full faith and credit of the United States is pledged for the payment of principal and interest;

(2) Bonds, notes, debentures, or other obligations or securities issued by any agency or instrumentality of the United States;

(3) General obligations of this or any other state of the United States or any subdivision of this or any other state of the United States.

(C) The treasurer of state shall accept delivery of securities pursuant to this section when accompanied by the superintendent's approval of the securities or the written receipt of a qualified trustee describing the securities and showing the superintendent's approval of the securities, and shall issue a written acknowledgment of the delivery of the securities or the qualified trustee's receipt and the superintendent's approval to the trust company.

(D) The superintendent shall approve securities to be pledged by a trust company pursuant to this section if the securities are all of the following:

(1) Interest bearing and of the value required by division (A) of this section;

(2) Of one or more of the kinds authorized by division (B) of this

section and not a derivative of or merely an interest in any of those securities;

(3) Not in default.

(E) The treasurer of state shall, with the approval of the superintendent, permit a trust company to pledge securities in substitution for securities pledged pursuant to this section and the withdrawal of the securities substituted for so long as the securities remaining pledged satisfy the requirements of division (A) of this section. The treasurer of state shall permit a trust company to collect interest paid on securities pledged pursuant to this section so long as the trust company is solvent. The treasurer of state shall, with the approval of the superintendent, permit a trust company to withdraw securities pledged pursuant to this section when the trust company has ceased to solicit or engage in trust business in this state.

(F) For purposes of this section, a qualified trustee is a federal reserve bank ~~located in this state, a branch of a federal reserve bank located in this state regardless of where the branch is located,~~ a federal home loan bank, or a trust company as defined in section 1101.01 of the Revised Code, a bank that has pledged securities pursuant to this section, is authorized to accept and execute trusts, and is doing business under authority granted by the comptroller of currency, or a savings association that has pledged securities pursuant to this section, is authorized to accept and execute trusts, and is doing business under authority granted by the office of thrift supervision except that a bank doing business under authority granted by the comptroller of the currency, a savings association doing business under authority granted by the office of thrift supervision, or a trust company may not act as a qualified trustee for securities it or any of its affiliates is pledging pursuant to this section.

(G) The superintendent, with the approval of the treasurer of state and the attorney general, shall prescribe the form of all receipts and acknowledgments provided for by this section, and upon request shall furnish a copy of each form, with the superintendent's certification attached, to each qualified trustee eligible to hold securities for safekeeping under this section.

Sec. 1111.06. (A) Any person, other than a ~~savings and loan association eligible to be licensed under section 1151.348 of the Revised Code,~~ a national bank with trust powers; or a federal savings association with trust powers, proposing to solicit or engage in trust business in this state shall apply to the superintendent of financial institutions to be licensed as a trust company. The superintendent shall approve or disapprove the application within sixty days after accepting it.

(B) In determining whether to approve or disapprove an application for a trust company license, the superintendent shall consider all of the following:

(1) Whether the applicant is a corporation described in division (A)(1) of section 1111.02 of the Revised Code;

(2) Whether the applicant's articles of incorporation or association authorize the applicant to serve as a trustee;

(3) If the applicant is not a bank, savings and loan association, or savings bank doing business under authority granted by the superintendent, whether the applicant is currently qualified to do and is engaging in trust business in the state or country under the laws of which the applicant is organized;

(4) Whether the applicant satisfies the requirements of section 1111.05 of the Revised Code;

(5) Whether it is reasonable to believe the applicant will comply with applicable laws and observe sound fiduciary standards in conducting trust business in this state;

(6) If the applicant is not a bank, savings and loan association, or savings bank doing business under authority granted by the superintendent, whether the applicant is subject to comprehensive supervision and regulation of its fiduciary activities by appropriate authorities of the state or country under the laws of which the applicant is organized.

(C) In approving an application for a trust company license, the superintendent may impose any condition the superintendent determines to be appropriate.

(D) When an applicant has satisfied all prior conditions imposed by the superintendent in approving the applicant's application for a trust company license and has pledged securities as required by section 1111.04 of the Revised Code, the superintendent shall issue the applicant a trust company license. A license issued pursuant to this section shall remain in force and effect until surrendered by the licensee pursuant to section 1111.31 of the Revised Code or suspended or revoked by the superintendent pursuant to section 1111.32 of the Revised Code.

Sec. 1111.07. (A) A trust company's license to solicit or engage in trust business in this state is not transferable or assignable.

(B) Subject to section 2109.28 of the Revised Code, if any trust company enters into a merger or consolidation in which the trust company is not the surviving corporation, or transfers all or substantially all of its assets and liabilities to another corporation, the resulting, surviving, or transferee corporation shall succeed the trust company as fiduciary as a matter of law

and without necessity to do anything further, if the resulting, surviving, or transferee corporation is a trust company, a national bank authorized to accept and execute trusts and doing business under authority granted by the comptroller of the currency, or a federal savings association authorized to accept and execute trusts and doing business under authority granted by the office of thrift supervision, ~~or a savings and loan association licensed under section 1151.348 of the Revised Code~~. If the trust company is not the surviving corporation of a merger, enters a consolidation, or after transferring substantially all of its assets and liabilities ceases to solicit or engage in trust business in this state, the trust company shall surrender its trust company license in accordance with section 1111.31 of the Revised Code.

Sec. 1111.08. (A) A trust company, a national bank authorized to accept and execute trusts and doing business under authority granted by the comptroller of the currency, or a federal savings association authorized to accept and execute trusts and doing business under authority granted by the office of thrift supervision may transfer all or part of its trust business in this state to another trust company, to a national bank authorized to accept and execute trusts and doing business under authority granted by the comptroller of the currency, or to a federal savings association authorized to accept and execute trusts and doing business under authority granted by the office of thrift supervision, if all of the following have occurred:

(1) Not less than sixty days before consummation of the transfer, either the transferor or transferee, or both, for each fiduciary account or relationship to be transferred, has given written notice, by regular mail to the most recent address shown on the records of the transferor, to all of the following that apply:

(a) Each court having jurisdiction over the fiduciary account or relationship;

(b) Each cofiduciary of the fiduciary account or relationship;

(c) Each surviving settlor of the trust;

(d) Each person that, alone or in conjunction with others, has the power to remove the trust company as fiduciary or appoint a successor fiduciary;

(e) Except in the case of a trust described in section 401(a) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 401(a), as amended, each adult beneficiary currently receiving or entitled as a matter of right to receive a distribution of principal or income from the trust, estate, or fund;

(f) In the case of a trust described in section 401(a) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 401(a), as amended,

the employer or employee organization, or both, responsible for the maintenance of the trust.

(2) The transferor has filed a certified copy of the agreement for the sale with the superintendent of financial institutions.

(B)(1) The transfer of a fiduciary account or relationship pursuant to division (A) of this section results in the transferee being substituted for the transferor as fiduciary as a matter of law and without necessity to do anything further.

(2) The transfer of a fiduciary account or relationship pursuant to division (A) of this section does neither of the following:

(a) Impair the right of any person that, alone or in conjunction with others, has the power to remove a fiduciary or appoint a successor fiduciary;

(b) Absolve or discharge a transferor from any liability arising out of its breach of any fiduciary duty or obligation to the account prior to the transfer.

Sec. 1121.30. (A) All assessments, fees, charges, and forfeitures provided for in Chapters 1101. to 1127. and sections ~~1315.02, 1315.10, and 1315.16~~ 1315.01 to 1315.18 of the Revised Code, except civil penalties assessed pursuant to section 1121.35 or 1315.152 of the Revised Code, shall be paid to the superintendent of financial institutions, and the superintendent shall deposit them into the state treasury to the credit of the banks fund, which is hereby created.

(B) The superintendent may expend or obligate the banks fund to defray the costs of the division of financial institutions in administering Chapters 1101. to 1127. and sections 1315.01 to ~~1315.11 and 1315.16~~ 1315.18 of the Revised Code. The superintendent shall pay from the fund all actual and necessary expenses incurred by the superintendent, including for any services rendered by the department of commerce for the division's administration of Chapters 1101. to 1127. and sections 1315.01 to ~~1315.11 and 1315.16~~ 1315.18 of the Revised Code. The fund shall be assessed a proportionate share of the administrative costs of the department and the division of financial institutions. The proportionate share of the administrative costs of the division of financial institutions shall be determined in accordance with procedures prescribed by the superintendent and approved by the director of budget and management. The amount assessed for the fund's proportional share of the department's administrative costs and the division's administrative costs shall be paid from the banks fund to the division of administration fund and the division of financial institutions fund respectively.

(C) Any money deposited into the state treasury to the credit of the

banks fund, but not expended or encumbered by the superintendent to defray the costs of administering Chapters 1101. to 1127. and sections 1315.01 to ~~1315.11 and 1315.16 to~~ 1315.18 of the Revised Code, shall remain in the banks fund for expenditures by the superintendent in subsequent years.

Sec. 1151.14. ~~The board of directors of every (A)(1) A savings and loan association shall hold a regular meeting, at least once in each month, at a day and hour fixed by resolution of the board. Written notice of every special meeting of the board shall be given to each director unless the notice is waived. When any regular or special meeting is adjourned, notice of the adjourned meeting and of the business to be transacted at such adjourned meeting shall be given. A complete record of the board's proceedings shall be kept in a minute book. The vote of each director upon each question shall be recorded in the minutes.~~ association's board of directors shall meet monthly unless the savings and loan association's constitution provides for a different frequency of meetings, which shall not be less than quarterly.

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

(a) More frequent meetings of a savings and loan association's board of directors than required by division (A)(1) of this section;

(b) The superintendent of financial institutions requiring a savings and loan association's board of directors to meet more frequently than required by division (A)(1) of this section if the superintendent determines more frequent meetings are appropriate because of circumstances regarding the savings and loan association.

(B) A savings and loan association's constitution may authorize the board of directors to do both of the following:

(1) Create an executive committee or any other committee of the board of directors, each consisting of at least three directors;

(2) Delegate to an executive committee or other committee of the board of directors described in division (B)(1) of this section, any authority of the board of directors, however conferred, other than the authority to fill vacancies on the board of directors or to fill vacancies on a committee of the board of directors.

(C) All of the following apply to any executive committee or other committee described in division (B) of this section:

(1) The board of directors may appoint one or more of the directors as alternate members of a committee of the board of directors to take the place of any absent member at any meeting of the committee of the board of directors.

(2) Each committee of the board of directors serves at the pleasure of

the board of directors, acts only in intervals between meetings of the board of directors, and is subject to the control and direction of the board of directors.

(3) Unless otherwise provided in the constitution or ordered by the board of directors, a committee of the board of directors may act by a majority of its members at a meeting or by a writing or writings signed by all of its members.

(4) An act or authorization of an act by a committee of the board of directors that is within the authority delegated to the committee is as effective for all purposes as an act or authorization of an act done by the board of directors.

Sec. 1151.321. ~~A building~~ (A) Except as provided in division (B) of this section, a savings and loan association may cancel loans mentioned in sections 1151.29 to 1151.32, ~~inclusive~~, of the Revised Code, and release the securities for them on such terms as its board of directors provides.

(B)(1) Subject to division (B)(2) of this section and any restrictions or requirements established by the superintendent of financial institutions, in connection with any loan or extension of credit, a savings and loan association may enter into a debt suspension agreement or debt cancellation contract with the borrower or borrowers.

(2) A savings and loan association shall not offer or finance, directly or indirectly, a debt suspension agreement or debt cancellation contract requiring a lump sum, single payment for the agreement or contract payable at the outset of the agreement or contract, if the debt subject to the agreement or contract is secured by one to four family, residential real property.

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

Sec. 1151.348. (A) A savings and loan association authorized to do business by the division of financial institutions pursuant to Chapters 1151. to 1157. of the Revised Code may engage in trust business after obtaining a license under section 1111.06 of the Revised Code.

(B) Except as provided in division (C) of this section, a savings and loan association that is licensed under section 1111.06 of the Revised Code is a trust company as defined in division (S) of section 1101.01 of the Revised Code for purposes of Chapter 1111. of the Revised Code and of all laws applicable to a trust company.

(C) The division shall supervise any savings and loan association licensed as a trust company under Chapter 1111. of the Revised Code



pursuant to Chapters 1151. to 1157. of the Revised Code, except that the division may apply provisions in Chapter 1111. of the Revised Code in the case of a voluntary or forced liquidation of a savings and loan association's trust business.

Sec. 1161.18. ~~The (A)(1) A savings bank's board of directors of every savings bank shall hold a regular meeting, at least once each month, at a day and hour fixed by resolution of the board. Written notice of every special meeting of the board shall be given to each director unless the notice is waived. When any regular or special meeting is adjourned, notice of the adjourned meeting and of the business to be transacted at the adjourned meeting shall be given. A complete record of the board's proceedings shall be kept in a minute book. The vote of each director upon each question shall be recorded in the minutes.~~ shall meet monthly unless the savings bank's constitution provides for a different frequency of meetings, which shall not be less than quarterly.

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

(a) More frequent meetings of a savings bank's board of directors than required by division (A)(1) of this section;

(b) The superintendent of financial institutions requiring a savings bank's board of directors to meet more frequently than required by division (A)(1) of this section if the superintendent determines more frequent meetings are appropriate because of circumstances regarding the savings bank.

(B) A savings bank's constitution may authorize the board of directors to do both of the following:

(1) Create an executive committee or any other committee of the board of directors, each consisting of at least three directors;

(2) Delegate to an executive committee or other committee of the board of directors described in division (B)(1) of this section, any authority of the board of directors, however conferred, other than the authority to fill vacancies on the board of directors or to fill vacancies on a committee of the board of directors.

(C) All of the following apply to any executive committee or other committee described in division (B) of this section:

(1) The board of directors may appoint one or more of the directors as alternate members of a committee of the board of directors to take the place of any absent member at any meeting of the committee of the board of directors.

(2) Each committee of the board of directors serves at the pleasure of

the board of directors, acts only in intervals between meetings of the board of directors, and is subject to the control and direction of the board of directors.

(3) Unless otherwise provided in the constitution or ordered by the board of directors, a committee of the board of directors may act by a majority of its members at a meeting or by a writing or writings signed by all of its members.

(4) An act or authorization of an act by a committee of the board of directors that is within the authority delegated to the committee is as effective for all purposes as an act or authorization of an act done by the board of directors.

Sec. 1161.51. A (A) Except as provided in division (B) of this section, a savings bank may cancel loans mentioned in sections 1161.36 to 1161.50 of the Revised Code, and release the securities for them on such terms as its board of directors provides.

(B)(1) Subject to division (B)(2) of this section and any restrictions or requirements established by the superintendent of financial institutions, in connection with any loan or extension of credit, a savings bank may enter into a debt suspension agreement or debt cancellation contract with the borrower or borrowers.

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

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

Sec. 1161.601. (A) A savings bank authorized to do business by the division of financial institutions pursuant to Chapters 1161. to 1165. of the Revised Code may engage in trust business after obtaining a license under section 1111.06 of the Revised Code.

(B) Except as provided in division (C) of this section, a savings bank that is licensed under section 1111.06 of the Revised Code is a trust company as defined in division (S) of section 1101.01 of the Revised Code for purposes of Chapter 1111. of the Revised Code and of all laws applicable to a trust company.

(C) The division shall supervise any savings bank licensed as a trust company under Chapter 1111. of the Revised Code pursuant to Chapters 1161. to 1165. of the Revised Code, except that the division may apply

provisions in Chapter 1111. of the Revised Code in the case of a voluntary or forced liquidation of a savings bank's trust business.

Sec. 1181.06. There is hereby created in the state treasury the financial institutions fund. The fund shall receive assessments on the banks fund established under section ~~4125.28~~ 1121.30 of the Revised Code, the savings institutions fund established under section 1181.18 of the Revised Code, the credit unions fund established under section 1733.321 of the Revised Code, and the consumer finance fund established under section 1321.21 of the Revised Code in accordance with procedures prescribed by the superintendent of financial institutions and approved by the director of budget and management. Such assessments shall be in addition to any assessments on these funds required under division (G) of section 121.08 of the Revised Code. All operating expenses of the division of financial institutions shall be paid from the financial institutions fund.

Sec. 1181.25. The superintendent of financial institutions may introduce into evidence or disclose, or authorize to be introduced into evidence or disclosed, information that, under sections 1121.18, 1155.16, 1163.20, 1315.122, 1321.09, 1321.55, 1321.76, 1322.06, 1322.061, 1733.32, 1733.327, and 4727.18 of the Revised Code, is privileged, confidential, or otherwise not public information or a public record, provided that the superintendent acts only as provided in those sections or in the following circumstances:

(A) When in the opinion of the superintendent, it is appropriate with regard to any enforcement actions taken and decisions made by the superintendent under Chapters 1315., 1321., 1322., 1733., 4712., 4727., and 4728. of the Revised Code or Title XI of the Revised Code;

(B) When litigation has been initiated by the superintendent in furtherance of the powers, duties, and obligations imposed upon the superintendent by Chapters 1315., 1321., 1322., 1733., 4712., 4727., and 4728. of the Revised Code or Title XI of the Revised Code;

(C) When in the opinion of the superintendent, it is appropriate with regard to enforcement actions taken or decisions made by other financial institution regulatory authorities to whom the superintendent has provided the information pursuant to authority in Chapters 1315., 1321., 1322., 1733., 4712., 4727., and 4728. of the Revised Code or Title XI of the Revised Code.

Sec. 1315.01. Except when the context otherwise requires, as used in sections 1315.01 to 1315.18 of the Revised Code:

(A) "Authorized delegate" means a person designated by a licensee under section 1315.11 of the Revised Code to receive, directly or indirectly,

money or its equivalent for transmission by the licensee.

(B) "Control" means the power, directly or indirectly, to direct the management and policies of a licensee or the ownership, control of, or power to vote twenty-five per cent or more of any class of the outstanding voting securities of a controlling person. For purposes of determining the percentage of a licensee controlled by any person, the person's interest shall be aggregated with the interest of any other person controlled by the person or by any spouse, parent, or child of the person.

(C) "Controlling person" means any person that controls a licensee.

(D) "Executive officer" means the licensee's president, treasurer, secretary, each senior officer responsible for the licensee's business, and any other person that performs similar functions.

(E) "Licensee" means a person licensed under sections 1315.01 to 1315.18 of the Revised Code to receive, directly or indirectly, for transmission, money or its equivalent from persons located in this state.

(F) "Outstandings" means the total of all moneys received for transmission that are not yet delivered, paid, or accessed.

(G) "Transmit money" means to receive, directly or indirectly and by any means, money or its equivalent from a person and to deliver, pay, or make accessible, by any means, method, manner, or device, whether or not a payment instrument is used, the money received or its equivalent to the same or another person, at the same or another time, and at the same or another place, but does not include transactions in which the recipient of the money or its equivalent is the principal or authorized representative of the principal in a transaction for which the money or its equivalent is received, other than the transmission of money or its equivalent. "Transmit money" also includes the sale of checks and other payment instruments.

Sec. 1315.02. (A) No person, regardless of the location of that person, its facilities, or its agents, shall receive, directly or indirectly and by any means, money or its equivalent for transmission from a person located in this state, unless that person receiving the money or its equivalent for transmission is a licensee, an authorized delegate of a licensee that is not itself required to be licensed under division (B) of this section, or is one of the following:

(1) The United States or any department, agency, or instrumentality of the United States;

(2) The United States postal service;

(3) A state of the United States or any political subdivision of a state of the United States;

(4) A bank, credit union, savings and loan association, savings

association, or savings bank organized under the laws of the United States or any state of the United States or doing business under a license granted under Chapter 1119. of the Revised Code, a subsidiary or affiliate of a bank, savings and loan association, or savings bank, a credit union service organization, or an authorized representative of any of these;

(5) A contractor providing electronic transfer of government benefits on behalf of the United States or any department, agency, or instrumentality of the United States or on behalf of any state or any political subdivision of any state of the United States;

(6) A person the only money transmitter activity of which is to deliver payroll money on behalf of employers to employees by check or deposit in a checking or savings account at a bank, savings bank, savings and loan association, savings association, or credit union;

(7) A person the only money transmitter activity of which is to accept prepayment for future purchases of that person's goods or services that are other than money transmitter services;

(8) A licensed securities, insurance, mortgage, or real estate broker or agent acting within the scope of its license;

(9) A person the only money transmitter activity of which is receiving money or its equivalent as an intermediary facilitating the closing of a sale of property or a loan;

(10) A retail seller of goods and services the only money transmitter activities of which are receipt of money or its equivalent from and to be delivered at the direction of an obligor on a credit card account for a credit card to be used solely for purchases from that retail seller or branded with the name of that retail seller or an affiliate of that retail seller;

(11) A person, the regulation of money transmitter activities under sections 1315.01 to 1315.18 of the Revised Code of which, the superintendent of financial institutions determines would not serve the intended purposes of the regulation.

(B) No authorized delegate of a licensee also shall do accounting, verification, or reconciliation of transmissions completed or bank statements for a licensee, unless the authorized delegate also is a licensee.

Sec. 1315.03. (A) Each application for a money transmitter license shall be in the form prescribed by the superintendent of financial institutions and accompanied by an application fee established in section 1315.13 of the Revised Code.

(B)(1) The superintendent shall approve or deny every application for a license under this section within one hundred eighty days after the date that the superintendent accepts the application as complete, unless the applicant

has, by written consent, agreed to a longer time for the superintendent to make a determination on the application.

(2) Subject to division (D) of this section, an application is not complete and the superintendent shall not accept it for processing until the applicant pays the application fee described in division (A) of this section. The time described in division (B)(1) of this section in which the superintendent must make a determination on an application does not begin until the superintendent has determined that the application is complete and has accepted it for processing.

(3) A determination by the superintendent that an application is complete and is accepted for processing means only that the application, on its face, appears to include all of the items and to address all of the matters that are required, and is not an assessment of the substance of the application or of the sufficiency of the information provided.

(C)(1) The superintendent may grant confidential treatment for information in or related to an application described in division (A) of this section, if confidential treatment is requested by the applicant in compliance with division (C)(2) of this section and any of the following applies:

(a) The information is of a commercial or financial nature, disclosure of which likely would result in substantial harm to the competitive position of the applicant or its affiliates or to any party to the transaction or its affiliates.

(b) The information is of a personal, medical, financial, or similar nature, disclosure of which would result in a clearly unwarranted invasion of personal privacy.

(c) The information is contained in, related to, or derived from examinations, operating or condition reports, agreements, orders, or actions prepared by, on behalf of, or for the use of a governmental agency or authority.

(d) The information has been filed with a governmental agency or authority and has not been approved for disclosure by that agency or authority.

(e) The information specifically is excepted from disclosure by statute.

(2)(a) An applicant requesting confidential treatment under division (C) of this section shall do so in writing at the time that the application containing the information, or additional information related to an application, is submitted.

(b) The request described in division (C)(2)(a) of this section separately shall address each item of information for which confidential treatment is requested, explaining the applicability of the asserted justification for confidential treatment and either specifically demonstrating the harm that

would result from public disclosure of the item of information or setting forth the reason that the applicant cannot authorize public disclosure of the item of information.

(c) The applicant separately shall bind and identify all items of information for which confidential treatment is requested under division (C) of this section and shall make specific reference to those items in the remainder of the application or additional information related to the application.

(3)(a) The superintendent shall review a request for confidential treatment under division (C) of this section and provide the applicant with written notice of the superintendent's decision on granting confidential treatment for each item of information for which it is requested.

(b) If the superintendent's decision provided pursuant to division (C)(3)(a) of this section is not to grant confidential treatment to an item of information, the applicant may withdraw the item of information by written notice within ten days after the applicant's receipt of the superintendent's decision. If the applicant fails to withdraw the item of information within the ten-day period, the applicant is deemed to have waived the right to withdraw, and the item of information is a part of the application available to the public.

(4)(a) An item of information submitted with a request for confidential treatment under division (C) of this section is not deemed filed with the superintendent until the superintendent grants confidential treatment or the applicant is deemed to have waived the right to withdraw the item of information.

(b) Until the item of information submitted with a request for confidential treatment is filed in accordance with division (C)(4)(a) of this section, no person shall copy or inspect the item of information or anything derived from the item of information, except as necessary to assist the superintendent in deciding whether to grant confidential treatment to the item of information in accordance with division (C) of this section.

(5) When an item of information is filed following the superintendent's decision to grant it confidential treatment pursuant to division (C)(3)(a) of this section, the item of information is not a public record as defined in section 149.43 of the Revised Code and only the superintendent shall use it in connection with the performance of the duties and exercise of the powers of the superintendent. Without prior notice to the applicant, the superintendent may disclose or comment on any of the contents of the application in an order, statement, or opinion issued by the superintendent in connection with a decision on the application.

(D) Division (B)(2) of this section does not prohibit either of the following:

(1) The superintendent denying an application described in division (A) of this section prior to the superintendent's acceptance of the application for processing, on the basis that the applicant failed to include all of the items and address all of the issues required for the application, if both of the following apply:

(a) The superintendent advised the applicant that the application was incomplete.

(b) After being advised by the superintendent pursuant to division (D)(1)(a) of this section that the application was incomplete, the applicant did not, within a reasonable period of time, complete the application.

(2) The superintendent denying an application described in division (A) of this section on the basis that the applicant failed to provide the information necessary for the superintendent to consider the application adequately after the superintendent's acceptance of the application for processing, if both of the following apply:

(a) After beginning to process the application, the superintendent determined and advised the applicant additional information was necessary to consider the application adequately.

(b) After the superintendent advised the applicant pursuant to division (D)(2)(a) of this section that additional information was necessary to consider the application adequately, the applicant did not, within a reasonable period of time, provide that information.

Sec. 1315.04. (A)(1) After accepting an application for a money transmitter license described in section 1315.03 of the Revised Code, the superintendent of financial institutions shall examine all the facts and circumstances relating to the application.

(2) At the applicant's expense, the superintendent may conduct an on-site examination of the applicant's books, records, and operations. If the superintendent requests, the applicant shall advance to the superintendent the superintendent's estimate of the cost of the on-site examination, with any unconsumed portion to be returned to the applicant.

(3) The applicant shall pay the cost of its examination described in division (A) of this section, or any balance of the cost of its examination in the case of an applicant that advanced the estimated cost of its examination, within fourteen days after receiving an invoice for payment.

(B) In making a determination on an application described in division (A)(1) of this section, the superintendent shall consider all of the following:

(1) The applicant's financial condition;



(2) The applicant's business practices;

(3) The applicant's and its directors', executive officers', and controlling persons' experience, competence, character, and history of compliance with applicable laws.

(C) The superintendent shall not approve an application described in division (A)(1) of this section if the applicant does not meet both of the following requirements:

(1) The applicant is a legally established business entity that is capitalized separately and distinctly from every other legal entity and is qualified to do business in this state.

(2) The applicant has a minimum net worth of not less than five hundred thousand dollars, calculated according to generally accepted accounting principles, but excluding any assets that the superintendent disqualifies and including any off-balance sheet liabilities that the superintendent requires.

(D)(1) In approving an application for a money transmitter license, the superintendent may impose any condition the superintendent determines to be appropriate.

(2) When an applicant has satisfied all prior conditions imposed by the superintendent in approving the applicant's application for a money transmitter license and has provided a security device as required by section 1315.07 of the Revised Code, the superintendent shall issue the applicant a money transmitter license. A license issued pursuant to this section remains in force and effect until surrendered by the licensee pursuant to section 1315.18 of the Revised Code or suspended or revoked by the superintendent pursuant to section 1315.151 of the Revised Code.

(E) On or before the first day of July of each year, each licensee shall pay to the superintendent an annual fee for carrying on the business as a money transmitter, which fee is established by the superintendent pursuant to division (B) of section 1315.13 of the Revised Code.

Sec. 1315.05. Each licensee, at all times, shall meet both of the following requirements:

(A) Be a legally established business entity that is capitalized separately and distinctly from every other legal entity and qualified to do business in this state;

(B) Have a minimum net worth of not less than five hundred thousand dollars, calculated according to generally accepted accounting principles, but excluding any assets that the superintendent of financial institutions disqualifies and including any off-balance sheet liabilities that the superintendent requires.

(C) No licensee shall fail to comply with this section.

Sec. 1315.06. (A)(1)(a) Subject to division (A)(2) of this section, each licensee shall maintain permissible investments described in division (B) of this section having an aggregate market value of not less than the aggregate amount of all of the licensee's outstandings received from persons in the United States, directly and through authorized delegates, to the extent reported to the licensee.

(b) For purposes of division (A)(1)(a) of this section, a licensee's permissible investments, even if commingled with other assets of the licensee, and a licensee's other assets to the extent necessary to equal the licensee's outstandings, are, by operation of law, impressed with a trust and held for the benefit of persons the money of which the licensee holds for transmission, and these permissible investments are not available to satisfy any other of the licensee's creditors.

(2) The superintendent of financial institutions may waive the requirement described in division (A)(1)(a) of this section if the volume of a licensee's outstandings does not exceed the licensee's security device provided pursuant to section 1315.07 of the Revised Code.

(B) All of the following are permissible investments by a licensee:

(1) Cash;

(2) Certificates of deposit or other debt obligations of a depository institution, either domestic or foreign;

(3) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, that are eligible for purchase by member banks of the federal reserve system;

(4) Any investment bearing a rating of one of the three highest grades as defined by a nationally recognized organization that rates securities;

(5) Investment securities that are obligations of the United States or its agencies or instrumentalities; obligations that are guaranteed fully as to principal and interest by the United States; or any obligations of any state, municipality, or political subdivision of a state;

(6) Shares in a money market mutual fund; interest-bearing bills, notes, bonds, debentures, or preferred stock traded on any national securities exchange or on a national over-the-counter market; or mutual funds primarily composed of such securities or a fund composed of one or more permissible investments described in division (B) of this section;

(7) Any demand borrowing agreement or agreements made to a corporation or a subsidiary of a corporation the capital stock of which is listed on a national exchange, provided that the total borrowing agreements with any one borrower do not exceed ten per cent of the licensee's outstandings;

(8) To the extent permitted by the superintendent, receivables that are due to a licensee from its authorized delegates and are not past due or doubtful of collection;

(9) Any other investments approved by the superintendent.

(C) No licensee shall fail to comply with this section.

Sec. 1315.07. (A)(1) In a form satisfactory to the superintendent of financial institutions, each licensee shall provide and maintain a security device of one or more of the types described in division (B) of this section of not less than three hundred thousand dollars or such greater amount as the superintendent finds appropriate but, except pursuant to a supervisory action, not exceeding two million dollars.

(2) By control agreement or terms of the bond, the security device described in division (A)(1) of this section shall run to the superintendent for the benefit of any claimants against the licensee, to secure the faithful performance of the obligations of the licensee with respect to its receipt of money from persons in this state for transmission. In the case of a bond, the superintendent may bring suit on behalf of claimants, either in one action or in successive actions, or may authorize claimants to bring their own actions on the bond.

(B) The security device required by division (A) of this section shall be one or more of the following:

(1) A pledge, with a holder acceptable to the superintendent and subject to a control agreement with the superintendent, of any of the following:

(a) Cash;

(b) Interest-bearing stocks, bonds, notes, debentures, or other obligations of the United States or any agency or instrumentality of the United States, or guaranteed by the United States;

(c) Interest bearing stocks, bonds, notes, debentures, or other obligations of this state, or of a city, county, town, village, school district, or instrumentality of this state, or guaranteed by this state.

(2) A surety bond;

(3) Any other security device approved by the superintendent.

(C)(1)(a) In the case of a security device provided in the form of a pledge of securities, the securities pledged shall be valued at the lower of principal amount or market value.

(b) The licensee is entitled to receive all interest and dividends on cash or securities pledged and, with the approval of the superintendent, may substitute pledged securities, which substitution also may be ordered by the superintendent pursuant to a written order.

(2) In the case of a security device provided in the form of a surety

bond, both of the following apply:

(a) The surety bond shall remain in effect until canceled, which may occur only after thirty days' written notice to the superintendent.

(b) Cancellation of a surety bond does not affect any liability incurred or accrued during the bond's effective period.

(D) A licensee shall maintain the security device required by division (A) of this section after the licensee ceases money transmission operations in this state, until the licensee's outstandings in this state all have been satisfied or properly reported to the division of unclaimed funds. However, the superintendent may permit the security device to be reduced to the extent that the amount of the licensee's outstandings in this state are reduced.

(E) No licensee shall fail to comply with this section.

Sec. 1315.08. (A) Within forty-five days after the end of each calendar quarter, each licensee shall submit to the superintendent of financial institutions all of the following in the form prescribed by the superintendent:

(1) The licensee's unaudited, unconsolidated financial statements as of the end of the calendar quarter, including a balance sheet, income statement, statement of changes in shareholder's equity, and statement of cash flows;

(2) A statement for the calendar quarter of the number of money transmission transactions undertaken by the licensee in this state and in the United States in total, the dollar amount of those transactions, and the number and dollar amount of those transactions currently outstanding;

(3) A schedule of the licensee's permissible investments and their market values as of the end of the calendar quarter;

(4) A schedule of the locations, if any, within this state at which the licensee is conducting business directly or through its authorized delegates;

(5) Any other information that the superintendent requires.

(B) Annually, not more than one hundred twenty days after the end of its fiscal year, each licensee shall submit to the superintendent its audited unconsolidated financial statements for the fiscal year, including a balance sheet, income statement, statement of changes in shareholder equity, and statement of cash flows. If the licensee is a subsidiary of another company, the licensee also shall submit the audited consolidated financial statements of its parent company.

(C) No licensee shall fail to comply with this section.

Sec. 1315.081. (A) Within fifteen business days after the occurrence of any of the events listed below, a licensee shall file a written report with the superintendent describing the event and its expected impact on the licensee's activities in the state:

(1) Any material changes in information provided in a licensee's application or any report submitted to the superintendent under sections 1315.01 to 1315.18 of the Revised Code;

(2) The licensee's filing for bankruptcy or reorganization;

(3) The institution of revocation or suspension proceedings against the licensee by any state or governmental authority with regard to the licensee's money transmission activities;

(4) Any felony indictment of the licensee, or any of its controlling persons, directors, officers, or employees, related to money transmission activities;

(5) Any felony conviction of the licensee, or any of its controlling persons, directors, officers, or employees, related to money transmission activities;

(6) Any proposed change of control of the licensee;

(7) The licensee's decision to voluntarily surrender or not to renew a money transmitter license it holds in another jurisdiction.

(B)(1) No person shall make a false statement, misrepresentation, or false certification to the division of financial institutions or in a record filed or required to be maintained under sections 1315.01 to 1315.18 of the Revised Code or make a false entry or omit a material entry in a record filed or required to be maintained under sections 1315.01 to 1315.18 of the Revised Code or made available to the division.

(2) No licensee shall fail to comply with this section.

Sec. 1315.09. (A) Each licensee shall make, keep, and preserve with respect to the licensee the following books, accounts, and other records for a period of five years to be open to inspection by the superintendent of financial institutions:

(1) A record or records of each money transmission transaction;

(2) A general ledger containing all assets, liabilities, capital, income, and expense accounts, posted at least monthly;

(3) All bank statements and bank reconciliation records;

(4) A record of all outstandings;

(5) A record of all payments made;

(6) The names and addresses of all authorized delegates of the licensee;

(7) Any other records that the superintendent requires.

(B) For purposes of this section, a licensee may retain a document, paper, or other instrument or record by use of a process to record, copy, photograph, or store a representation of the original document, paper, or other instrument or record, if all of the following apply:

(1) The process correctly and accurately copies or reproduces, or

provides a means for correctly and accurately copying or reproducing, the original document, paper, or other instrument or record with regard to both its substance and appearance, except that the copy or reproduction need not reflect the original paper or other medium, size, or color, unless the medium, size, or color is necessary to establish the authenticity of the original.

(2) The process does not permit the recording, copy, photographic image, or stored representation of the original document, paper, or other instrument or record to be altered or manipulated.

(3) The medium the process uses to record, copy, photograph, or store a representation of an original document, paper, or other instrument or record is a durable medium for retaining and reproducing records.

(C) A licensee may maintain its records described in division (A) of this section at a location other than within this state, so long as the licensee makes its records accessible to the superintendent on seven business days written notice.

(D) No licensee shall fail to comply with this section.

Sec. 1315.10. (A) Subject to division (F) of this section, no person, alone or acting in concert with other persons, shall, directly or indirectly, acquire control of a licensee without the prior approval of the superintendent of financial institutions.

(B) A person or group of persons proposing to acquire control of a licensee shall submit an application for the superintendent's approval in the form prescribed by the superintendent.

(C)(1) The superintendent may grant confidential treatment for information in or related to an application described in division (B) of this section, if confidential treatment is requested by the applicant in compliance with division (C)(2) of this section and any of the following applies:

(a) The information is of a commercial or financial nature, disclosure of which likely would result in substantial harm to the competitive position of the applicant or its affiliates or to any party to the transaction or its affiliates.

(b) The information is of a personal, medical, financial, or similar nature, disclosure of which would result in a clearly unwarranted invasion of personal privacy.

(c) The information is contained in, related to, or derived from examinations, operating or condition reports, agreements, orders, or actions prepared by, on behalf of, or for the use of a governmental agency or authority.

(d) The information has been filed with a governmental agency or authority and has not been approved for disclosure by that agency or authority.

(e) The information specifically is excepted from disclosure by statute.

(2)(a) An applicant requesting confidential treatment under division (C) of this section shall do so in writing at the time the application containing the information, or additional information related to an application, is submitted.

(b) The request described in division (C)(2)(a) of this section separately shall address each item of information for which confidential treatment is requested, explaining the applicability of the asserted justification for confidential treatment and either specifically demonstrating the harm that would result from public disclosure of the item of information or setting forth the reason that the applicant cannot authorize public disclosure of the item of information.

(c) The applicant separately shall bind and identify all items of information for which confidential treatment is requested under division (C) of this section and make specific reference to those items in the remainder of the application or additional information related to the application.

(3)(a) The superintendent shall review a request for confidential treatment under division (C) of this section and provide the applicant with written notice of the superintendent's decision on granting confidential treatment for each item of information for which it is requested.

(b) If the superintendent's decision provided pursuant to division (C)(3)(a) of this section is not to grant confidential treatment to an item of information, the applicant may withdraw the item of information by written notice within ten days after the applicant's receipt of the superintendent's decision. If the applicant fails to withdraw the item of information within the ten-day period, the applicant is deemed to have waived the right to withdraw, and the item of information is deemed a part of the application available to the public.

(4)(a) An item of information submitted with a request for confidential treatment under division (C) of this section is not deemed filed with the superintendent until the superintendent grants confidential treatment, or the applicant is deemed to have waived the right to withdraw the item of information.

(b) Until the item of information submitted with a request for confidential treatment is filed in accordance with division (C)(4)(a) of this section, no person shall copy or inspect the item of information or anything derived from the item of information, except as is necessary to assist the superintendent in deciding whether to grant confidential treatment to the item of information in accordance with division (C) of this section.

(5) When an item of information is filed following the superintendent's

decision to grant it confidential treatment pursuant to division (C)(3)(a) of this section, the item of information is not a public record as defined in section 149.43 of the Revised Code and only the superintendent shall use it in connection with the performance of the duties and exercise of the powers of the superintendent. Without prior notice to the applicant, the superintendent may disclose or comment on any of the contents of the application in an order, statement, or opinion issued by the superintendent in connection with a decision on the application.

(D)(1) If the superintendent requests, the applicant shall bear the expense of the examination conducted in accordance with section 1315.101 of the Revised Code, and upon the superintendent's request, shall advance to the superintendent the superintendent's estimate of the cost of the examination, with any unconsumed portion to be returned to the applicant.

(2) If the superintendent requests payment pursuant to division (D)(1) of this section, the applicant shall pay the cost of its examination described in section 1315.101 of the Revised Code, or any balance of the cost of its examination in the case of an applicant that advanced the estimated cost of its examination, within fourteen days after receiving an invoice for payment.

(E) The superintendent may do either of the following:

(1) Deny an application described in division (B) of this section prior to the superintendent's acceptance of the application for processing, on the basis that the applicant failed to include all of the items and address all of the issues required for the application, if both of the following apply:

(a) The superintendent advised the person that the application was incomplete.

(b) After being advised by the superintendent pursuant to division (E)(1)(a) of this section that the application was incomplete, the person, within a reasonable period of time, did not complete the application.

(2) Deny an application described in division (B) of this section on the basis that the applicant failed to provide the information necessary for the superintendent to consider the application adequately after the superintendent's acceptance of the application for processing, if both of the following apply:

(a) After beginning to process the application, the superintendent determined and advised the applicant that additional information was necessary to consider the application adequately.

(b) After being advised by the superintendent pursuant to division (E)(2)(a) of this section that additional information was necessary to consider the application adequately, the applicant, within a reasonable period of time, did not provide that information.



(F)(1) Division (A) of this section requiring prior approval to obtain control, directly or indirectly, of a licensee does not apply to any of the following persons, but these persons shall notify the superintendent of a change of control:

(a) A person that acts as a proxy for the sole purpose of voting at a designated meeting of the shareholders or holders of voting interests of a licensee or person in control of a licensee;

(b) A person that acquires control of a licensee by devise or descent;

(c) A person that acquires control as a personal representative, custodian, guardian, conservator, or trustee, or as an officer appointed by a court of competent jurisdiction or by operation of law;

(d) A person that the superintendent by rule or order determines is not subject to division (A) of this section based on the public interest.

(2) Division (A) of this section does not apply to public offerings of securities.

(3) Before filing an application described in division (A) of this section, a person may request in writing a determination from the superintendent of whether the person would be considered a person in control of a licensee upon consummation of a proposed transaction. If the superintendent determines that the person would not be a person in control of a licensee, the person and the proposed transaction are not subject to the requirements of division (A) of this section.

(G) No person shall fail to comply with this section.

Sec. 1315.101. (A) After accepting an application to acquire control of a licensee described in section 1315.10 of the Revised Code, the superintendent of financial institutions shall examine all of the facts and circumstances relating to the application.

(B) The superintendent shall approve the application described in division (A) of this section if the superintendent determines both of the following:

(1) The competence, experience, and character of the applicant or applicants seeking to acquire control of a licensee and the applicant's or applicants' general fitness to operate the licensee or person in control of the licensee in a lawful and proper manner are acceptable.

(2) The interests of the public are not jeopardized by the change of control.

Sec. 1315.11. (A) A licensee that chooses to conduct money transmission activities in this state through an authorized delegate shall execute an express written contract with the authorized delegate that, at a minimum, sets forth all of the following:

(1) The duties and responsibilities of the authorized delegate regarding money or its equivalent received from persons located in this state for transmission by the licensee;

(2) The duties and responsibilities of the authorized delegate regarding instruments, devices, or processes used by the licensee to transmit money;

(3) The duties and responsibilities of the authorized delegate with regard to compliance with laws regulating money transmission activities.

(B) A licensee shall monitor the activities of its authorized delegate with regard to money or its equivalent received from persons in this state for transmission by the licensee and for compliance with all of the following:

(1) The written contract between the licensee and the authorized delegate;

(2) Sections 1315.01 to 1315.18 of the Revised Code;

(3) Other laws applicable to the business of transmitting money.

(C) As part of the examination of a licensee authorized by section 1315.12 of the Revised Code, the superintendent of financial institutions may examine the books and records and policies and procedures of the licensee's authorized delegate.

(D)(1) An authorized delegate or other person that receives money or its equivalent for transmission by a licensee shall keep it separate and shall not commingle it with other money or receipts. All money or its equivalent, less fees, that is received by an authorized delegate or by any other person for transmission by a licensee, from the time received until remitted to the licensee, shall constitute funds owned by and belonging to the licensee and shall be impressed with a trust for the benefit of the person from which the money or its equivalent is received.

(2) If an authorized delegate or other person fails to comply with division (D)(1) of this section and commingles any money or its equivalent received for transmission by a licensee with any other funds or property owned or controlled by the authorized delegate or other person, all commingled proceeds and other property shall be impressed with a trust in favor of the licensee in an amount equal to the amount due the licensee.

(E) No licensee shall fail to comply with division (A) or (B) of this section, and no authorized delegate or other person that receives money or its equivalent for transmission by a licensee shall fail to comply with division (D) of this section.

Sec. 1315.12. (A) As often as the superintendent of financial institutions considers necessary, the superintendent, or any deputy or examiner appointed or any contractor engaged by the superintendent for that purpose, thoroughly shall examine the records and affairs of each licensee. The

examination shall include a review of all of the following:

- (1) Compliance with law;
- (2) Safety and soundness;
- (3) Other matters that the superintendent determines.

(B) The superintendent may conduct all aspects of an examination described in division (A) of this section concurrently or may divide the examination into constituent parts and conduct them at various times.

(C)(1) The licensee shall bear the expense of the examination. If the superintendent requests, the licensee shall advance to the superintendent the superintendent's estimate of the cost of the examination, with any unconsumed portion to be returned to the licensee.

(2) A licensee shall pay the cost of its examination conducted pursuant to this section, or any balance of the cost of its examination in the case of a licensee that advanced the estimated cost of its examination, within fourteen days of receiving an invoice for payment.

(D) The superintendent shall preserve the report of each examination conducted pursuant to this section, including related correspondence received and copies of related correspondence sent, for twenty years after the examination date.

Sec. 1315.121. (A) In administering sections 1315.01 to 1315.18 of the Revised Code and fulfilling the duties imposed by those sections, including the duty imposed by section 1315.12 of the Revised Code, the superintendent of financial institutions may do any of the following:

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

(a) Programs for alternate examinations of the records and affairs of licensees and other money transmitters over which they have concurrent jurisdiction;

(b) Joint or concurrent examinations of the records and affairs of licensees and other money transmitters over which they have concurrent jurisdiction;

(c) Coordinated examinations of the records and affairs of licensees and other money transmitters over which they have collective jurisdiction.

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

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

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

(a) Pursuant to agreement and applicable law, the superintendent may receive and use the information leading to, arising from, or obtained in the course of the other regulatory authorities' examinations in administering sections 1315.01 to 1315.18 of the Revised Code and acting under the authority of those sections;

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

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

(a) Pursuant to applicable law, information leading to, arising from, or obtained in the course of examinations the other regulatory authorities conduct is protected from general disclosure and may only be disclosed for purposes similar to those provided in section 1315.122 of the Revised Code, which are principally regulatory in nature, for disclosure of information leading to, arising from, or obtained in the course of examinations conducted by the division;

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

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

(6) Implement other cooperative arrangements with financial institution regulatory authorities of this and other states, the United States, and other

countries consistent with safety and soundness.

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

(1) Failure of the superintendent or division to properly administer sections 1315.01 to 1315.18 of the Revised Code or fulfill the duties imposed by those sections;

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

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

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

Sec. 1315.122. (A) Information leading to, arising from, or obtained in the course of the examination of a licensee or other person conducted pursuant to the authority of sections 1315.01 to 1315.18 of the Revised Code is privileged and confidential. No person, including any person to whom the information is disclosed under the authority of this section, shall disclose information leading to, arising from, or obtained in the course of an examination, except as specifically provided in this section.

(B) The superintendent of financial institutions and the superintendent's agents and employees may disclose information leading to, arising from, or obtained in the course of an examination conducted pursuant to section 1315.12 or 1315.121 of the Revised Code as follows:

(1) To the governor, director of commerce, or deputy director of commerce to enable them to act in the interests of the public;

(2) To the banking commission, created pursuant to section 1123.01 of the Revised Code, to enable the commission to effectively advise the

superintendent and take action on any matter the superintendent presents to the commission;

(3) To financial institution regulatory authorities of this and other states, the United States, and other countries to assist them in their regulatory duties;

(4) To the directors, officers, agents, and parent company of the licensee or other money transmitter examined to assist them in conducting the business of the licensee or other money transmitter examined in a safe and sound manner and in compliance with the law;

(5) To law enforcement authorities conducting criminal investigations.

(C) Information leading to, arising from, or obtained in the course of an examination of a licensee or other person pursuant to sections 1315.01 to 1315.18 of the Revised Code shall not be discoverable from any source. The information shall not be introduced into evidence, except in the following circumstances:

(1) In connection with criminal proceedings;

(2) When, in the opinion of the superintendent, it is appropriate with regard to enforcement actions taken and decisions made by the superintendent under the authority of sections 1315.01 to 1315.18 of the Revised Code regarding a licensee or other person;

(3) When litigation has been initiated by the superintendent in furtherance of the powers, duties, and obligations imposed upon the superintendent by sections 1315.01 to 1315.18 of the Revised Code;

(4) When authorized by agreements between the superintendent and financial institution regulatory authorities of this and other states, the United States, and other countries authorized by section 1315.121 of the Revised Code;

(5) When and in the manner authorized in section 1181.25 of the Revised Code.

(D) A report of an examination conducted pursuant to section 1315.12 or 1315.121 of the Revised Code is the property of the division of financial institutions. Under no circumstances may the licensee or other money transmitter examined, its directors, officers, employees, agents, regulated persons, or contractors, or any person having knowledge or possession of a report of examination, or any of its contents, disclose or make public in any manner the report of examination or its contents. The authority provided in division (B)(4) of this section for use of examination information to assist in conducting the business of the licensee or other money transmitter examined in a safe and sound manner and in compliance with law shall not be construed to authorize disclosure of a report of examination or any of its

contents in conducting business with the examined licensee's or other money transmitter's customers, creditors, or shareholders, or with other persons.

(E) Whoever violates this section shall be removed from office, shall be liable, with the violator's bond in damages to the person injured by the disclosure of information, and is guilty of a felony of the fourth degree.

Sec. 1315.13. Annually, the superintendent shall establish both of the following:

(A) The application fee for an application for a license to transmit money under section 1315.03 of the Revised Code;

(B) An annual fee described in division (E) of section 1315.04 of the Revised Code for each licensee to carry on the business of a money transmitter. When establishing the annual fee for each licensee, the superintendent may consider the number of offices and authorized delegates the licensee has and the volume of business the licensee does in this state.

Sec. 1315.14. The superintendent of financial institutions may adopt rules that, in the superintendent's judgment, are necessary or appropriate to carry out the purposes of sections 1315.01 to 1315.18 of the Revised Code.

Sec. 1315.15. (A) The superintendent of financial institutions may issue and serve a notice of charges and intent to issue a cease and desist order upon a licensee or other person if, in the opinion of the superintendent, either of the following applies to the licensee or other person:

(1) The licensee or other person is engaging, has engaged, or, the superintendent has reasonable cause to believe, is about to engage in an unsafe or unsound practice in conducting the business of transmitting money.

(2) The licensee or other person is violating, has violated, or, the superintendent has reasonable cause to believe, is about to violate any of the following:

(a) A law or rule;

(b) A condition imposed in writing by the superintendent in connection with granting an application or other request by the licensee or other person;

(c) A written agreement entered into with the superintendent.

(B) The notice of charges and intent to issue a cease and desist order described in division (A) of this section shall include all of the following:

(1) A statement of the violation or violations or unsafe or unsound practice or practices alleged;

(2) A statement of the facts constituting the violation or violations or unsafe or unsound practice or practices alleged;

(3) Notice that the licensee or other person is entitled to a hearing, in accordance with section 1315.17 of the Revised Code, to determine whether

a cease and desist order should be issued against the licensee or other person, if the licensee or other person requests the hearing within thirty days of service of the notice;

(4) Notice that, if the licensee or other person makes a timely request for a hearing, the licensee or other person may appear at the hearing in person or by attorney or by presenting positions, arguments, and contentions in writing, and at the hearing may present evidence and examine witnesses for and against the licensee or other person.

(5) Notice that failure of the licensee or other person to make a timely request for a hearing to determine whether a cease and desist order should be issued or to appear at the hearing, in person, by attorney, or by writing, is consent by the licensee or other person to the issuance of the cease and desist order.

(C) The superintendent may issue a cease and desist order against the licensee or other person if any of the following applies:

(1) The licensee or other person consents to the issuance of the cease and desist order.

(2) Upon the record of the hearing described in division (B) of this section, the superintendent finds that a violation or unsafe or unsound practice has been established.

(3) The superintendent determines that the licensee's or other person's books and records are too incomplete or inaccurate to permit the superintendent, through the normal supervisory process, to determine the financial condition of the licensee or other person or the details or purpose of one or more transactions that may have a material effect on the financial condition of the licensee or other person.

(4) The superintendent finds that the violation or unsafe or unsound practice alleged in division (B) of this section is likely, prior to completion of the hearing described in that division, to cause any of the following:

(a) The licensee's or other person's insolvency;

(b) Significant dissipation of the licensee's or other person's earnings or assets;

(c) Weakening of the licensee's or other person's condition or other prejudice to the interests of the licensee's or other person's customers.

(D) A cease and desist order may require the licensee or other person to cease and desist from each violation or unsafe or unsound practice, to correct or remedy the conditions resulting from each violation or unsafe or unsound practice, and to take affirmative action, including any of the following:

(1) Make restitution or provide reimbursement, indemnification, or



guarantee against loss, if either of the following applies:

(a) The licensee or other person was or will be unjustly enriched in connection with the violation or practice.

(b) The violation or practice involved a reckless disregard for the law or any applicable rule or prior order of the superintendent.

(2) Restrict the licensee's or other person's growth;

(3) Dispose of any loan or asset involved;

(4) Rescind agreements or contracts;

(5) Employ qualified officers or employees, who may be subject to approval by the superintendent;

(6) Take any other action that the superintendent determines appropriate.

(E) A cease and desist order issued by the superintendent pursuant to division (C) of this section is effective at the time specified in the order, which shall be as follows:

(1) In the case of a cease and desist order issued pursuant to division (C)(2) of this section, not less than thirty days after service of the order upon the licensee or other person;

(2) In the case of a cease and desist order issued pursuant to division (C)(1), (3), or (4) of this section, immediately upon service of the order on the licensee or other person.

(F) A cease and desist order shall remain effective and enforceable as provided in the order except to the extent it is stayed, modified, terminated, or set aside by action of the superintendent or a reviewing court. If, upon the record of a hearing, the superintendent determines not to issue a cease and desist order, any cease and desist order issued pursuant to division (C)(3) or (4) of this section is terminated.

(G) Within ten days after being served a cease and desist order issued pursuant to division (C)(3) or (4) of this section, a licensee or other person may apply to the court of common pleas of the county in which the principal place of business of the licensee or other person is located, or to the court of common pleas of Franklin county, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of the cease and desist order pending completion of the hearing to determine whether a cease and desist order should be issued against the licensee or other person pursuant to division (C)(2) of this section, and the court has jurisdiction to issue the injunction.

Sec. 1315.151. (A) The superintendent of financial institutions may issue and serve a notice of charges and intent to suspend or revoke a licensee's license, if the superintendent finds that any of the following

applies:

(1) Any fact or condition exists that, if it had existed at the time when the licensee applied for its license, would have been grounds for denying the application.

(2) The licensee's net worth becomes inadequate and the licensee, after ten days' written notice from the superintendent, fails to take steps that the superintendent considers necessary to remedy the deficiency.

(3) The licensee knowingly violates any material provision of sections 1315.01 to 1315.18 of the Revised Code or any rule or order adopted by the superintendent.

(4) The licensee is conducting its business in an unsafe or unsound manner.

(5) The licensee is insolvent.

(6) The licensee has suspended payment of its obligations, has made an assignment for the benefit of its creditors, or has admitted in writing its inability to pay its debts as they become due.

(7) The licensee has applied for an adjudication of bankruptcy, reorganization, arrangement, or other relief relating to bankruptcy.

(8) The licensee refuses to permit the superintendent to make any examination authorized by sections 1315.01 to 1315.18 of the Revised Code.

(9) The licensee willfully fails to make any report required by sections 1315.01 to 1315.18 of the Revised Code.

(10) The competence, experience, character, or general fitness of the licensee indicates that it is not in the public interest to permit the licensee to continue to transmit money in this state.

(B) The notice of charges and intent to suspend or revoke a license described in division (A) of this section shall include all of the following:

(1) A statement of the grounds alleged;

(2) A statement of the facts constituting the grounds alleged;

(3) Notice that the licensee is entitled to a hearing, in accordance with section 1315.17 of the Revised Code, to determine whether a license should be suspended or revoked, if the licensee requests the hearing within thirty days of service of the notice;

(4) Notice that, if the licensee makes a timely request for a hearing, the licensee may appear at the hearing in person or by attorney or by presenting positions, arguments, and contentions in writing, and at the hearing may present evidence and examine witnesses for and against the licensee.

(5) Notice that failure of the licensee to make a timely request for a hearing to determine whether the license should be suspended or revoked or

to appear at the hearing, in person, by attorney, or by writing, is consent by the licensee to the suspension or revocation of the license.

(C) The superintendent may order a license suspended or revoked, if any of the following applies:

(1) The licensee consents to the suspension or revocation.

(2) Upon the record of the hearing described in division (B) of this section, the superintendent finds that one or more grounds alleged pursuant to that division have been established.

(3) The superintendent determines that the licensee's books and records are too incomplete or inaccurate to permit the superintendent, through the normal supervisory process, to determine the financial condition of the licensee or the details or purpose of one or more transactions that may have a material effect on the financial condition of the licensee.

(4) The superintendent finds that one or more of the grounds alleged pursuant to division (B) of this section are likely, prior to completion of the hearing described in that division, to cause any of the following:

(a) The licensee's insolvency;

(b) Significant dissipation of the licensee's earnings or assets;

(c) Weakening of the licensee's condition or other prejudice to the interests of the licensee's customers.

(D) A suspension or revocation of a license order issued by the superintendent pursuant to division (C) of this section is effective at the time specified in the order, which shall be as follows:

(1) In the case of a suspension or revocation order issued pursuant to division (C)(2) of this section, not less than thirty days after service of the order upon the licensee;

(2) In the case of a suspension or revocation order issued pursuant to division (C)(1), (3), or (4) of this section, immediately upon service of the order on the licensee.

(E) A suspension or revocation of a license order shall remain effective and enforceable as provided in the order except to the extent it is stayed, modified, terminated, or set aside by action of the superintendent or a reviewing court. If, upon the record of a hearing, the superintendent determines not to suspend or revoke a license, any suspension or revocation order issued pursuant to division (C)(3) or (4) of this section is terminated.

(F) Within ten days after being served a suspension or revocation of a license order issued pursuant to division (C)(3) or (4) of this section, a licensee may apply to the court of common pleas of the county in which the principal place of business of the licensee is located, or to the court of common pleas of Franklin county, for an injunction setting aside, limiting,

or suspending the enforcement, operation, or effectiveness of the suspension or revocation order pending completion of the hearing to determine whether a suspension or revocation order should be issued against the licensee pursuant to division (C)(2) of this section, and the court has jurisdiction to issue the injunction.

Sec. 1315.152. (A) The superintendent of financial institutions may assess civil penalties against a licensee or other person for each day a violation, unsafe or unsound practice, or breach continues as follows:

(1) The superintendent may assess a civil penalty of not more than five hundred dollars per day if the licensee or other person violates any of the following:

(a) Any law or rule;

(b) Any order issued pursuant to section 1315.15 or 1315.151 of the Revised Code;

(c) Any condition imposed in writing by the superintendent in connection with granting any application by the licensee or other person;

(d) A written agreement between the licensee or other person and the superintendent.

(2) The superintendent may assess a civil penalty of not more than one thousand dollars per day if both of the following apply:

(a) The licensee or other person does any of the following:

(i) Commits any violation listed in division (A)(1) of this section;

(ii) Recklessly engages in an unsafe or unsound practice;

(iii) Breaches any fiduciary duty.

(b) The violation, unsafe or unsound practice, or breach is part of a pattern of misconduct or causes or is likely to cause more than a minimal loss to the licensee or other person.

(B) A notice of assessment of a civil penalty shall include all of the following:

(1) A statement of the violation or violations or unsafe or unsound practice or practices or breach or breaches alleged;

(2) A statement of the facts supporting the assessment of the civil penalty;

(3) Notice that the licensee or other person is entitled to a hearing, in accordance with section 1315.17 of the Revised Code to determine whether a civil penalty should be assessed against the licensee or other person, if the licensee or other person requests the hearing within thirty days of service of the notice of assessment of a civil penalty;

(4) Notice that, if the licensee or other person makes a timely request for a hearing, the licensee or other person may appear at the hearing in person.

by attorney, or by presenting positions, arguments, and contentions in writing, and at the hearing may present evidence and examine witnesses for and against the licensee or other person;

(5) Notice that failure of the licensee or other person to make a timely request for a hearing to determine whether a civil penalty should be assessed against the licensee or other person, or to appear at the hearing, in person, by attorney, or by writing, is consent by the licensee or other person to the assessment of the civil penalty.

(C) The superintendent may assess a civil penalty if either of the following applies:

(1) The licensee or other person consents to the assessment of the civil penalty.

(2) Upon the record of the hearing described in division (B) of this section the superintendent finds a violation, unsafe or unsound practice, or breach has been established.

(D) In determining the amount of the civil penalty to be assessed pursuant to this section, the superintendent shall consider all of the following:

(1) The seriousness of and the risk posed by the violation, unsafe or unsound practice, or breach;

(2) The licensee's or other person's good faith efforts to prevent the violation, unsafe or unsound practice, or breach;

(3) The licensee's or other person's history regarding violations, unsafe or unsound practices, and breaches;

(4) The licensee's or other person's financial resources;

(5) Any other matters justice may require.

(E) Any licensee's or other person assessed a civil penalty pursuant to this section shall pay the civil penalty to the superintendent, and the superintendent shall deposit any civil penalty paid into the state treasury to the credit of the general revenue fund.

Sec. 1315.153. If the superintendent of financial institutions has reason to believe that a person has violated or is violating section 1315.02 of the Revised Code, the superintendent may petition the court of common pleas of the county where the person's principal place of business or residence is located or, if the person's principal place of business or residence is not in this state, the court of common pleas of Franklin county for the issuance of a temporary restraining order or an injunction.

Sec. 1315.16. (A) The superintendent of financial institutions may do both of the following:

(1) Summon and compel, by order or subpoena, witnesses to appear

before the superintendent, deputy superintendent, examiner, or attorney examiner, and testify under oath regarding the affairs of a licensee or other person;

(2) Compel, by order or subpoena, the production of any record, book, paper, document, item, or other thing pertaining to a licensee or other person.

(B) The superintendent shall serve an order or subpoena issued pursuant to division (A) of this section in any manner provided by section 1315.161 of the Revised Code.

(C) If a person fails to comply with an order or subpoena of the superintendent or refuses to testify to any matter regarding which the person is lawfully interrogated before the superintendent, on application of the superintendent, the court of common pleas of the county in which the person resides or in which the principal place of business of the person is located, or a judge of the court, shall compel compliance by attachment proceedings as for contempt in the case of noncompliance with a subpoena issued from the court or refusal to testify in the court.

Sec. 1315.161. (A) The superintendent of financial institutions may serve any notice that the superintendent is required or authorized to give and any subpoena or order that the superintendent is required or authorized to issue pursuant to sections 1315.01 to 1315.18 of the Revised Code, at the sole discretion of the superintendent, by any of the following means:

(1) In person by the superintendent or an employee or agent of the division of financial institutions;

(2) By regular mail;

(3) By registered or certified mail;

(4) By private carrier;

(5) By any other means permitted by the Rules of Civil Procedure for service of process;

(6) By any other manner the superintendent provides, by rule or otherwise, that is reasonably calculated to give notice, including by publication.

(B) A notice, subpoena, or order served by the superintendent in accordance with this section is effective upon delivery with respect to divisions (A)(1) and (4) of this section, upon placing in the regular mail with respect to divisions (A)(2) and (3) of this section, and upon publication or completion of the act reasonably calculated to give notice with respect to division (A)(6) of this section.

(C) Fees for service of a notice, subpoena, or order described in division (A) of this section shall be paid from amounts appropriated to the division of

financial institutions for that purpose.

Sec. 1315.17. (A)(1) Upon a licensee's or other person's request for an administrative hearing authorized in section 1315.15, 1315.151, or 1315.152 of the Revised Code, the division of financial institutions shall set a reasonable time, date, and place in this state for the hearing and notify the licensee or other person requesting the hearing. Within ninety days after the hearing, the superintendent of financial institutions shall render a decision, which shall include findings of fact upon which the decision is predicated, and shall issue and serve on the licensee or other person the decision and an order consistent with the decision. Judicial review of the order exclusively is as provided in division (B) of this section. Unless a notice of appeal is filed within thirty days after service of the superintendent's order as provided in division (B) of this section, and until the record of the administrative hearing has been filed, the superintendent may, at anytime, upon the notice and in the manner that the superintendent considers proper, modify, terminate, or set aside the superintendent's order. After filing the record, the superintendent may modify, terminate, or set aside the superintendent's order with permission of the court.

(2) In the course of, or in connection with, an administrative hearing governed by this section, the superintendent, or a person designated by the superintendent to conduct the hearing, may administer oaths and affirmations; take or cause depositions to be taken; and issue, revoke, quash, or modify subpoenas and subpoenas duces tecum. The superintendent may adopt rules regarding these hearings. The attendance of witnesses and the production of documents provided for in this section may be required from any place within or outside the state. A party to a hearing governed by this section may apply to the court of common pleas of Franklin county, or the court of common pleas of the county in which the hearing is being conducted or the witness resides or carries on business, for enforcement of a subpoena or subpoena duces tecum issued pursuant to this section, and the courts have jurisdiction and power to order and require compliance with the subpoena. Witnesses subpoenaed under this section shall be paid the same fees and mileage that are paid witnesses in the courts of common pleas in civil cases.

(B)(1) A licensee or other person against whom the superintendent issues an order upon the record of a hearing under the authority of section 1315.15, 1315.151, or 1315.152 of the Revised Code may obtain a review of the order by filing a notice of appeal in the court of common pleas in the county in which the principal place of business of the licensee or other person, or the residence of the other person, is located, or in the court of

common pleas of Franklin county, within thirty days after the date of service of the superintendent's order. The clerk of the court promptly shall transmit a copy of the notice of appeal to the superintendent, and the superintendent shall file the record of the administrative hearing. Upon the filing of the notice of appeal, the court has jurisdiction, which upon the filing of the record of the administrative hearing is exclusive, to affirm, modify, terminate, or set aside, in whole or in part, the superintendent's order.

(2) The commencement of proceedings for judicial review pursuant to division (B) of this section does not, unless specifically ordered by the court, operate as a stay of any order issued by the superintendent. If it appears to the court an unusual hardship to the appellant will result from the execution of the superintendent's order pending determination of the appeal, and the interests of the public will not be threatened by a stay of the order, the court may grant a stay and fix its terms.

(C) The superintendent may, in the sole discretion of the superintendent, apply to the court of common pleas of the county in which the principal place of business of the licensee or other person, or the residence of the other person, is located, or the court of common pleas of Franklin county, for the enforcement of an effective and outstanding superintendent's order issued under section 1315.15, 1315.151, or 1315.152 of the Revised Code, and the court has jurisdiction and power to order and require compliance with the superintendent's order. In an action by the superintendent pursuant to this division to enforce an order assessing a civil penalty issued under section 1315.152 of the Revised Code, the validity and appropriateness of the civil penalty is not subject to review.

(D) No court has jurisdiction to affect, by injunction or otherwise, the issuance or enforcement of an order issued under section 1315.15, 1315.151, or 1315.152 of the Revised Code or to review, modify, suspend, terminate, or set aside an order issued under section 1315.15, 1315.151, or 1315.152 of the Revised Code, except as provided in this section, in division (G) of section 1315.15 of the Revised Code for an order issued pursuant to division (C)(3) or (4) of section 1315.15 of the Revised Code, or in division (F) of section 1315.151 of the Revised Code for an order issued pursuant to division (C)(3) or (4) of section 1315.151 of the Revised Code.

(E) Nothing in this section or in any other section of the Revised Code or rules implementing this or any other section of the Revised Code shall prohibit or limit the superintendent from doing any of the following:

(1) Issuing orders pursuant to section 1315.15, 1315.151, or 1315.152 of the Revised Code;

(2) Individually or contemporaneously taking any other action provided



by law or rule with respect to a licensee or other person:

(3) Taking any action provided by law or rule, whether alone or in conjunction with another regulatory agency or authority, with respect to a licensee or other person.

Sec. 1315.18. (A) A licensee that ceases to do business in this state shall do so in accordance with a plan approved by the superintendent of financial institutions or pursuant to directions issued by the superintendent in connection with the revocation or suspension of the licensee's license pursuant to section 1315.151 of the Revised Code.

(B) When a licensee ceases to do business in this state, if the superintendent considers it necessary to protect the interests of the licensee's customers, the superintendent may do either of the following:

(1) Take control of permissible investments or other assets owned by the licensee equal in value to the licensee's outstandings in this state;

(2) Require the sale of the licensee's contracts for continuing services or require the licensee's termination of those contracts with compensation to the customers for loss of the services.

(C) No licensee shall fail to comply with this section.

Sec. 1315.21. As used in sections 1315.21 to 1315.30 of the Revised Code:

(A) "Check" means any check, draft, money order, or other instrument for the transmission or payment of money. "Check" does not include a travelers check.

(B) "Check-cashing business" means any person ~~who~~ that engages in the business of cashing checks for a fee. "Check-cashing business" does not include any of the following:

(1) A licensee as defined in section 1321.01 of the Revised Code;

(2) A registrant as defined in section 1321.51 of the Revised Code;

(3) A financial institution;

(4) A person ~~who~~ that is primarily engaged in the business of selling tangible personal property or services at retail and does not derive more than five per cent of ~~his~~ the person's gross income from the cashing of checks;

(5) A person licensed under sections 1315.01 to ~~1315.14~~ 1315.18 of the Revised Code, or any agent of that person, to the extent that the person or the agent is engaged in cashing checks or travelers checks issued by the licensed person.

(C) "Financial institution" means any bank, trust company, savings bank, savings and loan association, or credit union, ~~which~~ that is incorporated or organized under the laws of the United States or of any state thereof, or of Canada or any province thereof, and subject to regulation or

supervision by such country, state, or province.

(D) "Superintendent of financial institutions" includes the deputy superintendent for consumer finance as provided in section 1181.21 of the Revised Code.

Sec. 1315.99. (A) Whoever violates ~~section 1315.11, section 1315.17,~~ division (A) or (B) of section 1315.28, section 1315.41, or division (E)(2) of section 1315.53 of the Revised Code is guilty of a misdemeanor of the first degree.

(B) Whoever violates division (F)(1) of section 1315.53 or division (B) of section 1315.54 of the Revised Code is guilty of a felony of the fourth degree.

(C) Whoever violates division (A) of section 1315.55 of the Revised Code is guilty of money laundering. A violation of division (A)(1), (2), (3), (4), or (5) of that section is a felony of the third degree, and, in addition, the court may impose a fine of seven thousand five hundred dollars or twice the value of the property involved, whichever is greater.

(D) Whoever knowingly violates division (A) of section 1315.02, or intentionally violates division (B)(1) of section 1315.081, of the Revised Code is guilty of a felony of the fourth degree.

Sec. 1733.25. (A) A credit union may make loans or other extensions of credit to members for provident and productive purposes as authorized by law, including rules adopted by the superintendent of credit unions; the articles; and the regulations; and subject to policies adopted by the credit committee and approved by the board of directors.

(B) Upon the approval of the board of directors, a credit union may make loans or other extensions of credit to other credit unions, provided that loans or other extensions of credit made to other credit unions need not have the approval of the board of directors on a per case basis. The total of all such loans or other extensions of credit, including the aggregate of all money paid into any trust established by one or more credit unions for the purpose of making loans or other extensions of credit to other credit unions, shall not exceed twenty-five per cent of the shares and undivided earnings of the lending credit union, except that this percentage limitation does not apply to corporate credit unions.

(C) The interest on any loan or other extension of credit made by a credit union shall not exceed one and one-half per cent per month on unpaid balances. Such interest may accrue and be chargeable upon a monthly basis, and may be computed upon the unpaid balance of the loan or other extension of credit as of the end of the previous calendar month.

Such interest may be accrued and charged by any technique approved

by the superintendent so long as the effective interest rate on any loan or other extension of credit does not exceed the amount permitted to be charged by the computation authorized in this division.

(D) A credit union may accept security in such form and under rules as shall be set forth in the articles, the regulations, or established by the credit committee and approved by the board of directors.

(E)(1) The credit union shall have a lien on the membership share, shares, deposits, and accumulated dividends and interest of a member in an individual, joint, trust, or payable on death account for any obligation owed to the credit union by that member or for any loan co-signed or guaranteed by the member or account holder; provided, however, that a credit union shall not have a lien upon the funds in an individual retirement account or an account established pursuant to the Internal Revenue Code of the United States.

(2) A credit union may refuse to allow withdrawals from any share or deposit account by a member while the member has any outstanding obligation to the credit union.

(F) Notwithstanding any limitation provided in any other provision of this chapter or Chapter 1343. of the Revised Code, a credit union may enter into a loan agreement with a member in accordance with all of the following:

(1) The loan is for any amount up to one thousand dollars.

(2) The term of the loan is thirty days or less.

(3) The credit union may charge a fee in addition to any interest authorized by law in connection with the loan, which fee is not to be included in the computation of interest for any provision of the Revised Code, including division (C) of this section, that prescribes, regulates, or limits interest charged, collected, or received in connection with a transaction.

(4) The total interest, fees, and other costs of the loan does not exceed ten per cent of the principal amount.

(5) A member shall not have more than one loan under division (F) of this section outstanding at any one time with the credit union.

(6) The loan is not being made to a member for purposes of retiring an existing loan between the credit union and that member, which existing loan was made pursuant to division (F) of this section.

(G)(1) Subject to division (G)(2) of this section and any restrictions or requirements established by the superintendent, in connection with any loan or extension of credit, a credit union may enter into a debt suspension agreement or debt cancellation contract with the borrower or borrowers.

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

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

Sec. 3953.30. (A) As used in this section:

(1) "Residential mortgage loan" means an obligation to pay a sum of money evidenced by a note and secured by a lien upon real property located within this state containing two or fewer residential units or on which two or fewer residential units are to be constructed and includes such an obligation on a residential condominium or cooperative unit.

(2) "Residential mortgage lender" means any person, including, but not limited to, banks, savings and loan associations, mortgage brokers, credit unions, or savings banks, that lends money or extends or grants credit and obtains a residential mortgage to assure payment of the debt.

(B) A title insurance agent issuing a lender's title insurance policy in conjunction with a residential mortgage loan made simultaneously with the purchase of all or part of the real property securing the loan, where no owner's title insurance policy has been requested, shall give written notice, on a form prescribed or approved by the superintendent of insurance, to the mortgagor at the time the commitment is prepared. The notice shall explain that a lender's title insurance policy is to be issued protecting the residential mortgage lender, and that the policy does not provide title insurance protection to the mortgagor as the owner of the property being purchased. The notice shall explain what an owner's title insurance policy insures against and what possible exposures exist for the mortgagor that could be insured against through the purchase of an owner's title insurance policy. The notice shall state that the mortgagor may obtain an owner's title insurance policy protecting the mortgagor as the owner of the property, either at a specified cost or at an approximate cost if the proposed coverages or amount of insurance is not then known. The title insurance agent shall maintain a copy of the notice, signed by the mortgagor, ~~in the relevant underwriting file~~ for at least ten years after the effective date of the lender's title insurance policy.

Sec. 3953.32. (A) At the time ~~of close~~ an order is placed with a title insurance company for issuance of a title insurance policy, the title insurance company or the title insurance agent shall offer closing or

settlement protection to the lender, borrower, and seller of the property, and to any applicant for title insurance.

(B) The closing or settlement protection offered pursuant to this section shall indemnify any lender, borrower, seller, and applicant that has requested the protection, both individually and collectively, against the loss of settlement funds resulting from any of the following acts of the title insurance company's named title insurance agent or anyone acting on the agent's behalf:

(1) Theft, misappropriation, fraud, or any other failure to properly disburse settlement, closing, or escrow funds;

(2) Failure to comply with any applicable written closing instructions, when agreed to by the title insurance agent.

(C) The issuance of closing or settlement protection by a title insurance company pursuant to division (A) of this section is part of the business of title insurance for purposes of Chapter 3953. of the Revised Code.

(D) Except as provided in division (A) of this section, a title insurance company shall not offer or issue any coverage purporting to indemnify against a person's improper acts or omissions in connection with escrow, settlement, or closing services.

(E) The superintendent of insurance may adopt rules in accordance with Chapter 119. of the Revised Code as the superintendent considers necessary to carry out the purposes of this section, including, but not limited to, rules that detail the specific language that must be included in the written document offering closing or settlement protection as provided for in division (A) of this section.

Sec. 3953.33. (A) Every title insurance agent or agency that handles escrow, settlement, closing, or security deposit accounts shall have an annual independent review made of its escrow, settlement, closing, and security deposit accounts on a ~~calendar-year~~ fiscal-year basis within ninety days after the close of the previous fiscal year. The title insurance agent or agency shall provide proof of the annual review to each title insurance company that it represents. The superintendent of insurance shall promulgate rules under Chapter 119. of the Revised Code setting forth the minimum threshold level at which a review is required, the standards of the review, the minimum qualifications of the independent party conducting the review, and the form of the report that is required. The superintendent may also require title insurance agents or agencies to provide a copy of their annual review reports to the superintendent. The annual review required by this division does not apply to interest on lawyer's trust accounts established and maintained by an attorney pursuant to sections 4705.09 and 4705.10 of

the Revised Code.

(B) Title insurance agents and agencies shall allow the superintendent and each and every title insurer that they represent reasonable access to all of their escrow, settlement, closing, and security deposit accounts and any and all supporting account information in order to ascertain the safety and security of the funds held by the title insurance agent or agency.

(C) Title insurance agents and agencies shall maintain sufficient records of their affairs, including their escrow operations and escrow trust accounts, so that the superintendent may adequately ensure that the title insurance agent or agency is in compliance of this chapter. Records kept pursuant to this section shall be kept for a period of not less than ten years following the transactions to which the records relate. The superintendent may prescribe the specific records and documents to be kept.

Sec. 4719.01. (A) As used in sections 4719.01 to 4719.18 of the Revised Code:

(1) "Affiliate" means a business entity that is owned by, operated by, controlled by, or under common control with another business entity.

(2) "Communication" means a written or oral notification or advertisement that meets both of the following criteria, as applicable:

(a) The notification or advertisement is transmitted by or on behalf of the seller of goods or services and by or through any printed, audio, video, cinematic, telephonic, or electronic means.

(b) In the case of a notification or advertisement other than by telephone, either of the following conditions is met:

(i) The notification or advertisement is followed by a telephone call from a telephone solicitor or salesperson.

(ii) The notification or advertisement invites a response by telephone, and, during the course of that response, a telephone solicitor or salesperson attempts to make or makes a sale of goods or services. As used in division (A)(2)(b)(ii) of this section, "invites a response by telephone" excludes the mere listing or inclusion of a telephone number in a notification or advertisement.

(3) "Gift, award, or prize" means anything of value that is offered or purportedly offered, or given or purportedly given by chance, at no cost to the receiver and with no obligation to purchase goods or services. As used in this division, "chance" includes a situation in which a person is guaranteed to receive an item and, at the time of the offer or purported offer, the telephone solicitor does not identify the specific item that the person will receive.

(4) "Goods or services" means any real property or any tangible or

intangible personal property, or services of any kind provided or offered to a person. "Goods or services" includes, but is not limited to, advertising; labor performed for the benefit of a person; personal property intended to be attached to or installed in any real property, regardless of whether it is so attached or installed; timeshare estates or licenses; and extended service contracts.

(5) "Purchaser" means a person that is solicited to become or does become financially obligated as a result of a telephone solicitation.

(6) "Salesperson" means an individual who is employed, appointed, or authorized by a telephone solicitor to make telephone solicitations but does not mean any of the following:

(a) An individual who comes within one of the exemptions in division (B) of this section;

(b) An individual employed, appointed, or authorized by a person who comes within one of the exemptions in division (B) of this section;

(c) An individual under a written contract with a person who comes within one of the exemptions in division (B) of this section, if liability for all transactions with purchasers is assumed by the person so exempted.

(7) "Telephone solicitation" means a communication to a person that meets both of the following criteria:

(a) The communication is initiated by or on behalf of a telephone solicitor or by a salesperson.

(b) The communication either represents a price or the quality or availability of goods or services or is used to induce the person to purchase goods or services, including, but not limited to, inducement through the offering of a gift, award, or prize.

(8) "Telephone solicitor" means a person that engages in telephone solicitation directly or through one or more salespersons either from a location in this state, or from a location outside this state to persons in this state. "Telephone solicitor" includes, but is not limited to, any such person that is an owner, operator, officer, or director of, partner in, or other individual engaged in the management activities of, a business.

(B) A telephone solicitor is exempt from the provisions of sections 4719.02 to 4719.18 and section 4719.99 of the Revised Code if the telephone solicitor is any one of the following:

(1) A person engaging in a telephone solicitation that is a one-time or infrequent transaction not done in the course of a pattern of repeated transactions of a like nature;

(2) A person engaged in telephone solicitation solely for religious or political purposes; a charitable organization, fund-raising counsel, or

professional solicitor in compliance with the registration and reporting requirements of Chapter 1716. of the Revised Code; or any person or other entity exempt under section 1716.03 of the Revised Code from filing a registration statement under section 1716.02 of the Revised Code;

(3) A person, making a telephone solicitation involving a home solicitation sale as defined in section 1345.21 of the Revised Code, that makes the sales presentation and completes the sale at a later, face-to-face meeting between the seller and the purchaser rather than during the telephone solicitation. However, if the person, following the telephone solicitation, causes another person to collect the payment of any money, this exemption does not apply.

(4) A licensed securities, commodities, or investment broker, dealer, investment advisor, or associated person when making a telephone solicitation within the scope of the person's license. As used in division (B)(4) of this section, "licensed securities, commodities, or investment broker, dealer, investment advisor, or associated person" means a person subject to licensure or registration as such by the securities and exchange commission; the National Association of Securities Dealers or other self-regulatory organization, as defined by 15 U.S.C.A. 78c; by the division of securities under Chapter 1707. of the Revised Code; or by an official or agency of any other state of the United States.

(5)(a) A person primarily engaged in soliciting the sale of a newspaper of general circulation;

(b) As used in division (B)(5)(a) of this section, "newspaper of general circulation" includes, but is not limited to, both of the following:

(i) A newspaper that is a daily law journal designated as an official publisher of court calendars pursuant to section 2701.09 of the Revised Code;

(ii) A newspaper or publication that has at least twenty-five per cent editorial, non-advertising content, exclusive of inserts, measured relative to total publication space, and an audited circulation to at least fifty per cent of the households in the newspaper's retail trade zone as defined by the audit.

(6)(a) An issuer, or its subsidiary, that has a class of securities to which all of the following apply:

(i) The class of securities is subject to section 12 of the "Securities Exchange Act of 1934," 15 U.S.C.A. 78l, and is registered or is exempt from registration under 15 U.S.C.A. 78l(g)(2)(A), (B), (C), (E), (F), (G), or (H);

(ii) The class of securities is listed on the New York stock exchange, the American stock exchange, or the NASDAQ national market system;



(iii) The class of securities is a reported security as defined in 17 C.F.R. 240.11Aa3-1(a)(4).

(b) An issuer, or its subsidiary, that formerly had a class of securities that met the criteria set forth in division (B)(6)(a) of this section if the issuer, or its subsidiary, has a net worth in excess of one hundred million dollars, files or its parent files with the securities and exchange commission an S.E.C. form 10-K, and has continued in substantially the same business since it had a class of securities that met the criteria in division (B)(6)(a) of this section. As used in division (B)(6)(b) of this section, "issuer" and "subsidiary" include the successor to an issuer or subsidiary.

(7) A person soliciting a transaction regulated by the commodity futures trading commission, if the person is registered or temporarily registered for that activity with the commission under 7 U.S.C.A. 1 et. seq. and the registration or temporary registration has not expired or been suspended or revoked;

(8) A person soliciting the sale of any book, record, audio tape, compact disc, or video, if the person allows the purchaser to review the merchandise for at least seven days and provides a full refund within thirty days to a purchaser who returns the merchandise or if the person solicits the sale on behalf of a membership club operating in compliance with regulations adopted by the federal trade commission in 16 C.F.R. 425;

(9) A supervised financial institution or its subsidiary. As used in division (B)(9) of this section, "supervised financial institution" means a bank, trust company, savings and loan association, savings bank, credit union, industrial loan company, consumer finance lender, commercial finance lender, or institution described in section 2(c)(2)(F) of the "Bank Holding Company Act of 1956," 12 U.S.C.A. 1841(c)(2)(F), as amended, supervised by an official or agency of the United States, this state, or any other state of the United States; or a licensee or registrant under sections 1321.01 to 1321.19, 1321.51 to 1321.60, or 1321.71 to 1321.83 of the Revised Code.

(10)(a) An insurance company, association, or other organization that is licensed or authorized to conduct business in this state by the superintendent of insurance pursuant to Title XXXIX of the Revised Code or Chapter 1751. of the Revised Code, when soliciting within the scope of its license or authorization.

(b) A licensed insurance broker, agent, or solicitor when soliciting within the scope of the person's license. As used in division (B)(10)(b) of this section, "licensed insurance broker, agent, or solicitor" means any person licensed as an insurance broker, agent, or solicitor by the

superintendent of insurance pursuant to Title XXXIX of the Revised Code.

(11) A person soliciting the sale of services provided by a cable television system operating under authority of a governmental franchise or permit;

(12) A person soliciting a business-to-business sale under which any of the following conditions are met:

(a) The telephone solicitor has been operating continuously for at least three years under the same business name under which it solicits purchasers, and at least fifty-one per cent of its gross dollar volume of sales consists of repeat sales to existing customers to whom it has made sales under the same business name.

(b) The purchaser business intends to resell the goods purchased.

(c) The purchaser business intends to use the goods or services purchased in a recycling, reuse, manufacturing, or remanufacturing process.

(d) The telephone solicitor is a publisher of a periodical or of magazines distributed as controlled circulation publications as defined in division (CC) of section 5739.01 of the Revised Code and is soliciting sales of advertising, subscriptions, reprints, lists, information databases, conference participation or sponsorships, trade shows or media products related to the periodical or magazine, or other publishing services provided by the controlled circulation publication.

(13) A person that, not less often than once each year, publishes and delivers to potential purchasers a catalog that complies with both of the following:

(a) It includes all of the following:

(i) The business address of the seller;

(ii) A written description or illustration of each good or service offered for sale;

(iii) A clear and conspicuous disclosure of the sale price of each good or service; shipping, handling, and other charges; and return policy;

(b) One of the following applies:

(i) The catalog includes at least twenty-four pages of written material and illustrations, is distributed in more than one state, and has an annual postage-paid mail circulation of not less than two hundred fifty thousand households;

(ii) The catalog includes at least ten pages of written material or an equivalent amount of material in electronic form on the internet or an on-line computer service, the person does not solicit customers by telephone but solely receives telephone calls made in response to the catalog, and during the calls the person takes orders but does not engage in further

solicitation of the purchaser. As used in division (B)(13)(b)(ii) of this section, "further solicitation" does not include providing the purchaser with information about, or attempting to sell, any other item in the catalog that prompted the purchaser's call or in a substantially similar catalog issued by the seller.

(14) A political subdivision or instrumentality of the United States, this state, or any state of the United States;

(15) A college or university or any other public or private institution of higher education in this state;

(16) A public utility as defined in section 4905.02 of the Revised Code or a retail natural gas supplier as defined in section 4929.01 of the Revised Code, if the utility or supplier is subject to regulation by the public utilities commission, or the affiliate of the utility or supplier;

(17) A person that solicits sales through a television program or advertisement that is presented in the same market area no fewer than twenty days per month or offers for sale no fewer than ten distinct items of goods or services; and offers to the purchaser an unconditional right to return any good or service purchased within a period of at least seven days and to receive a full refund within thirty days after the purchaser returns the good or cancels the service;

(18)(a) A person that, for at least one year, has been operating a retail business under the same name as that used in connection with telephone solicitation and both of the following occur on a continuing basis:

(i) The person either displays goods and offers them for retail sale at the person's business premises or offers services for sale and provides them at the person's business premises.

(ii) At least fifty-one per cent of the person's gross dollar volume of retail sales involves purchases of goods or services at the person's business premises.

(b) An affiliate of a person that meets the requirements in division (B)(18)(a) of this section if the affiliate meets all of the following requirements:

(i) The affiliate has operated a retail business for a period of less than one year;

(ii) The affiliate either displays goods and offers them for retail sale at the affiliate's business premises or offers services for sale and provides them at the affiliate's business premises;

(iii) At least fifty-one per cent of the affiliate's gross dollar volume of retail sales involves purchases of goods or services at the affiliate's business premises.

(c) A person that, for a period of less than one year, has been operating a retail business in this state under the same name as that used in connection with telephone solicitation, as long as all of the following requirements are met:

(i) The person either displays goods and offers them for retail sale at the person's business premises or offers services for sale and provides them at the person's business premises;

(ii) The goods or services that are the subject of telephone solicitation are sold at the person's business premises, and at least sixty-five per cent of the person's gross dollar volume of retail sales involves purchases of goods or services at the person's business premises;

(iii) The person conducts all telephone solicitation activities according to sections 310.3, 310.4, and 310.5 of the telemarketing sales rule adopted by the federal trade commission in 16 C.F.R. part 310.

(19) A person who performs telephone solicitation sales services on behalf of other persons and to whom one of the following applies:

(a) The person has operated under the same ownership, control, and business name for at least five years, and the person receives at least seventy-five per cent of its gross revenues from written telephone solicitation contracts with persons who come within one of the exemptions in division (B) of this section.

(b) The person is an affiliate of one or more exempt persons and makes telephone solicitations on behalf of only the exempt persons of which it is an affiliate.

(c) The person makes telephone solicitations on behalf of only exempt persons, the person and each exempt person on whose behalf telephone solicitations are made have entered into a written contract that specifies the manner in which the telephone solicitations are to be conducted and that at a minimum requires compliance with the telemarketing sales rule adopted by the federal trade commission in 16 C.F.R. part 310, and the person conducts the telephone solicitations in the manner specified in the written contract.

(d) The person performs telephone solicitation for religious or political purposes, a charitable organization, a fund-raising council, or a professional solicitor in compliance with the registration and reporting requirements of Chapter 1716. of the Revised Code; and meets all of the following requirements:

(i) The person has operated under the same ownership, control, and business name for at least five years, and the person receives at least fifty-one per cent of its gross revenues from written telephone solicitation contracts with persons who come within the exemption in division (B)(2) of

this section;

(ii) The person does not conduct a prize promotion or offer the sale of an investment opportunity; ~~and~~

(iii) The person conducts all telephone solicitation activities according to sections 310.3, 310.4, and 310.5 of the telemarketing sales rules adopted by the federal trade commission in 16 C.F.R. part 310.

(20) A person that is a licensed real estate salesperson or broker under Chapter 4735. of the Revised Code when soliciting within the scope of the person's license;

(21)(a) Either of the following:

(i) A publisher that solicits the sale of the publisher's periodical or magazine of general, paid circulation, or a person that solicits a sale of that nature on behalf of a publisher under a written agreement directly between the publisher and the person.

(ii) A publisher that solicits the sale of the publisher's periodical or magazine of general, paid circulation, or a person that solicits a sale of that nature as authorized by a publisher under a written agreement directly with a publisher's clearinghouse provided the person is a resident of Ohio for more than three years and initiates all telephone solicitations from Ohio and the person conducts the solicitation and sale in compliance with 16 C.F.R. ~~Part~~ part 310, as adopted by the federal trade commission.

(b) As used in division (B)(21) of this section, "periodical or magazine of general, paid circulation" excludes a periodical or magazine circulated only as part of a membership package or given as a free gift or prize from the publisher or person.

(22) A person that solicits the sale of food, as defined in section 3715.01 of the Revised Code, or the sale of products of horticulture, as defined in section 5739.01 of the Revised Code, if the person does not intend the solicitation to result in, or the solicitation actually does not result in, a sale that costs the purchaser an amount greater than five hundred dollars.

(23) A funeral director licensed pursuant to Chapter 4717. of the Revised Code when soliciting within the scope of that license, if both of the following apply:

(a) The solicitation and sale are conducted in compliance with 16 C.F.R. part 453, as adopted by the federal trade commission, and with sections 1107.33 and 1345.21 to 1345.28 of the Revised Code;

(b) The person provides to the purchaser of any preneed funeral contract a notice that clearly and conspicuously sets forth the cancellation rights specified in division (G) of section 1107.33 of the Revised Code, and retains a copy of the notice signed by the purchaser.

(24) A person, or affiliate thereof, licensed to sell or issue Ohio instruments designated as travelers checks pursuant to sections 1315.01 to ~~1315.14~~ 1315.18 of the Revised Code.

(25) A person that solicits sales from its previous purchasers and meets all of the following requirements:

(a) The solicitation is made under the same business name that was previously used to sell goods or services to the purchaser;

(b) The person has, for a period of not less than three years, operated a business under the same business name as that used in connection with telephone solicitation;

(c) The person does not conduct a prize promotion or offer the sale of an investment opportunity;

(d) The person conducts all telephone solicitation activities according to sections 310.3, 310.4, and 310.5 of the telemarketing sales rules adopted by the federal trade commission in 16 C.F.R. part 310;

(e) Neither the person nor any of its principals has been convicted of, pleaded guilty to, or has entered a plea of no contest for a felony or a theft offense as defined in sections 2901.02 and 2913.01 of the Revised Code or similar law of another state or of the United States;

(f) Neither the person nor any of its principals has had entered against them an injunction or a final judgment or order, including an agreed judgment or order, an assurance of voluntary compliance, or any similar instrument, in any civil or administrative action involving engaging in a pattern of corrupt practices, fraud, theft, embezzlement, fraudulent conversion, or misappropriation of property; the use of any untrue, deceptive, or misleading representation; or the use of any unfair, unlawful, deceptive, or unconscionable trade act or practice.

(26) An institution defined as a home health agency in section 3701.881 of the Revised Code, that conducts all telephone solicitation activities according to sections 310.3, 310.4, and 310.5 of the telemarketing sales rules adopted by the federal trade commission in 16 C.F.R. part 310, and engages in telephone solicitation only within the scope of the institution's certification, accreditation, contract with the department of aging, or status as a home health agency; and that meets one of the following requirements:

(a) The institution is certified as a provider of home health services under Title XVIII of the Social Security Act, 49 Stat. 620, 42 U.S.C. 301, as amended;

(b) The institution is accredited by either the joint commission on accreditation of health care organizations or the community health accreditation program;

(c) The institution is providing passport services under the direction of the Ohio department of aging under section 173.40 of the Revised Code;

(d) An affiliate of an institution that meets the requirements of division (B)(26)(a), (b), or (c) of this section when offering for sale substantially the same goods and services as those that are offered by the institution that meets the requirements of division (B)(26)(a), (b), or (c) of this section.

(27) A person licensed to provide a hospice care program by the department of health pursuant to section 3712.04 of the Revised Code when conducting telephone solicitations within the scope of the person's license and according to sections 310.3, 310.4, and 310.5 of the telemarketing sales rules adopted by the federal trade commission in 16 C.F.R. part 310.

Sec. 4973.17. (A)(1) Upon the application of any bank; savings and loan association; savings bank; credit union; or association of banks, savings and loan associations, savings banks, or credit unions in this state, the secretary of state may appoint and commission any persons that the bank; savings and loan association; savings bank; credit union; or association of banks, savings and loan associations, savings banks, or credit unions designates, or as many of those persons as the secretary of state considers proper, to act as police officers for and on the premises of that bank; savings and loan association; savings bank; credit union; or association of banks, savings and loan associations, savings banks, or credit unions; or elsewhere, when directly in the discharge of their duties. Police officers so appointed shall be citizens of this state and of good character ~~and~~. Police officers so appointed who start to perform their duties on or after April 14, 2006, shall have successfully completed complete a training program approved by the Ohio peace officer training commission described in section 109.71 of the Revised Code and be certified by the commission within six months after starting to perform their duties. ~~They~~ Police officers so appointed shall hold office for three years, unless, for good cause shown, their commission is revoked by the secretary of state, or by the bank; savings and loan association; savings bank; credit union; or association of banks, savings and loan associations, savings banks, or credit unions, as provided by law.

(2) Persons commissioned as police officers pursuant to division (A) of this section prior to April 14, 2006, who have not successfully completed a training program approved by the Ohio peace officer training commission, and who have not been certified by the commission, may be reappointed and re-commissioned by the secretary of state only during the person's continuous employment as a police officer by the institution for which the person was employed on April 14, 2006, or by a successor institution to the institution for which the person was employed on April 14, 2006. The

secretary of state shall note on such appointments and commissions that the person is not a peace officer as defined in section 109.71 of the Revised Code.

(3) For the exclusive purpose of assigning break in service update training as prescribed in rule 109:2-1-12 (D) of the Administrative Code, a police officer appointed under division (A) of this section, who began performing police officer duties on or before April 14, 2006, shall be credited as holding a valid peace officer appointment retroactive to the date on which the officer began performing these duties.

(B) Upon the application of a company owning or using a railroad in this state and subject to section 4973.171 of the Revised Code, the secretary of state may appoint and commission any persons that the railroad company designates, or as many of those persons as the secretary of state considers proper, to act as police officers for and on the premises of the railroad company, its affiliates or subsidiaries, or elsewhere, when directly in the discharge of their duties. Police officers so appointed, within the time set by the Ohio peace officer training commission, shall successfully complete a commission approved training program and be certified by the commission. They shall hold office for three years, unless, for good cause shown, their commission is revoked by the secretary of state, or railroad company, as provided by law.

Any person holding a similar commission in another state may be commissioned and may hold office in this state without completing the approved training program required by this division provided that the person has completed a substantially equivalent training program in the other state. The Ohio peace officer training commission shall determine whether a training program in another state meets the requirements of this division.

(C) Upon the application of any company under contract with the United States atomic energy commission for the construction or operation of a plant at a site owned by the commission, the secretary of state may appoint and commission persons the company designates, not to exceed one hundred fifty, to act as police officers for the company at the plant or site owned by the commission. Police officers so appointed shall be citizens of this state and of good character. They shall hold office for three years, unless, for good cause shown, their commission is revoked by the secretary of state or by the company, as provided by law.

(D)(1) Upon the application of any hospital that is operated by a public hospital agency or a nonprofit hospital agency and that employs and maintains its own proprietary police department or security department and subject to section 4973.171 of the Revised Code, the secretary of state may



appoint and commission any persons that the hospital designates, or as many of those persons as the secretary of state considers proper, to act as police officers for the hospital. No person who is appointed as a police officer under this division shall engage in any duties or activities as a police officer for the hospital or any affiliate or subsidiary of the hospital unless all of the following apply:

(a) The chief of police of the municipal corporation in which the hospital is located or, if the hospital is located in the unincorporated area of a county, the sheriff of that county has granted approval to the hospital to permit persons appointed as police officers under this division to engage in those duties and activities. The approval required by this division is general in nature and is intended to cover in the aggregate all persons appointed as police officers for the hospital under this division; a separate approval is not required for each appointee on an individual basis.

(b) Subsequent to the grant of approval described in division (D)(1)(a) of this section, the hospital has entered into a written agreement with the chief of police of the municipal corporation in which the hospital is located or, if the hospital is located in the unincorporated area of a county, with the sheriff of that county, that sets forth the standards and criteria to govern the interaction and cooperation between persons appointed as police officers for the hospital under this division and law enforcement officers serving the agency represented by the chief of police or sheriff who signed the agreement in areas of their concurrent jurisdiction. The written agreement shall be signed by the appointing authority of the hospital and by the chief of police or sheriff. The standards and criteria may include, but are not limited to, provisions governing the reporting of offenses discovered by hospital police officers to the agency represented by the chief of police or sheriff, provisions governing investigatory responsibilities relative to offenses committed on hospital property, and provisions governing the processing and confinement of persons arrested for offenses committed on hospital property. The agreement required by this division is intended to apply in the aggregate to all persons appointed as police officers for the hospital under this division; a separate agreement is not required for each appointee on an individual basis.

(c) The person has successfully completed a training program approved by the Ohio peace officer training commission and has been certified by the commission. A person appointed as a police officer under this division may attend a training program approved by the commission and be certified by the commission regardless of whether the appropriate chief of police or sheriff has granted the approval described in division (D)(1)(a) of this

section and regardless of whether the hospital has entered into the written agreement described in division (D)(1)(b) of this section with the appropriate chief of police or sheriff.

(2)(a) A person who is appointed as a police officer under division (D)(1) of this section is entitled, upon the grant of approval described in division (D)(1)(a) of this section and upon the person's and the hospital's compliance with the requirements of divisions (D)(1)(b) and (c) of this section, to act as a police officer for the hospital on the premises of the hospital and of its affiliates and subsidiaries that are within the territory of the municipal corporation served by the chief of police or the unincorporated area of the county served by the sheriff who signed the written agreement described in division (D)(1)(b) of this section, whichever is applicable, and anywhere else within the territory of that municipal corporation or within the unincorporated area of that county. The authority to act as a police officer as described in this division is granted only if the person, when engaging in that activity, is directly in the discharge of the person's duties as a police officer for the hospital. The authority to act as a police officer as described in this division shall be exercised in accordance with the standards and criteria set forth in the written agreement described in division (D)(1)(b) of this section.

(b) Additionally, a person appointed as a police officer under division (D)(1) of this section is entitled, upon the grant of approval described in division (D)(1)(a) of this section and upon the person's and the hospital's compliance with the requirements of divisions (D)(1)(b) and (c) of this section, to act as a police officer elsewhere, within the territory of a municipal corporation or within the unincorporated area of a county, if the chief of police of that municipal corporation or the sheriff of that county, respectively, has granted approval for that activity to the hospital, police department, or security department served by the person as a police officer and if the person, when engaging in that activity, is directly in the discharge of the person's duties as a police officer for the hospital. The approval described in this division may be general in nature or may be limited in scope, duration, or applicability, as determined by the chief of police or sheriff granting the approval.

(3) Police officers appointed under division (D)(1) of this section shall hold office for three years, unless, for good cause shown, their commission is revoked by the secretary of state or by the hospital, as provided by law. As used in divisions (D)(1) to (3) of this section, "public hospital agency" and "nonprofit hospital agency" have the same meanings as in section 140.01 of the Revised Code.

(E)(1) Upon the application of any owner or operator of an amusement park that has an average yearly attendance in excess of six hundred thousand guests and that employs and maintains its own proprietary police department or security department and subject to section 4973.171 of the Revised Code, any judge of the municipal court or county court that has territorial jurisdiction over the amusement park may appoint and commission any persons that the owner or operator designates, or as many of those persons as the judge considers proper, to act as police officers for the amusement park. If the amusement park is located in more than one county, any judge of the municipal court or county court of any of those counties may make the appointments and commissions as described in this division. No person who is appointed as a police officer under this division shall engage in any duties or activities as a police officer for the amusement park or any affiliate or subsidiary of the owner or operator of the amusement park unless all of the following apply:

(a) The appropriate chief or chiefs of police of the political subdivision or subdivisions in which the amusement park is located as specified in this division have granted approval to the owner or operator of the amusement park to permit persons appointed as police officers under this division to engage in those duties and activities. If the amusement park is located in a single municipal corporation or a single township, the chief of police of that municipal corporation or township is the appropriate chief of police for the grant of approval under this division. If the amusement park is located in two or more townships, two or more municipal corporations, or one or more townships and one or more municipal corporations, the chiefs of police of all of the affected townships and municipal corporations are the appropriate chiefs of police for the grant of approval under this division, and the approval must be jointly granted by all of those chiefs of police. The approval required by this division is general in nature and is intended to cover in the aggregate all persons appointed as police officers for the amusement park under this division. A separate approval is not required for each appointee on an individual basis.

(b) Subsequent to the grant of approval described in division (E)(1)(a) of this section, the owner or operator has entered into a written agreement with the appropriate chief or chiefs of police of the political subdivision or subdivisions in which the amusement park is located as specified in this division and has provided the sheriff of the county in which the political subdivision or subdivisions are located with a copy of the agreement. If the amusement park is located in a single municipal corporation or a single township, the chief of police of that municipal corporation or township is the

appropriate chief of police for entering into the written agreement under this division. If the amusement park is located in two or more townships, two or more municipal corporations, or one or more townships and one or more municipal corporations, the chiefs of police of all of the affected townships and municipal corporations are the appropriate chiefs of police for entering into the written agreement under this division, and the written agreement must be jointly entered into by all of those chiefs of police. The written agreement between the owner or operator and the chief or chiefs of police shall address the scope of activities, the duration of the agreement, and mutual aid arrangements and shall set forth the standards and criteria to govern the interaction and cooperation between persons appointed as police officers for the amusement park under this division and law enforcement officers serving the agency represented by the chief of police who signed the agreement. The written agreement shall be signed by the owner or operator and by the chief or chiefs of police who enter into it. The standards and criteria may include, but are not limited to, provisions governing the reporting of offenses discovered by the amusement park's police officers to the agency represented by the chief of police of the municipal corporation or township in which the offense occurred, provisions governing investigatory responsibilities relative to offenses committed on amusement park property, and provisions governing the processing and confinement of persons arrested for offenses committed on amusement park property. The agreement required by this division is intended to apply in the aggregate to all persons appointed as police officers for the amusement park under this division. A separate agreement is not required for each appointee on an individual basis.

(c) The person has successfully completed a training program approved by the Ohio peace officer training commission and has been certified by the commission. A person appointed as a police officer under this division may attend a training program approved by the commission and be certified by the commission regardless of whether the appropriate chief of police has granted the approval described in division (E)(1)(a) of this section and regardless of whether the owner or operator of the amusement park has entered into the written agreement described in division (E)(1)(b) of this section with the appropriate chief of police.

(2)(a) A person who is appointed as a police officer under division (E)(1) of this section is entitled, upon the grant of approval described in section (E)(1)(a) of this section and upon the person's and the owner or operator's compliance with the requirements of division (E)(1)(b) and (c) of this section, to act as a police officer for the amusement park and its

affiliates and subsidiaries that are within the territory of the political subdivision or subdivisions served by the chief of police, or respective chiefs of police, who signed the written agreement described in division (E)(1)(b) of this section, and upon any contiguous real property of the amusement park that is covered by the written agreement, whether within or adjacent to the political subdivision or subdivisions. The authority to act as a police officer as described in this division is granted only if the person, when engaging in that activity, is directly in the discharge of the person's duties as a police officer for the amusement park. The authority to act as a police officer as described in this division shall be exercised in accordance with the standards and criteria set forth in the written agreement described in division (E)(1)(b) of this section.

(b) In addition to the authority granted under division (E)(2)(a) of this section, a person appointed as a police officer under division (E)(1) of this section is entitled, upon the grant of approval described in division (E)(1)(a) of this section and upon the person's and the owner or operator's compliance with the requirements of divisions (E)(1)(b) and (c) of this section, to act as a police officer elsewhere within the territory of a municipal corporation or township if the chief of police of that municipal corporation or township has granted approval for that activity to the owner or operator served by the person as a police officer and if the person, when engaging in that activity, is directly in the discharge of the person's duties as a police officer for the amusement park. The approval described in this division may be general in nature or may be limited in scope, duration, or applicability, as determined by the chief of police granting the approval.

(3) Police officers appointed under division (E)(1) of this section shall hold office for five years, unless, for good cause shown, their commission is revoked by the appointing judge or the judge's successor or by the owner or operator, as provided by law.

(F) A fee of fifteen dollars for each commission applied for under this section shall be paid at the time the application is made, and this amount shall be returned if for any reason a commission is not issued.

SECTION 2. That existing sections 109.71, 121.07, 1101.15, 1109.15, 1109.43, 1111.02, 1111.04, 1111.06, 1111.07, 1111.08, 1121.30, 1151.14, 1151.321, 1161.18, 1161.51, 1181.06, 1181.25, 1315.21, 1315.99, 1733.25, 3953.30, 3953.32, 3953.33, 4719.01, and 4973.17 and sections 1151.348, 1315.01, 1315.02, 1315.03, 1315.04, 1315.05, 1315.06, 1315.07, 1315.08, 1315.09, 1315.10, 1315.11, 1315.16, 1315.17, and 1315.18 of the Revised Code are hereby repealed.

SECTION 3. That section 1125.28 of the Revised Code, as it results from S.B. 293 of the 121st General Assembly, is hereby repealed. The version of section 1125.28 of the Revised Code, as it results from H.B. 538 of the 121st General Assembly, is not affected by this repeal.

SECTION 4. A license issued under sections 1315.01 to 1315.11 of the Revised Code that is in effect immediately prior to the effective date of this act shall remain in force as a license under sections 1315.01 to 1315.18 of the Revised Code as enacted by this act until the license's expiration date. Thereafter, the licensee shall be treated as if it had applied for and had received a license under sections 1315.01 to 1315.18 of the Revised Code and shall be required to comply with sections 1315.01 to 1315.18 of the Revised Code.

SECTION 5. Section 1315.21 of the Revised Code is presented in this act as a composite of the section as amended by both Am. Sub. S.B. 293 and Am. Sub. H.B. 538 of the 121st General Assembly. Section 1315.99 of the Revised Code is presented in this act as a composite of the section as amended by both Am. Sub. H.B. 333 and Am. Sub. H.B. 538 of the 121st General Assembly. The General Assembly, applying the principle stated in division (B) of section 1.52 of the Revised Code that amendments are to be harmonized if reasonably capable of simultaneous operation, finds that the composites are the resulting versions of the sections in effect prior to the effective date of the sections as presented in this act.

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*Speaker \_\_\_\_\_ of the House of Representatives.*

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*President \_\_\_\_\_ of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

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*Governor.*

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

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*Director, Legislative Service Commission.*

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

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*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_