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Sub. H. B. No. 292

Representatives Letson, Oelslager

**Cosponsors: Representatives Yuko, Phillips, Ujvagi, Harwood, Domenick,
Stebelton, Chandler, Luckie, Foley, Batchelder, Blessing, Boose, Boyd,
Brown, Bulp, Carney, Combs, DeBose, Evans, Garland, Garrison, Hackett,
Harris, Huffman, Maag, Mallory, Mecklenborg, Murray, Pillich, Sayre,
Snitchler, Stewart, Wagner, Winburn**

**Senators Kearney, Buehrer, Carey, Faber, Fedor, Gibbs, Gillmor, Harris,
Hughes, Niehaus, Patton, Schaffer, Schiavoni, Seitz, Turner, Wagoner,
Wilson, Miller, R.**

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A B I L L

To amend sections 119.01, 1125.19, 1125.28, 1157.01, 1
1165.01, 5307.11, 5307.12, 5307.13, 5307.14, and 2
5307.16; to amend, for the purpose of adopting new 3
section numbers as indicated in parentheses, 4
sections 1157.01 (1157.09) and 1165.01 (1165.09); 5
to enact new sections 1157.01, 1157.03 to 1157.06, 6
1157.10 to 1157.14, 1157.17 to 1157.29, 1165.01, 7
1165.03 to 1165.06, 1165.10 to 1165.14, and 8
1165.17 to 1165.29 and sections 1157.30, 1157.33, 9
1165.30, 1165.33, and 5301.057; and to repeal 10
sections 1157.02 to 1157.29 and 1165.02 to 1165.29 11
of the Revised Code relative to liquidations and 12
conservatorships of banks, savings and loan 13
associations, and savings banks, to prohibit 14
transfer fee covenants in certain real estate 15
transactions, and to enable a court of common 16

pleas to order a licensed auctioneer to conduct a 17
sale of real property pursuant to a writ of 18
partition. 19

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

Section 1. That sections 119.01, 1125.19, 1125.28, 1157.01, 20
1165.01, 5307.11, 5307.12, 5307.13, 5307.14, and 5307.16 be 21
amended; sections 1157.01 (1157.09) and 1165.01 (1165.09) be 22
amended for the purpose of adopting new sections numbers as 23
indicated in parentheses; and new sections 1157.01, 1157.03, 24
1157.04, 1157.05, 1157.06, 1157.10, 1157.11, 1157.12, 1157.13, 25
1157.14, 1157.17, 1157.18, 1157.19, 1157.20, 1157.21, 1157.22, 26
1157.23, 1157.24, 1157.25, 1157.26, 1157.27, 1157.28, 1157.29, 27
1165.01, 1165.03, 1165.04, 1165.05, 1165.06, 1165.10, 1165.11, 28
1165.12, 1165.13, 1165.14, 1165.17, 1165.18, 1165.19, 1165.20, 29
1165.21, 1165.22, 1165.23, 1165.24, 1165.25, 1165.26, 1165.27, 30
1165.28, and 1165.29 and sections 1157.30, 1157.33, 1165.30, 31
1165.33, and 5301.057 of the Revised Code be enacted to read as 32
follows: 33

Sec. 119.01. As used in sections 119.01 to 119.13 of the 34
Revised Code: 35

(A)(1) "Agency" means, except as limited by this division, 36
any official, board, or commission having authority to promulgate 37
rules or make adjudications in the civil service commission, the 38
division of liquor control, the department of taxation, the 39
industrial commission, the bureau of workers' compensation, the 40
functions of any administrative or executive officer, department, 41
division, bureau, board, or commission of the government of the 42
state specifically made subject to sections 119.01 to 119.13 of 43
the Revised Code, and the licensing functions of any 44
administrative or executive officer, department, division, bureau, 45

board, or commission of the government of the state having the 46
authority or responsibility of issuing, suspending, revoking, or 47
canceling licenses. 48

Except as otherwise provided in division (I) of this section, 49
sections 119.01 to 119.13 of the Revised Code do not apply to the 50
public utilities commission. Sections 119.01 to 119.13 of the 51
Revised Code do not apply to the utility radiological safety 52
board; to the controlling board; to actions of the superintendent 53
of financial institutions and the superintendent of insurance in 54
the taking possession of, and rehabilitation or liquidation of, 55
the business and property of banks, savings and loan associations, 56
savings banks, credit unions, insurance companies, associations, 57
reciprocal fraternal benefit societies, and bond investment 58
companies; to any action taken by the division of securities under 59
section 1707.201 of the Revised Code; or to any action that may be 60
taken by the superintendent of financial institutions under 61
section 1113.03, 1121.06, 1121.10, 1125.09, 1125.12, 1125.18, 62
~~1157.01, 1157.02, 1157.10, 1165.01, 1165.02, 1165.10~~ 1157.09, 63
1157.12, 1157.18, 1165.09, 1165.12, 1165.18, 1349.33, 1733.35, 64
1733.361, 1733.37, or 1761.03 of the Revised Code. 65

Sections 119.01 to 119.13 of the Revised Code do not apply to 66
actions of the industrial commission or the bureau of workers' 67
compensation under sections 4123.01 to 4123.94 of the Revised Code 68
with respect to all matters of adjudication, or to the actions of 69
the industrial commission, bureau of workers' compensation board 70
of directors, and bureau of workers' compensation under division 71
(D) of section 4121.32, sections 4123.29, 4123.34, 4123.341, 72
4123.342, 4123.40, 4123.411, 4123.44, 4123.442, 4127.07, divisions 73
(B), (C), and (E) of section 4131.04, and divisions (B), (C), and 74
(E) of section 4131.14 of the Revised Code with respect to all 75
matters concerning the establishment of premium, contribution, and 76
assessment rates. 77

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

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

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

(B) "License" means any license, permit, certificate, commission, or charter issued by any agency. "License" does not include any arrangement whereby a person, institution, or entity furnishes medicaid services under a provider agreement with the department of job and family services pursuant to Title XIX of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended.

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

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

(E) "Hearing" means a public hearing by any agency in

compliance with procedural safeguards afforded by sections 119.01	109
to 119.13 of the Revised Code.	110
(F) "Person" means a person, firm, corporation, association,	111
or partnership.	112
(G) "Party" means the person whose interests are the subject	113
of an adjudication by an agency.	114
(H) "Appeal" means the procedure by which a person, aggrieved	115
by a finding, decision, order, or adjudication of any agency,	116
invokes the jurisdiction of a court.	117
(I) "Rule-making agency" means any board, commission,	118
department, division, or bureau of the government of the state	119
that is required to file proposed rules, amendments, or	120
rescissions under division (D) of section 111.15 of the Revised	121
Code and any agency that is required to file proposed rules,	122
amendments, or rescissions under divisions (B) and (H) of section	123
119.03 of the Revised Code. "Rule-making agency" includes the	124
public utilities commission. "Rule-making agency" does not include	125
any state-supported college or university.	126
(J) "Substantive revision" means any addition to, elimination	127
from, or other change in a rule, an amendment of a rule, or a	128
rescission of a rule, whether of a substantive or procedural	129
nature, that changes any of the following:	130
(1) That which the rule, amendment, or rescission permits,	131
authorizes, regulates, requires, prohibits, penalizes, rewards, or	132
otherwise affects;	133
(2) The scope or application of the rule, amendment, or	134
rescission.	135
(K) "Internal management rule" means any rule, regulation, or	136
standard governing the day-to-day staff procedures and operations	137
within an agency.	138

Sec. 1125.19. (A) Upon issuing a written finding that any one 139
or more of the conditions set forth in section 1125.18 of the 140
Revised Code for taking possession of a bank exists and taking 141
possession of the bank, the superintendent of financial 142
institutions shall file a certified copy of the finding and the 143
notice of possession with the court. 144

(B) Upon the appointment of a receiver, the superintendent 145
shall file a certified copy of the certificate of appointment in 146
the office of the secretary of state and with the court. 147

(C) After the superintendent files the finding of the 148
superintendent or the certificate of appointment of the receiver, 149
whichever occurs first, no person shall obtain a lien or charge 150
upon any assets of the bank for any payment, advance, clearance, 151
or liability thereafter incurred, nor shall the directors, 152
officers, or agents of the bank have authority to act on behalf of 153
the bank or to convey, transfer, assign, pledge, mortgage, or 154
encumber any assets of the bank. 155

(D) Upon taking possession of the bank, the superintendent 156
shall post or cause to be posted an appropriate notice of closing 157
at the main entrance of each of the bank's banking ~~office~~ offices. 158

(E) Neither filing nor posting of notice in accordance with 159
this section shall be a condition to either the superintendent's 160
taking possession of the property and business of a bank or 161
appointing a receiver for a bank. 162

Sec. 1125.28. (A) The filing with the court of the finding of 163
the superintendent of financial institutions or the certificate of 164
appointment of the receiver, whichever occurs first, operates as 165
an automatic stay from the date of the filing, subject to the 166
court granting a motion for relief from the stay, applicable to 167
all entities, of both of the following: 168

(1) The commencement or continuation, including the issuance
or employment of process, of a judicial, administrative, or other
action or proceeding against the bank that was or could have been
commenced before the filing;

(2) The enforcement against the bank of a judgment or other
claim obtained before the filing, including claims of security,
preference, priority, and offset.

(B) Upon the filing with the court of the finding of the
superintendent or the certificate of appointment of the receiver,
whichever occurs first, any other pending judicial,
administrative, or other action or proceeding against the bank
shall, upon motion of the receiver, be consolidated into one
action or transferred as a separate matter before the presiding
judge of the court having jurisdiction of the receivership,
subject, however, to the automatic stay provided in division (A)
of this section. Subject to the receiver's option to have an
action later consolidated or transferred, any action commenced
after the superintendent's filing shall be filed as a separate
matter before the presiding judge in the court having jurisdiction
over the receivership.

(C) The superintendent, prior to the appointment of a
receiver, or the receiver, after its appointment, shall be the
only party named in an action involving a bank subject to this
chapter.

(D) Any action seeking to enjoin the superintendent's order
appointing a receiver of a bank shall be brought prior to the date
the receiver sells all or substantially all of the assets of the
bank, prior to the date the receiver transfers all or
substantially all of the insured deposits to an assuming
institution, or within ten days after the issuance of the order,
whichever is ~~earlier~~ earliest.

Sec. 1157.01. (A) As used in this chapter, "court" means the court of common pleas of the county in which the principal place of business of a savings and loan association, as set forth in its articles of incorporation, is located or of any other county determined by the superintendent of financial institutions to be appropriate under the circumstances.

(B) The court shall have exclusive original jurisdiction of any action or proceeding relating to or arising out of the taking of possession of the property and business of a savings and loan association under this chapter, whether before or after the savings and loan association is wound up and dissolved, as well as any action or other proceeding brought under this chapter.

(C) Whenever the approval of the court is required for any act under this chapter, that approval may be given with or without a hearing held upon whatever notice, if any, the court may direct, unless otherwise provided in this chapter. At a hearing, the court, by order, may approve the actions petitioned.

Sec. 1157.03. (A) A savings and loan association may proceed with a voluntary liquidation and be closed only with both the consent of the superintendent of financial institutions and the prior approval of the shareholders of the savings and loan association by a vote as provided for in its articles of incorporation, if not less than a majority.

(B) Prior to instituting a voluntary liquidation, a savings and loan association shall submit to the superintendent an application for approval of its plan of voluntary liquidation and evidence satisfactory to the superintendent that the plan has been properly adopted by the savings and loan association and approved by its shareholders.

(C) A savings and loan association's plan of voluntary

<u>liquidation shall include provisions for all of the following:</u>	230
<u>(1) The settlement of all debts and liabilities, including</u>	231
<u>the claims of account holders, owed by the savings and loan</u>	232
<u>association;</u>	233
<u>(2) The distribution of the savings and loan association's</u>	234
<u>assets that remain after the settlement of debts and liabilities</u>	235
<u>to all persons entitled to them;</u>	236
<u>(3) The disposition or maintenance of any remaining or</u>	237
<u>unclaimed funds, real or personal property, either tangible or</u>	238
<u>intangible, or other assets, whether in trust or otherwise,</u>	239
<u>including the contents of safe deposit boxes or vaults;</u>	240
<u>(4) The retention of the savings and loan association's</u>	241
<u>records in accordance with section 1155.07 of the Revised Code;</u>	242
<u>(5) The date upon which the savings and loan association</u>	243
<u>shall cease doing any banking business and surrender its license</u>	244
<u>to the superintendent.</u>	245
<u>(D) Upon receipt of a plan of voluntary liquidation, the</u>	246
<u>superintendent shall make an examination of the savings and loan</u>	247
<u>association and shall consent to or deny an application for</u>	248
<u>approval of a plan based upon the superintendent's evaluation of</u>	249
<u>whether or not the interests of the savings and loan association's</u>	250
<u>depositors and creditors will suffer by the liquidation.</u>	251
<u>(E) The superintendent's consent to an application for</u>	252
<u>approval of a plan of voluntary liquidation may be subject to any</u>	253
<u>condition the superintendent determines appropriate under the</u>	254
<u>circumstances.</u>	255
<u>Sec. 1157.04. (A) If the superintendent of financial</u>	256
<u>institutions consents to a voluntary liquidation, the</u>	257
<u>superintendent shall cause a certified copy of the consent to be</u>	258
<u>filed in the office of the secretary of state, and the savings and</u>	259

loan association to be liquidated shall do both of the following: 260

(1) Publish a notice of the voluntary liquidation once a week 261
for four consecutive weeks in a newspaper of general circulation 262
in the county in which the savings and loan association's 263
principal place of business is located; 264

(2) Give written notice of the voluntary liquidation, either 265
personally or by mail, to all known creditors of and all known 266
claimants against the savings and loan association. 267

(B) Compliance with the notice and publication requirements 268
of division (A) of this section satisfies any duplicate or similar 269
notice and publication requirements of Chapter 1701. of the 270
Revised Code. 271

Sec. 1157.05. (A) A voluntary liquidation of a savings and 272
loan association shall be conducted only with the continued 273
supervision of the superintendent of financial institutions. The 274
superintendent may conduct any additional examinations of the 275
savings and loan association the superintendent considers 276
necessary or appropriate. 277

(B) If the superintendent has reason to conclude the 278
liquidation of a savings and loan association is not being safely 279
or expeditiously conducted, the superintendent may take possession 280
of the business and property of the savings and loan association 281
in the same manner, with the same effect, and subject to the same 282
rights accorded the savings and loan association as if the 283
superintendent had taken possession under the receivership 284
provisions of this chapter. The superintendent may proceed to 285
liquidate the affairs of the savings and loan association in the 286
same manner as otherwise provided in this chapter. 287

Sec. 1157.06. Upon completion of a voluntary liquidation, the 288
liquidated savings and loan association shall submit to the 289

superintendent of financial institutions all documents required 290
under Chapter 1701. of the Revised Code for a dissolution. The 291
superintendent shall consent to the dissolution, and shall cause a 292
certified copy of the consent to be filed, along with the savings 293
and loan association's dissolution documents, in the office of the 294
secretary of state. 295

Sec. ~~1157.01~~ 1157.09. (A) The superintendent of ~~savings and~~ 296
~~loan associations~~ financial institutions may appoint a conservator 297
for any to take possession of the property and business of a 298
savings and loan association whenever he deems it necessary in 299
order and to conserve retain possession until the assets of such 300
savings and loan association for depositors, members, and 301
creditors. The resumes business or a receiver is appointed, as 302
provided for in this chapter, if the superintendent shall appoint 303
a conservator for any association whose finds any one or more of 304
the following conditions: 305

(A) The savings and loan association is in an unsafe or 306
unsound condition to continue the business of banking. 307

(B) The savings and loan association is insolvent, in that it 308
has ceased to pay its debts in the ordinary course of business, it 309
is incapable of paying its debts as they mature, or it has 310
liabilities in excess of its assets. 311

(C) The savings and loan association has committed a 312
violation of law that has caused or that threatens substantial 313
injury to any of the public, the banking industry, or the savings 314
and loan association's depositors or other creditors. 315

(D) The savings and loan association has refused to submit 316
its records of account, papers, or affairs to the inspection or 317
examination of any federal agency or the superintendent. 318

(E) The savings and loan association has failed to pay its 319

deposits or obligations in accordance with the terms under which 320
the deposits were taken or the obligations were incurred. 321

(F) A majority of the board of directors of the savings and 322
loan association or a majority of its shareholders has requested 323
the superintendent to appoint a conservator to take possession of 324
the savings and loan association. 325

(G) Either all positions on the board of directors of the 326
savings and loan association are vacant or all of the directors 327
then in office are incapacitated or otherwise unable to perform 328
their responsibilities. 329

(H) The savings and loan association has violated any court 330
order, statute, rule, or regulation, or its articles of 331
incorporation, and the superintendent determines the continued 332
control of its own affairs threatens injury to any of the public, 333
the banking industry, or the savings and loan association's 334
depositors or other creditors. 335

(I) The savings and loan association's status as an insured 336
institution has been terminated by the federal ~~savings and loan~~ 337
~~deposit~~ insurance corporation. ~~The superintendent may fix the~~ 338
~~compensation to be paid such conservator, the bond or other~~ 339
~~security to be required of him, and may remove such conservator at~~ 340
~~any time. Upon or after the appointment of a conservator for any~~ 341
~~savings and loan association, the superintendent may order the~~ 342
~~closing of the books of such savings and loan association against~~ 343
~~further transfer of its stock. He may thereafter permit such books~~ 344
~~to be reopened.~~ 345

~~(B) The conservator:~~ 346

~~(1) Shall take possession of the business and property of~~ 347
~~such savings and loan association:~~ 348

~~(2) Shall have and exercise, in the name and on behalf of the~~ 349
~~association, all the rights, powers, and authority of the officers~~ 350

~~and directors of the association and all voting rights of its 351
members or shareholders and may continue its business in whole or 352
in part with a view to conserving its business and assets pending 353
further disposition thereof as provided by law under the 354
supervision of the superintendent and upon such limitations as are 355
imposed by him; 356~~

~~(3) May give notice that he has taken possession of the 357
assets of the association to all persons holding or having 358
possession of any assets of such association; 359~~

~~(4) May do all things he considers desirable or expedient to 360
carry on the association's business consistent with his 361
appointment, but he shall not declare, credit or distribute 362
earnings on savings accounts or deposits without the approval of 363
the superintendent; 364~~

~~(5) May bring or defend suits or proceedings in the name of 365
the association under the direction and supervision of the 366
superintendent; 367~~

~~(6) May do such things and have such rights, powers, 368
privileges, immunities, and duties as the superintendent 369
authorizes, directs, confers, or imposes. 370~~

~~This section does not vest title to any assets of the 371
association in the conservator. No person, firm, corporation, or 372
association, knowing that a conservator has taken possession of 373
the business and property of an association or having been so 374
notified, shall have a lien or charge against any of the assets of 375
such association for any payment, advance, clearance, or liability 376
thereafter made or incurred. The obligations of such association 377
shall continue to bear interest at the rate contracted. 378~~

~~Any officer, director, member, or shareholder may, from time 379
to time, communicate with the superintendent regarding the 380
conservatorship. The conservator shall furnish bond in form and 381~~

~~amount as the superintendent may direct.~~ 382

~~(C) The attorney general, as legal advisor to the division, 383
may employ special counsel to aid him with respect to any 384
litigation in which the conservator is involved on behalf of the 385
association. The compensation of such special counsel shall be 386
fixed by the attorney general subject to the approval of the 387
court. 388~~

~~(D) Within thirty days after appointment of a conservator, 389
the association may bring an action in the court of common pleas 390
of Franklin county, for an order that the superintendent remove 391
the conservator. Immediately upon filing such action, summons 392
shall be issued to the sheriff of Franklin county to be served on 393
the superintendent, returnable within five days from its date, 394
which in all other respects such summons shall be made as in civil 395
actions, whereupon the allegations of the petition shall be deemed 396
to stand denied without pleading and the cause shall be advanced 397
and heard without delay. 398~~

~~(E) The superintendent may terminate the conservatorship and 399
permit the association to resume the transaction of its business, 400
subject to such terms and restrictions as he prescribes, when the 401
superintendent determines that the termination of such 402
conservatorship may be safely done and would be in the public 403
interest. In no case shall the superintendent terminate the 404
conservatorship and permit the association to resume the 405
transaction of its business, unless the federal savings and loan 406
insurance corporation assures the superintendent that the 407
association, upon resuming the transaction of its business, will 408
have the status of an insured institution. The superintendent may 409
terminate the conservatorship and take possession on any of the 410
grounds provided in section 1157.02 of the Revised Code. 411~~

~~(F) The conservator may submit a plan for the termination of 412
the conservatorship to the members or shareholders of the 413~~

~~association; if the holders of a majority of the shares or a 414
majority of members vote to accept the plan, they shall elect 415
directors to manage the affairs of the association. 416~~

~~When a plan for termination of such conservatorship has been 417
submitted to the members or shareholders of the association, the 418
superintendent may require that the plan be submitted to the 419
court. He may require that not less than two weeks' notice of the 420
time and place of hearing on such application be given by 421
publication or otherwise, as the court directs, to depositors, 422
creditors, members, and shareholders of the association. 423~~

~~(G) The expenses of the conservatorship and the compensation 424
of the conservator and the special counsel, if any, as provided in 425
this section, shall be paid out of the assets of the association 426
and shall be a lien thereon prior to any other lien. 427~~

Sec. 1157.10. (A) If it appears to the superintendent of 428
financial institutions that any one or more of the conditions set 429
forth in section 1157.09 of the Revised Code exists as to any 430
savings and loan association, the superintendent may appoint a 431
conservator, which appointment may include the superintendent, and 432
thereafter may dismiss or replace the conservator as the 433
superintendent determines necessary or advisable. The 434
superintendent may fix the compensation to be paid the conservator 435
and the amount of the bond or other security, if any, to be 436
required. 437

(B) The superintendent may, from time to time, appoint one or 438
more special deputy superintendents as agent or agents to assist 439
in the duties of conservatorship. 440

(C) The superintendent, any special deputy superintendents, 441
or a conservator may employ and procure whatever assistance or 442
advice is necessary in the conservatorship of the savings and loan 443
association, and, for that purpose, may retain officers or 444

employees of the savings and loan association as needed. 445

(D) The superintendent may terminate the conservatorship at 446
any time, and may appoint a receiver for liquidation of the 447
savings and loan association on any of the grounds provided in 448
this chapter for appointment of a receiver. 449

(E) All expenses of a conservatorship shall be paid out of 450
the assets of the savings and loan association, and shall be a 451
lien on the savings and loan association's assets, which lien 452
shall be prior to any other lien. 453

Sec. 1157.11. (A) Upon the appointment of a conservator, the 454
superintendent of financial institutions shall file a certified 455
copy of the certificate of appointment in the office of the 456
secretary of state, and thereafter no person shall obtain a lien 457
or charge upon any assets of the savings and loan association for 458
any payment, advance, clearance, or liability thereafter made or 459
incurred, nor shall the directors, officers, or agents of the 460
savings and loan association thereafter have authority to act on 461
behalf of the savings and loan association or to convey, transfer, 462
assign, pledge, mortgage, or encumber any of the savings and loan 463
association's assets. 464

(B) The filing of the certificate of appointment in 465
accordance with this section shall not be a condition to either 466
the superintendent's taking possession of the property and 467
business of a savings and loan association or appointing a 468
conservator for a savings and loan association. 469

Sec. 1157.12. (A) A conservator, under the supervision of the 470
superintendent of financial institutions and subject to any 471
limitations imposed by the superintendent, shall have all of the 472
following powers: 473

(1) To take possession of all books, records of account, and 474

<u>assets of the savings and loan association;</u>	475
<u>(2) To have and exercise, in the name and on behalf of the</u>	476
<u>savings and loan association, all the rights, powers, and</u>	477
<u>authority of the officers and directors of the savings and loan</u>	478
<u>association and all voting rights of its shareholders;</u>	479
<u>(3) To collect all debts, claims, and judgments belonging to</u>	480
<u>the savings and loan association and to take any other action,</u>	481
<u>including the lending of money, necessary to the operation of the</u>	482
<u>savings and loan association during the conservatorship;</u>	483
<u>(4) To execute in the name of the savings and loan</u>	484
<u>association any instrument necessary or proper to effectuate the</u>	485
<u>conservator's powers or perform its duties as conservator;</u>	486
<u>(5) To initiate, pursue, compromise, and defend litigation</u>	487
<u>involving any right, claim, interest, or liability of the savings</u>	488
<u>and loan association;</u>	489
<u>(6) To exercise all fiduciary functions of the savings and</u>	490
<u>loan association as of the date of appointment as conservator;</u>	491
<u>(7) To borrow money as necessary in the operation of the</u>	492
<u>savings and loan association, and to secure those borrowings by</u>	493
<u>the pledge or mortgage of the assets of the savings and loan</u>	494
<u>association;</u>	495
<u>(8) To abandon or convey title to any holder of a deed of</u>	496
<u>trust, mortgage, or similar lien against property in which the</u>	497
<u>savings and loan association has an interest, whenever the</u>	498
<u>conservator determines that continuing to claim that interest is</u>	499
<u>burdensome and of no advantage to the savings and loan association</u>	500
<u>or its account holders, creditors, or shareholders;</u>	501
<u>(9) If done within the ordinary course of business or</u>	502
<u>financial affairs of the savings and loan association and</u>	503
<u>according to ordinary business terms, to sell any and all assets,</u>	504

to compromise any debt, claim, obligation, or judgment due to the 505
savings and loan association, to discontinue any pending action or 506
other proceeding, and to implement a restructuring of the savings 507
and loan association in accordance with this chapter. 508

(B) Title to any assets of the savings and loan association 509
does not vest in the conservator. 510

Sec. 1157.13. During the period of the conservatorship, all 511
of the following apply: 512

(A) The conservator may permit the savings and loan 513
association to continue to conduct its usual business, including 514
the acceptance of deposits. 515

(B) The obligations of the savings and loan association shall 516
continue to bear interest at the rate contracted. 517

(C) The conservator shall make whatever reports to the 518
superintendent of financial institutions the superintendent may 519
from time to time require. 520

Sec. 1157.14. (A) The conservator shall evaluate the business 521
and assets of the savings and loan association and, after 522
conducting whatever investigations the circumstances may require, 523
shall recommend to the superintendent of financial institutions 524
that either the conservatorship of the savings and loan 525
association be terminated or the superintendent appoint a receiver 526
and the savings and loan association be liquidated as otherwise 527
provided in this chapter. The conservator shall consult with the 528
board of directors of the savings and loan association before 529
making the recommendation. 530

(B) The conservator of the savings and loan association may 531
submit a plan to the superintendent for approval to restructure 532
the savings and loan association in a manner designed to return 533
the savings and loan association to the control of its 534

shareholders. As part of the plan, the conservator may take any 535
steps the superintendent approves regarding the management, 536
operations, or assets of the savings and loan association, 537
including the sale of some or all of the savings and loan 538
association's assets. The conservator shall consult with the board 539
of directors of the savings and loan association regarding any 540
proposed sale of all or substantially all of the savings and loan 541
association's assets. 542

(C) The superintendent may require the conservator to submit 543
the plan to the shareholders of the savings and loan association 544
as provided in division (D) of this section or to submit a new or 545
revised plan for consideration by the superintendent. 546

(D) If the conservator's plan is submitted to the 547
shareholders pursuant to division (C) of this section, the 548
superintendent shall designate the contents of notice of the vote 549
that is to be forwarded from the conservator to the shareholders 550
and shall designate the date upon which notice is to be forwarded. 551
The date of the shareholder vote shall be determined by the 552
superintendent, but shall not occur earlier than seven days or 553
later than forty-five days after the date of the notice. 554

If the majority of the shareholders do not approve the plan, 555
the superintendent may request submission of a new plan or proceed 556
to appoint a receiver without regard to the grounds for 557
appointment of a receiver as otherwise provided in this chapter. 558
If the majority of the shareholders approve the plan, the 559
superintendent may terminate the conservatorship, and the 560
shareholders shall elect directors to manage the savings and loan 561
association. 562

(E) The superintendent, at any time, including after the date 563
notice of a vote is provided to shareholders of the savings and 564
loan association under division (D) of this section, may revoke a 565
previously approved plan of the conservator and either provide 566

for, or request submission of, a new plan or proceed with 567
receivership under this chapter. 568

Sec. 1157.17. This chapter provides the full and exclusive 569
powers and procedures for the liquidation of savings and loan 570
associations under the laws of this state, and no receiver or 571
other liquidating agent shall be appointed for that purpose except 572
as expressly provided in this chapter. 573

Sec. 1157.18. The superintendent of financial institutions 574
may take possession of the property and business of a savings and 575
loan association if the superintendent finds any one or more of 576
the following conditions: 577

(A) The savings and loan association is in an unsafe or 578
unsound condition to continue the business of banking. 579

(B) The savings and loan association is insolvent, in that it 580
has ceased to pay its debts in the ordinary course of business, it 581
is incapable of paying its debts as they mature, or it has 582
liabilities in excess of its assets. 583

(C) The savings and loan association has refused to submit 584
its records or affairs to the inspection or examination of any 585
federal bank regulatory agency or the superintendent. 586

(D) The savings and loan association has failed to pay its 587
deposits or obligations in accordance with the terms under which 588
the deposits were taken or the obligations were incurred. 589

(E) A majority of the board of directors of the savings and 590
loan association has requested the superintendent to appoint a 591
receiver to take possession of the savings and loan association 592
for the benefit of account holders, creditors, or shareholders. 593

(F) The savings and loan association has violated any order 594
of a court or of the superintendent, any statute, rule, or 595

regulation, or its articles of incorporation, and the 596
superintendent determines the continued control of its own affairs 597
threatens injury to any of the public, the banking industry, or 598
the savings and loan association's depositors or other creditors. 599

(G) The savings and loan association's status as an insured 600
institution has been terminated by the federal deposit insurance 601
corporation. 602

(H) The savings and loan association has an impairment of 603
paid-in capital. 604

Sec. 1157.19. (A) Upon issuing a written finding that any one 605
or more of the conditions set forth in section 1157.18 of the 606
Revised Code for taking possession of a savings and loan 607
association exists and taking possession of the savings and loan 608
association, the superintendent of financial institutions shall 609
file a certified copy of the finding and the notice of possession 610
with the court. 611

(B) Upon the appointment of a receiver, the superintendent 612
shall file a certified copy of the certificate of appointment in 613
the office of the secretary of state and with the court. 614

(C) After the superintendent files the finding of the 615
superintendent or the certificate of appointment of the receiver, 616
whichever occurs first, no person shall obtain a lien or charge 617
upon any assets of the savings and loan association for any 618
payment, advance, clearance, or liability thereafter incurred, nor 619
shall the directors, officers, or agents of the savings and loan 620
association have authority to act on behalf of the savings and 621
loan association or to convey, transfer, assign, pledge, mortgage, 622
or encumber any assets of the savings and loan association. 623

(D) Upon taking possession of the savings and loan 624
association, the superintendent shall post or cause to be posted 625

an appropriate notice of closing at the main entrance of each of 626
the savings and loan association's banking offices. 627

(E) Neither filing nor posting of notice in accordance with 628
this section shall be a condition to either the superintendent's 629
taking possession of the property and business of a savings and 630
loan association or appointing a receiver for a savings and loan 631
association. 632

Sec. 1157.20. (A) If it appears to the superintendent of 633
financial institutions that any one or more of the conditions set 634
forth in section 1157.18 of the Revised Code exists as to any 635
savings and loan association, the superintendent shall tender 636
appointment as receiver to the federal deposit insurance 637
corporation if any deposits in the savings and loan association 638
are insured by the federal deposit insurance corporation, and may 639
tender appointment as receiver to the federal deposit insurance 640
corporation in any other case. Upon acceptance of the appointment 641
as receiver, the federal deposit insurance corporation shall not 642
be required to post a bond. In addition to the powers of a 643
receiver set forth in this chapter, the federal deposit insurance 644
corporation, as receiver, may exercise any other liquidation or 645
receivership powers authorized by state or federal law for a 646
receiver of a savings and loan association. 647

(B) If the federal deposit insurance corporation declines to 648
accept the tendered appointment or if the superintendent is not 649
required to tender appointment as receiver to the federal deposit 650
insurance corporation, the superintendent may appoint, and 651
thereafter dismiss or replace, any other receiver, including the 652
superintendent, the superintendent determines to be necessary or 653
advisable. The superintendent may fix the compensation to be paid 654
the receiver and the amount of the bond or other security, if any, 655
to be required. 656

(C) The superintendent may, from time to time, appoint one or more special deputy superintendents as agent or agents to assist in the duties of receivership or of liquidation and distribution. No agent so appointed shall be subject to section 1181.05 of the Revised Code. 657
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(D) The superintendent, any special deputy superintendents, or a receiver may employ and procure whatever assistance or advice is necessary in the receivership or liquidation and distribution of the assets of the savings and loan association, and, for that purpose, may retain officers or employees of the savings and loan association as needed. 662
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(E) All expenses of a receivership and liquidation shall be paid out of the assets of the savings and loan association, and shall be a lien on the savings and loan association's assets, which lien shall be prior to any other lien. 668
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Sec. 1157.21. Upon the superintendent of financial institutions' appointment of a receiver, title to all of the savings and loan association's assets shall vest in the receiver without the execution of any instrument of conveyance, assignment, transfer, or endorsement. 672
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Sec. 1157.22. (A) A receiver shall have all of the following powers: 677
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(1) To take possession of all books, records of account, and assets of the savings and loan association; 679
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(2) To collect all debts, claims, and judgments belonging to the savings and loan association and to take any other action, including the lending of money, necessary to preserve and liquidate the assets of the savings and loan association; 681
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(3) To execute in the name of the savings and loan association any instrument necessary or proper to effectuate the 685
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<u>receiver's powers or perform its duties as receiver;</u>	687
<u>(4) To initiate, pursue, compromise, and defend litigation involving any right, claim, interest, or liability of the savings and loan association;</u>	688 689 690
<u>(5) To exercise all fiduciary functions of the savings and loan association as of the date of appointment as receiver;</u>	691 692
<u>(6) To borrow money as necessary in the liquidation of the savings and loan association, and to secure those borrowings by the pledge or mortgage of assets of the savings and loan association;</u>	693 694 695 696
<u>(7) To abandon or convey title to any holder of a deed of trust, mortgage, or similar lien against property in which the savings and loan association has an interest, whenever the receiver determines that continuing to claim that interest is burdensome and of no advantage to the savings and loan association or its account holders, creditors, or shareholders;</u>	697 698 699 700 701 702
<u>(8) To sell any and all assets, to compromise any debt, claim, obligation, or judgment due to the savings and loan association, to discontinue any pending action or other proceeding, and to sell or otherwise transfer all or a substantial portion of the assets or liabilities of the savings and loan association;</u>	703 704 705 706 707 708
<u>(9) To establish ancillary receiverships in any jurisdiction the receiver determines necessary;</u>	709 710
<u>(10) To distribute assets in accordance with this chapter;</u>	711
<u>(11) To take any other action incident to the powers set forth in division (A) of this section.</u>	712 713
<u>(B) Unless specifically indicated to the contrary, the powers conferred upon a receiver under this section may be exercised without court approval. However, nothing in this section shall be</u>	714 715 716

construed to prevent a receiver from obtaining court approval when 717
the receiver determines approval is appropriate under the 718
circumstances. 719

Sec. 1157.23. (A) The receiver shall promptly cause notice of 720
the claims procedure to be published once a month for two 721
consecutive months in a local newspaper of general circulation and 722
to be mailed to each person whose name appears as a creditor upon 723
the books of the savings and loan association, at the last address 724
of record. 725

(B)(1) All parties having claims of any kind against the 726
savings and loan association, including prior judgments and claims 727
of security, preference, priority, and offset, shall present their 728
claims substantiated by legal proof to the receiver within one 729
hundred eighty days after the date of the first publication of 730
notice of the claims procedure or after actual receipt of notice 731
of the claims procedure, whichever occurs first. 732

(2) Within one hundred eighty days after receipt of a claim, 733
the receiver shall notify the claimant in writing whether the 734
claim has been allowed or disallowed. The receiver may reject any 735
claim in whole or in part, or may reject any claim of security, 736
preference, priority, or offset against the savings and loan 737
association. Any claimant whose claim has been rejected by the 738
receiver shall petition the court for a hearing on the claim 739
within sixty days after the date the notice was mailed or be 740
forever barred from asserting the rejected claim. 741

(C) Any claims filed after the claim period and subsequently 742
accepted by the receiver or allowed by the court, shall be 743
entitled to share in the distribution of assets only to the extent 744
of the undistributed assets in the hands of the receiver on the 745
date the claims are accepted or allowed. 746

Sec. 1157.24. (A) All claims against the savings and loan association's estate and expenses, proved to the receiver's satisfaction or approved by the court, shall be paid in the following order: 747
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(1) Expenses of liquidation and receivership, including money borrowed under authority of division (A)(6) of section 1157.22 or division (A)(7) of section 1157.12 of the Revised Code and interest on it, and claims for fees and assessments due the superintendent of financial institutions; 751
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(2) Claims given priorities under other provisions of state or federal law; 756
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(3) Wages and salaries of officers and employees earned during the one-month period preceding the date of the savings and loan association's closing in an amount, before applicable taxes and other withholdings, that does not exceed one thousand dollars for any one person; 758
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(4) Deposit obligations; 763

(5) Other general liabilities; 764

(6) Obligations subordinated to deposits and other general liabilities. 765
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(B) Interest shall be given the same priority as the claim on which it is based, but no interest shall be paid on any claim until the principal of all claims within the same class has been paid or provided for in full. 767
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(C) Any funds remaining after satisfying the requirements of divisions (A) and (B) of this section shall be paid to the shareholders. 771
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(D) Payment on claims shall be made pro rata among claims of the kind specified in each class set forth in division (A) of this section. 774
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(E) Subject to the approval of the court, the receiver may designate a separate class of claims consisting only of every unsecured claim that is less than, or reduced to, an amount the court approves for payment as reasonable and necessary for administrative convenience. 777
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(F) Subject to the approval of the court, the receiver may make periodic and interim liquidating dividends or payments. 782
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Sec. 1157.25. (A) Within one hundred days after the date of the closing of a savings and loan association, a receiver may reject any executory contract to which the savings and loan association is a party without any further liability on the part of the savings and loan association or the receiver. The receiver's election to reject an executory contract creates no claim for compensation other than compensation accrued to the date of termination or for actual damages. 784
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(B) A receiver may ratify and assign any executory contract to which the savings and loan association is a party notwithstanding the existence of a provision in the contract permitting the termination of the executory contract, or prohibiting, conditioning, or requiring consent to any assignment of the executory contract, upon the insolvency of the savings and loan association or the appointment of a receiver. 792
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Sec. 1157.26. Whenever the federal deposit insurance corporation pays or makes available for payment the insured deposit liabilities of a savings and loan association, the federal deposit insurance corporation, whether or not it acts as receiver, shall be subrogated to the extent of the payments to all rights of depositors against the savings and loan association. 799
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Sec. 1157.27. (A) The receiver may appoint a successor to all rights, obligations, assets, deposits, agreements, and trusts held 805
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by the closed savings and loan association as trustee, 807
administrator, executor, guardian, agent, or in any other 808
fiduciary or representative capacity. The successor's duties and 809
obligations commence upon appointment to the same extent they are 810
binding upon the former savings and loan association and as though 811
the successor had originally assumed the duties and obligations. 812
Specifically, the successor shall succeed to and be entitled to 813
administer all trusteeships, administrations, executorships, 814
guardianships, agencies, and all other fiduciary or representative 815
proceedings to which the closed savings and loan association is 816
named or appointed in wills, whenever probated, or to which it is 817
appointed by any other instrument, court order, or operation of 818
law. 819

(B) Within sixty days after appointment, the successor shall 820
give written notice, insofar as practicable, to all interested 821
parties named in the books and records of the savings and loan 822
association or in trust documents held by it, that the successor 823
has been appointed in accordance with state law. 824

(C) Nothing in this section shall be construed to impair any 825
right of the grantor or beneficiaries of trust assets to secure 826
the appointment of a substituted trustee or manager. 827

Sec. 1157.28. (A) The filing with the court of the finding of 828
the superintendent of financial institutions or the certificate of 829
appointment of the receiver, whichever occurs first, operates as 830
an automatic stay from the date of the filing, subject to the 831
court granting a motion for relief from the stay, applicable to 832
all entities, of both of the following: 833

(1) The commencement or continuation, including the issuance 834
or employment of process, of a judicial, administrative, or other 835
action or proceeding against the savings and loan association that 836
was or could have been commenced before the filing; 837

(2) The enforcement against the savings and loan association 838
of a judgment or other claim obtained before the filing, including 839
claims of security, preference, priority, and offset. 840

(B) Upon the filing with the court of the finding of the 841
superintendent or the certificate of appointment of the receiver, 842
whichever occurs first, any other pending judicial, 843
administrative, or other action or proceeding against the savings 844
and loan association shall, upon motion of the receiver, be 845
consolidated into one action or transferred as a separate matter 846
before the presiding judge of the court having jurisdiction of the 847
receivership, subject, however, to the automatic stay provided in 848
division (A) of this section. Subject to the receiver's option to 849
have an action later consolidated or transferred, any action 850
commenced after the superintendent's filing shall be filed as a 851
separate matter before the presiding judge in the court having 852
jurisdiction over the receivership. 853

(C) The superintendent, prior to the appointment of a 854
receiver, or the receiver, after its appointment, shall be the 855
only party named in an action involving a savings and loan 856
association subject to this chapter. 857

(D) Any action seeking to enjoin the superintendent's order 858
appointing a receiver of a savings and loan association shall be 859
brought prior to the date the receiver sells all or substantially 860
all of the assets of the savings and loan association, prior to 861
the date the receiver transfers all or substantially all of the 862
insured deposits to an assuming institution, or within ten days 863
after the issuance of the order, whichever is earliest. 864

Sec. 1157.29. (A) When a receiver has completed the 865
liquidation of a savings and loan association, the receiver shall, 866
with notice to the superintendent of financial institutions, 867
petition the court for an order declaring the savings and loan 868

association properly wound up and dissolved. 869

(B) After whatever notice and hearing, if any, the court may 870
direct, the court may make an order declaring the savings and loan 871
association properly wound up and dissolved. The order shall do 872
both of the following, to the extent applicable: 873

(1) Declare all of the following: 874

(a) The savings and loan association has been properly wound 875
up. 876

(b) All known assets of the savings and loan association have 877
been distributed according to the distribution priorities set 878
forth in this chapter. 879

(c) The savings and loan association is dissolved. 880

(2) If there are known debts or liabilities, describe the 881
provision made for their payment, setting forth whatever 882
information may be necessary to enable the creditor or other 883
person to whom payment is to be made to appear and claim payment 884
of the debt or liability. 885

(C) The order shall confirm a plan by the receiver for the 886
disposition or maintenance of any remaining real or personal 887
property or other assets, whether held in trust or otherwise and 888
including the contents of safe deposit boxes or vaults, held by 889
the savings and loan association for its account holders, 890
creditors, lessees, or shareholders. The plan shall include 891
written notice to all known owners or beneficiaries of the assets, 892
to be sent by first class mail to each individual's address as 893
shown on the records of the savings and loan association. 894

(D) The court may make whatever additional orders and grant 895
whatever further relief it determines proper upon the evidence 896
submitted. 897

(E) Once the order is made declaring the savings and loan 898

association dissolved, the corporate existence of the savings and 899
loan association shall cease, except for purposes of any necessary 900
additional winding up. 901

(F) Once the order is made declaring the savings and loan 902
association dissolved, the receiver shall promptly file a copy of 903
the order, certified by the clerk of the court, with both the 904
secretary of state and the superintendent. 905

Sec. 1157.30. Subject to the approval of the court, the 906
receiver may destroy the records of the savings and loan 907
association after the receiver determines there is no further need 908
for them. However, the receiver shall not destroy the records 909
earlier than six months after the date the savings and loan 910
association is declared dissolved by the court. 911

Sec. 1157.33. (A) No damages may be awarded in a proceeding 912
brought pursuant to this chapter challenging any action by the 913
superintendent of financial institutions, special deputy 914
superintendent, receiver, or conservator, or any employee of any 915
of them, or any person retained for services under this chapter. 916
Any action for damages shall be brought in the court as a separate 917
action. 918

(B) The superintendent, special deputy superintendent, 919
receiver, conservator, or any employee of any of them, or any 920
person retained for services under this chapter, is not subject to 921
any civil liability or penalty, or to any criminal prosecution, 922
for any error in judgment or discretion made in good faith in any 923
action taken or omitted in an official capacity under this 924
chapter. 925

(C) The superintendent, special deputy superintendent, 926
receiver, conservator, or any employee of any of them, or any 927
person retained for services under this chapter, is not liable in 928

damages for any action or failure to act unless it is proved by 929
clear and convincing evidence in court that the action or failure 930
to act involved an act or omission undertaken with deliberate 931
intent to cause injury to any of the savings and loan association, 932
its shareholders, its depositors, or its creditors, or undertaken 933
with reckless disregard for the best interests of any of the 934
savings and loan association, its shareholders, its depositors, 935
its creditors, or the public. 936

Sec. 1165.01. (A) As used in this chapter, "court" means the 937
court of common pleas of the county in which the principal place 938
of business of a savings bank, as set forth in its articles of 939
incorporation, is located or of any other county determined by the 940
superintendent of financial institutions to be appropriate under 941
the circumstances. 942

(B) The court shall have exclusive original jurisdiction of 943
any action or proceeding relating to or arising out of the taking 944
of possession of the property and business of a savings bank under 945
this chapter, whether before or after the savings bank is wound up 946
and dissolved, as well as any action or other proceeding brought 947
under this chapter. 948

(C) Whenever the approval of the court is required for any 949
act under this chapter, that approval may be given with or without 950
a hearing held upon whatever notice, if any, the court may direct, 951
unless otherwise provided in this chapter. At a hearing, the 952
court, by order, may approve the actions petitioned. 953

Sec. 1165.03. (A) A savings bank may proceed with a voluntary 954
liquidation and be closed only with both the consent of the 955
superintendent of financial institutions and the prior approval of 956
the shareholders of the savings bank by a vote as provided for in 957
its articles of incorporation, if not less than a majority. 958

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(B) Prior to instituting a voluntary liquidation, a savings bank shall submit to the superintendent an application for approval of its plan of voluntary liquidation and evidence satisfactory to the superintendent that the plan has been properly adopted by the savings bank and approved by its shareholders.

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(C) A savings bank's plan of voluntary liquidation shall include provisions for all of the following:

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(1) The settlement of all debts and liabilities, including the claims of account holders, owed by the savings bank;

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(2) The distribution of the savings bank's assets that remain after the settlement of debts and liabilities to all persons entitled to them;

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(3) The disposition or maintenance of any remaining or unclaimed funds, real or personal property, either tangible or intangible, or other assets, whether in trust or otherwise, including the contents of safe deposit boxes or vaults;

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(4) The retention of the savings bank's records in accordance with section 1163.09 of the Revised Code;

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(5) The date upon which the savings bank shall cease doing any banking business and surrender its license to the superintendent.

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(D) Upon receipt of a plan of voluntary liquidation, the superintendent shall make an examination of the savings bank and shall consent to or deny an application for approval of a plan based upon the superintendent's evaluation of whether or not the interests of the savings bank's depositors and creditors will suffer by the liquidation.

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(E) The superintendent's consent to an application for approval of a plan of voluntary liquidation may be subject to any

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condition the superintendent determines appropriate under the 989
circumstances. 990

Sec. 1165.04. (A) If the superintendent of financial 991
institutions consents to a voluntary liquidation, the 992
superintendent shall cause a certified copy of the consent to be 993
filed in the office of the secretary of state, and the savings 994
bank to be liquidated shall do both of the following: 995

(1) Publish a notice of the voluntary liquidation once a week 996
for four consecutive weeks in a newspaper of general circulation 997
in the county in which the savings bank's principal place of 998
business is located; 999

(2) Give written notice of the voluntary liquidation, either 1000
personally or by mail, to all known creditors of and all known 1001
claimants against the savings bank. 1002

(B) Compliance with the notice and publication requirements 1003
of division (A) of this section satisfies any duplicate or similar 1004
notice and publication requirements of Chapter 1701. of the 1005
Revised Code. 1006

Sec. 1165.05. (A) A voluntary liquidation of a savings bank 1007
shall be conducted only with the continued supervision of the 1008
superintendent of financial institutions. The superintendent may 1009
conduct any additional examinations of the savings bank the 1010
superintendent considers necessary or appropriate. 1011

(B) If the superintendent has reason to conclude the 1012
liquidation of a savings bank is not being safely or expeditiously 1013
conducted, the superintendent may take possession of the business 1014
and property of the savings bank in the same manner, with the same 1015
effect, and subject to the same rights accorded the savings bank 1016
as if the superintendent had taken possession under the 1017
receivership provisions of this chapter. The superintendent may 1018

proceed to liquidate the affairs of the savings bank in the same 1019
manner as otherwise provided in this chapter. 1020

Sec. 1165.06. Upon completion of a voluntary liquidation, the 1021
liquidated savings bank shall submit to the superintendent of 1022
financial institutions all documents required under Chapter 1701. 1023
of the Revised Code for a dissolution. The superintendent shall 1024
consent to the dissolution, and shall cause a certified copy of 1025
the consent to be filed, along with the savings bank's dissolution 1026
documents, in the office of the secretary of state. 1027

Sec. ~~1165.01~~ 1165.09. (A) The superintendent of ~~savings banks~~ 1028
financial institutions may appoint a conservator ~~for any to take~~ 1029
possession of the property and business of a savings bank ~~whenever~~ 1030
~~he considers it necessary in order and to conserve~~ retain 1031
possession until the ~~assets of that savings bank for depositors,~~ 1032
~~members, and creditors. The resumes business or a receiver is~~ 1033
appointed, as provided for in this chapter, if the superintendent 1034
~~shall appoint a conservator for any savings bank whose~~ finds any 1035
one or more of the following conditions: 1036

(A) The savings bank is in an unsafe or unsound condition to 1037
continue the business of banking. 1038

(B) The savings bank is insolvent, in that it has ceased to 1039
pay its debts in the ordinary course of business, it is incapable 1040
of paying its debts as they mature, or it has liabilities in 1041
excess of its assets. 1042

(C) The savings bank has committed a violation of law that 1043
has caused or that threatens substantial injury to any of the 1044
public, the banking industry, or the savings bank's depositors or 1045
other creditors. 1046

(D) The savings bank has refused to submit its records of 1047
account, papers, or affairs to the inspection or examination of 1048

any federal agency or the superintendent. 1049

(E) The savings bank has failed to pay its deposits or obligations in accordance with the terms under which the deposits were taken or the obligations were incurred. 1050
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(F) A majority of the board of directors of the savings bank or a majority of its shareholders has requested the superintendent to appoint a conservator to take possession of the savings bank. 1053
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(G) Either all positions on the board of directors of the savings bank are vacant or all of the directors then in office are incapacitated or otherwise unable to perform their responsibilities. 1056
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(H) The savings bank has violated any court order, statute, rule, or regulation, or its articles of incorporation, and the superintendent determines the continued control of its own affairs threatens injury to any of the public, the banking industry, or the savings bank's depositors or other creditors. 1060
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(I) The savings bank's status as an insured depository institution has been terminated by the federal deposit insurance corporation. The superintendent may fix the compensation to be paid the conservator, the bond or other security to be required of him, and may remove the conservator at any time. Upon or after the appointment of a conservator for any savings bank, the superintendent may order the closing of the books of the savings bank against further transfer of its stock. He may thereafter permit the books to be reopened. 1065
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~~(B) The conservator shall:~~ 1074

~~(1) Take possession of the business and property of the savings bank;~~ 1075
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~~(2) Have and exercise, in the name and on behalf of the savings bank, all the rights, powers, and authority of the~~ 1077
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~~officers and directors of the savings bank and all voting rights of its members or shareholders and may continue its business in whole or in part with a view to conserving its business and assets pending further disposition thereof as provided by law under the supervision of the superintendent and upon such limitations as are imposed by him.~~

~~(C) The conservator may:~~

~~(1) Give notice that he has taken possession of the assets of the savings bank to all persons holding or having possession of any assets of the savings bank;~~

~~(2) Do all things he considers desirable or expedient to carry on the saving bank's business consistent with his appointment, but he shall not declare, credit or distribute earnings on savings accounts or deposits without the approval of the superintendent;~~

~~(3) Bring or defend suits or proceedings in the name of the savings bank under the direction and supervision of the superintendent;~~

~~(4) Do such things and have such rights, powers, privileges, immunities, and duties as the superintendent authorizes, directs, confers, or imposes.~~

~~(D) This section does not vest title to any assets of the savings bank in the conservator. No person, firm, corporation, or association, knowing that a conservator has taken possession of the business and property of a savings bank or having been so notified, shall have a lien or charge against any of the assets of the savings bank for any payment, advance, clearance, or liability thereafter made or incurred. The obligations of the savings bank shall continue to bear interest at the rate contracted.~~

~~(E) Any officer, director, member, or shareholder, from time to time, may communicate with the superintendent regarding the~~

~~conservatorship. The conservator shall furnish bond in form and amount as the superintendent may direct.~~ 1110
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~~(F) The attorney general, as legal advisor to the division, may employ special counsel to aid him with respect to any litigation in which the conservator is involved on behalf of the savings bank. The compensation of the special counsel shall be fixed by the attorney general subject to the approval of the court.~~ 1112
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~~(G) Within thirty days after appointment of a conservator, the savings bank may bring an action in the court of common pleas of Franklin county, for an order that the superintendent remove the conservator. Immediately upon filing the action, summons shall be issued to the sheriff of Franklin county to be served on the superintendent, returnable within five days from its date, which in all other respects the summons shall be made as in civil actions, whereupon the allegations of the petition shall be deemed to stand denied without pleading and the cause shall be advanced and heard without delay.~~ 1118
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~~(H) The superintendent may terminate the conservatorship and permit the savings bank to resume the transaction of its business, subject to such terms and restrictions as he prescribes, when the superintendent determines that the termination of the conservatorship may be safely done and would be in the public interest. In no case shall the superintendent terminate the conservatorship and permit the savings bank to resume the transaction of its business, unless the federal deposit insurance corporation assures the superintendent that the savings bank, upon resuming the transaction of its business, will have the status of an insured depository institution. The superintendent may terminate the conservatorship and take possession on any of the grounds provided in section 1165.02 of the Revised Code.~~ 1128
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~~(I) The conservator may submit a plan for the termination of~~ 1141

~~the conservatorship to the members or shareholders of the savings banks. If the holders of a majority of the shares or a majority of members vote to accept the plan, they shall elect directors to manage the affairs of the savings bank.~~ 1142
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~~When a plan for termination of the conservatorship has been submitted to the members or shareholders of the savings bank, the superintendent may require that the plan be submitted to the court. He may require that not less than two weeks' notice of the time and place of hearing on such application be given by publication or otherwise, as the court directs, to depositors, creditors, members, and shareholders of the savings bank.~~ 1146
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~~(J) The expenses of the conservatorship and the compensation of the conservator and the special counsel, if any, as provided in this section, shall be paid out of the assets of the savings bank and shall be a lien thereon prior to any other lien.~~ 1153
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Sec. 1165.10. (A) If it appears to the superintendent of financial institutions that any one or more of the conditions set forth in section 1165.09 of the Revised Code exists as to any savings bank, the superintendent may appoint a conservator, which appointment may include the superintendent, and thereafter may dismiss or replace the conservator as the superintendent determines necessary or advisable. The superintendent may fix the compensation to be paid the conservator and the amount of the bond or other security, if any, to be required. 1157
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(B) The superintendent may, from time to time, appoint one or more special deputy superintendents as agent or agents to assist in the duties of conservatorship. 1166
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(C) The superintendent, any special deputy superintendents, or a conservator may employ and procure whatever assistance or advice is necessary in the conservatorship of the savings bank, and, for that purpose, may retain officers or employees of the 1169
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savings bank as needed. 1173

(D) The superintendent may terminate the conservatorship at 1174
any time, and may appoint a receiver for liquidation of the 1175
savings bank on any of the grounds provided in this chapter for 1176
appointment of a receiver. 1177

(E) All expenses of a conservatorship shall be paid out of 1178
the assets of the savings bank, and shall be a lien on the bank's 1179
assets, which lien shall be prior to any other lien. 1180

Sec. 1165.11. (A) Upon the appointment of a conservator, the 1181
superintendent of financial institutions shall file a certified 1182
copy of the certificate of appointment in the office of the 1183
secretary of state, and thereafter no person shall obtain a lien 1184
or charge upon any assets of the savings bank for any payment, 1185
advance, clearance, or liability thereafter made or incurred, nor 1186
shall the directors, officers, or agents of the savings bank 1187
thereafter have authority to act on behalf of the savings bank or 1188
to convey, transfer, assign, pledge, mortgage, or encumber any of 1189
the savings bank's assets. 1190

(B) The filing of the certificate of appointment in 1191
accordance with this section shall not be a condition to either 1192
the superintendent's taking possession of the property and 1193
business of a savings bank or appointing a conservator for a 1194
savings bank. 1195

Sec. 1165.12. (A) A conservator, under the supervision of the 1196
superintendent of financial institutions and subject to any 1197
limitations imposed by the superintendent, shall have all of the 1198
following powers: 1199

(1) To take possession of all books, records of account, and 1200
assets of the savings bank; 1201

(2) To have and exercise, in the name and on behalf of the 1202

savings bank, all the rights, powers, and authority of the 1203
officers and directors of the savings bank and all voting rights 1204
of its shareholders; 1205

(3) To collect all debts, claims, and judgments belonging to 1206
the savings bank and to take any other action, including the 1207
lending of money, necessary to the operation of the savings bank 1208
during the conservatorship; 1209

(4) To execute in the name of the savings bank any instrument 1210
necessary or proper to effectuate the conservator's powers or 1211
perform its duties as conservator; 1212

(5) To initiate, pursue, compromise, and defend litigation 1213
involving any right, claim, interest, or liability of the savings 1214
bank; 1215

(6) To exercise all fiduciary functions of the savings bank 1216
as of the date of appointment as conservator; 1217

(7) To borrow money as necessary in the operation of the 1218
savings bank, and to secure those borrowings by the pledge or 1219
mortgage of the assets of the savings bank; 1220

(8) To abandon or convey title to any holder of a deed of 1221
trust, mortgage, or similar lien against property in which the 1222
savings bank has an interest, whenever the conservator determines 1223
that continuing to claim that interest is burdensome and of no 1224
advantage to the savings bank or its account holders, creditors, 1225
or shareholders; 1226

(9) If done within the ordinary course of business or 1227
financial affairs of the savings bank and according to ordinary 1228
business terms, to sell any and all assets, to compromise any 1229
debt, claim, obligation, or judgment due to the savings bank, to 1230
discontinue any pending action or other proceeding, and to 1231
implement a restructuring of the savings bank in accordance with 1232
this chapter. 1233

(B) Title to any assets of the savings bank does not vest in the conservator. 1234
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Sec. 1165.13. During the period of the conservatorship, all of the following apply: 1236
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(A) The conservator may permit the savings bank to continue to conduct its usual business, including the acceptance of deposits. 1238
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(B) The obligations of the savings bank shall continue to bear interest at the rate contracted. 1241
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(C) The conservator shall make whatever reports to the superintendent of financial institutions the superintendent may from time to time require. 1243
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Sec. 1165.14. (A) The conservator shall evaluate the business and assets of the savings bank and, after conducting whatever investigations the circumstances may require, shall recommend to the superintendent of financial institutions that either the conservatorship of the savings bank be terminated or the superintendent appoint a receiver and the savings bank be liquidated as otherwise provided in this chapter. The conservator shall consult with the board of directors of the savings bank before making the recommendation. 1246
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(B) The conservator of the savings bank may submit a plan to the superintendent for approval to restructure the savings bank in a manner designed to return the savings bank to the control of its shareholders. As part of the plan, the conservator may take any steps the superintendent approves regarding the management, operations, or assets of the savings bank, including the sale of some or all of the savings bank's assets. The conservator shall consult with the board of directors of the savings bank regarding any proposed sale of all or substantially all of the savings 1255
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bank's assets. 1264

(C) The superintendent may require the conservator to submit 1265
the plan to the shareholders of the savings bank as provided in 1266
division (D) of this section or to submit a new or revised plan 1267
for consideration by the superintendent. 1268

(D) If the conservator's plan is submitted to the 1269
shareholders pursuant to division (C) of this section, the 1270
superintendent shall designate the contents of notice of the vote 1271
that is to be forwarded from the conservator to the shareholders 1272
and shall designate the date upon which notice is to be forwarded. 1273
The date of the shareholder vote shall be determined by the 1274
superintendent, but shall not occur earlier than seven days or 1275
later than forty-five days after the date of the notice. 1276

If the majority of the shareholders do not approve the plan, 1277
the superintendent may request submission of a new plan or proceed 1278
to appoint a receiver without regard to the grounds for 1279
appointment of a receiver as otherwise provided in this chapter. 1280
If the majority of the shareholders approve the plan, the 1281
superintendent may terminate the conservatorship, and the 1282
shareholders shall elect directors to manage the savings bank. 1283

(E) The superintendent, at any time, including after the date 1284
notice of a vote is provided to shareholders of the savings bank 1285
under division (D) of this section, may revoke a previously 1286
approved plan of the conservator and either provide for, or 1287
request submission of, a new plan or proceed with receivership 1288
under this chapter. 1289

Sec. 1165.17. This chapter provides the full and exclusive 1290
powers and procedures for the liquidation of savings banks under 1291
the laws of this state, and no receiver or other liquidating agent 1292
shall be appointed for that purpose except as expressly provided 1293
in this chapter. 1294

Sec. 1165.18. The superintendent of financial institutions 1295
may take possession of the property and business of a savings bank 1296
if the superintendent finds any one or more of the following 1297
conditions: 1298

(A) The savings bank is in an unsafe or unsound condition to 1299
continue the business of banking. 1300

(B) The savings bank is insolvent, in that it has ceased to 1301
pay its debts in the ordinary course of business, it is incapable 1302
of paying its debts as they mature, or it has liabilities in 1303
excess of its assets. 1304

(C) The savings bank has refused to submit its records or 1305
affairs to the inspection or examination of any federal bank 1306
regulatory agency or the superintendent. 1307

(D) The savings bank has failed to pay its deposits or 1308
obligations in accordance with the terms under which the deposits 1309
were taken or the obligations were incurred. 1310

(E) A majority of the board of directors of the savings bank 1311
has requested the superintendent to appoint a receiver to take 1312
possession of the savings bank for the benefit of account holders, 1313
creditors, or shareholders. 1314

(F) The savings bank has violated any order of a court or of 1315
the superintendent, any statute, rule, or regulation, or its 1316
articles of incorporation, and the superintendent determines the 1317
continued control of its own affairs threatens injury to any of 1318
the public, the banking industry, or the savings bank's depositors 1319
or other creditors. 1320

(G) The savings bank's status as an insured institution has 1321
been terminated by the federal deposit insurance corporation. 1322

(H) The savings bank has an impairment of paid-in capital. 1323

Sec. 1165.19. (A) Upon issuing a written finding that any one 1324
or more of the conditions set forth in section 1165.18 of the 1325
Revised Code for taking possession of a savings bank exists and 1326
taking possession of the savings bank, the superintendent of 1327
financial institutions shall file a certified copy of the finding 1328
and the notice of possession with the court. 1329

(B) Upon the appointment of a receiver, the superintendent 1330
shall file a certified copy of the certificate of appointment in 1331
the office of the secretary of state and with the court. 1332

(C) After the superintendent files the finding of the 1333
superintendent or the certificate of appointment of the receiver, 1334
whichever occurs first, no person shall obtain a lien or charge 1335
upon any assets of the savings bank for any payment, advance, 1336
clearance, or liability thereafter incurred, nor shall the 1337
directors, officers, or agents of the savings bank have authority 1338
to act on behalf of the savings bank or to convey, transfer, 1339
assign, pledge, mortgage, or encumber any assets of the savings 1340
bank. 1341

(D) Upon taking possession of the savings bank, the 1342
superintendent shall post or cause to be posted an appropriate 1343
notice of closing at the main entrance of each of the savings 1344
bank's banking offices. 1345

(E) Neither filing nor posting of notice in accordance with 1346
this section shall be a condition to either the superintendent's 1347
taking possession of the property and business of a savings bank 1348
or appointing a receiver for a savings bank. 1349

Sec. 1165.20. (A) If it appears to the superintendent of 1350
financial institutions that any one or more of the conditions set 1351
forth in section 1165.18 of the Revised Code exists as to any 1352
savings bank, the superintendent shall tender appointment as 1353

receiver to the federal deposit insurance corporation if any 1354
deposits in the savings bank are insured by the federal deposit 1355
insurance corporation, and may tender appointment as receiver to 1356
the federal deposit insurance corporation in any other case. Upon 1357
acceptance of the appointment as receiver, the federal deposit 1358
insurance corporation shall not be required to post a bond. In 1359
addition to the powers of a receiver set forth in this chapter, 1360
the federal deposit insurance corporation, as receiver, may 1361
exercise any other liquidation or receivership powers authorized 1362
by state or federal law for a receiver of a savings bank. 1363

(B) If the federal deposit insurance corporation declines to 1364
accept the tendered appointment or if the superintendent is not 1365
required to tender appointment as receiver to the federal deposit 1366
insurance corporation, the superintendent may appoint, and 1367
thereafter dismiss or replace, any other receiver, including the 1368
superintendent, the superintendent determines to be necessary or 1369
advisable. The superintendent may fix the compensation to be paid 1370
the receiver and the amount of the bond or other security, if any, 1371
to be required. 1372

(C) The superintendent may, from time to time, appoint one or 1373
more special deputy superintendents as agent or agents to assist 1374
in the duties of receivership or of liquidation and distribution. 1375
No agent so appointed shall be subject to section 1181.05 of the 1376
Revised Code. 1377

(D) The superintendent, any special deputy superintendents, 1378
or a receiver may employ and procure whatever assistance or advice 1379
is necessary in the receivership or liquidation and distribution 1380
of the assets of the savings bank, and, for that purpose, may 1381
retain officers or employees of the savings bank as needed. 1382

(E) All expenses of a receivership and liquidation shall be 1383
paid out of the assets of the savings bank, and shall be a lien on 1384
the savings bank's assets, which lien shall be prior to any other 1385

lien. 1386

Sec. 1165.21. Upon the superintendent of financial 1387
institutions' appointment of a receiver, title to all of the 1388
savings bank's assets shall vest in the receiver without the 1389
execution of any instrument of conveyance, assignment, transfer, 1390
or endorsement. 1391

Sec. 1165.22. (A) A receiver shall have all of the following 1392
powers: 1393

(1) To take possession of all books, records of account, and 1394
assets of the savings bank; 1395

(2) To collect all debts, claims, and judgments belonging to 1396
the savings bank and to take any other action, including the 1397
lending of money, necessary to preserve and liquidate the assets 1398
of the savings bank; 1399

(3) To execute in the name of the bank any instrument 1400
necessary or proper to effectuate the receiver's powers or perform 1401
its duties as receiver; 1402

(4) To initiate, pursue, compromise, and defend litigation 1403
involving any right, claim, interest, or liability of the savings 1404
bank; 1405

(5) To exercise all fiduciary functions of the savings bank 1406
as of the date of appointment as receiver; 1407

(6) To borrow money as necessary in the liquidation of the 1408
savings bank, and to secure those borrowings by the pledge or 1409
mortgage of assets of the savings bank; 1410

(7) To abandon or convey title to any holder of a deed of 1411
trust, mortgage, or similar lien against property in which the 1412
savings bank has an interest, whenever the receiver determines 1413
that continuing to claim that interest is burdensome and of no 1414

advantage to the savings bank or its account holders, creditors, 1415
or shareholders; 1416

(8) To sell any and all assets, to compromise any debt, 1417
claim, obligation, or judgment due to the savings bank, to 1418
discontinue any pending action or other proceeding, and to sell or 1419
otherwise transfer all or a substantial portion of the assets or 1420
liabilities of the savings bank; 1421

(9) To establish ancillary receiverships in any jurisdiction 1422
the receiver determines necessary; 1423

(10) To distribute assets in accordance with this chapter; 1424

(11) To take any other action incident to the powers set 1425
forth in division (A) of this section. 1426

(B) Unless specifically indicated to the contrary, the powers 1427
conferred upon a receiver under this section may be exercised 1428
without court approval. However, nothing in this section shall be 1429
construed to prevent a receiver from obtaining court approval when 1430
the receiver determines approval is appropriate under the 1431
circumstances. 1432

Sec. 1165.23. (A) The receiver shall promptly cause notice of 1433
the claims procedure to be published once a month for two 1434
consecutive months in a local newspaper of general circulation and 1435
to be mailed to each person whose name appears as a creditor upon 1436
the books of the savings bank, at the last address of record. 1437

(B)(1) All parties having claims of any kind against the 1438
savings bank, including prior judgments and claims of security, 1439
preference, priority, and offset, shall present their claims 1440
substantiated by legal proof to the receiver within one hundred 1441
eighty days after the date of the first publication of notice of 1442
the claims procedure or after actual receipt of notice of the 1443
claims procedure, whichever occurs first. 1444

(2) Within one hundred eighty days after receipt of a claim, 1445
the receiver shall notify the claimant in writing whether the 1446
claim has been allowed or disallowed. The receiver may reject any 1447
claim in whole or in part, or may reject any claim of security, 1448
preference, priority, or offset against the savings bank. Any 1449
claimant whose claim has been rejected by the receiver shall 1450
petition the court for a hearing on the claim within sixty days 1451
after the date the notice was mailed or be forever barred from 1452
asserting the rejected claim. 1453

(C) Any claims filed after the claim period and subsequently 1454
accepted by the receiver or allowed by the court, shall be 1455
entitled to share in the distribution of assets only to the extent 1456
of the undistributed assets in the hands of the receiver on the 1457
date the claims are accepted or allowed. 1458

Sec. 1165.24. (A) All claims against the savings bank's 1459
estate and expenses, proved to the receiver's satisfaction or 1460
approved by the court, shall be paid in the following order: 1461

(1) Expenses of liquidation and receivership, including money 1462
borrowed under authority of division (A)(6) of section 1165.22 or 1463
division (A)(7) of section 1165.12 of the Revised Code and 1464
interest on it, and claims for fees and assessments due the 1465
superintendent of financial institutions; 1466

(2) Claims given priorities under other provisions of state 1467
or federal law; 1468

(3) Wages and salaries of officers and employees earned 1469
during the one-month period preceding the date of the savings 1470
bank's closing in an amount, before applicable taxes and other 1471
withholdings, that does not exceed one thousand dollars for any 1472
one person; 1473

(4) Deposit obligations; 1474

<u>(5) Other general liabilities;</u>	1475
<u>(6) Obligations subordinated to deposits and other general liabilities.</u>	1476 1477
<u>(B) Interest shall be given the same priority as the claim on which it is based, but no interest shall be paid on any claim until the principal of all claims within the same class has been paid or provided for in full.</u>	1478 1479 1480 1481
<u>(C) Any funds remaining after satisfying the requirements of divisions (A) and (B) of this section shall be paid to the shareholders.</u>	1482 1483 1484
<u>(D) Payment on claims shall be made pro rata among claims of the kind specified in each class set forth in division (A) of this section.</u>	1485 1486 1487
<u>(E) Subject to the approval of the court, the receiver may designate a separate class of claims consisting only of every unsecured claim that is less than, or reduced to, an amount the court approves for payment as reasonable and necessary for administrative convenience.</u>	1488 1489 1490 1491 1492
<u>(F) Subject to the approval of the court, the receiver may make periodic and interim liquidating dividends or payments.</u>	1493 1494
<u>Sec. 1165.25.</u> <u>(A) Within one hundred days after the date of the closing of a savings bank, a receiver may reject any executory contract to which the savings bank is a party without any further liability on the part of the savings bank or the receiver. The receiver's election to reject an executory contract creates no claim for compensation other than compensation accrued to the date of termination or for actual damages.</u>	1495 1496 1497 1498 1499 1500 1501
<u>(B) A receiver may ratify and assign any executory contract to which the savings bank is a party notwithstanding the existence of a provision in the contract permitting the termination of the</u>	1502 1503 1504

executory contract, or prohibiting, conditioning, or requiring 1505
consent to any assignment of the executory contract, upon the 1506
insolvency of the savings bank or the appointment of a receiver. 1507

Sec. 1165.26. Whenever the federal deposit insurance 1508
corporation pays or makes available for payment the insured 1509
deposit liabilities of a savings bank, the federal deposit 1510
insurance corporation, whether or not it acts as receiver, shall 1511
be subrogated to the extent of the payments to all rights of 1512
depositors against the savings bank. 1513

Sec. 1165.27. (A) The receiver may appoint a successor to all 1514
rights, obligations, assets, deposits, agreements, and trusts held 1515
by the closed savings bank as trustee, administrator, executor, 1516
guardian, agent, or in any other fiduciary or representative 1517
capacity. The successor's duties and obligations commence upon 1518
appointment to the same extent they are binding upon the former 1519
savings bank and as though the successor had originally assumed 1520
the duties and obligations. Specifically, the successor shall 1521
succeed to and be entitled to administer all trusteeships, 1522
administrations, executorships, guardianships, agencies, and all 1523
other fiduciary or representative proceedings to which the closed 1524
savings bank is named or appointed in wills, whenever probated, or 1525
to which it is appointed by any other instrument, court order, or 1526
operation of law. 1527

(B) Within sixty days after appointment, the successor shall 1528
give written notice, insofar as practicable, to all interested 1529
parties named in the books and records of the savings bank or in 1530
trust documents held by it, that the successor has been appointed 1531
in accordance with state law. 1532

(C) Nothing in this section shall be construed to impair any 1533
right of the grantor or beneficiaries of trust assets to secure 1534

the appointment of a substituted trustee or manager. 1535

Sec. 1165.28. (A) The filing with the court of the finding of 1536
the superintendent of financial institutions or the certificate of 1537
appointment of the receiver, whichever occurs first, operates as 1538
an automatic stay from the date of the filing, subject to the 1539
court granting a motion for relief from the stay, applicable to 1540
all entities, of both of the following: 1541

(1) The commencement or continuation, including the issuance 1542
or employment of process, of a judicial, administrative, or other 1543
action or proceeding against the savings bank that was or could 1544
have been commenced before the filing; 1545

(2) The enforcement against the savings bank of a judgment or 1546
other claim obtained before the filing, including claims of 1547
security, preference, priority, and offset. 1548

(B) Upon the filing with the court of the finding of the 1549
superintendent or the certificate of appointment of the receiver, 1550
whichever occurs first, any other pending judicial, 1551
administrative, or other action or proceeding against the savings 1552
bank shall, upon motion of the receiver, be consolidated into one 1553
action or transferred as a separate matter before the presiding 1554
judge of the court having jurisdiction of the receivership, 1555
subject, however, to the automatic stay provided in division (A) 1556
of this section. Subject to the receiver's option to have an 1557
action later consolidated or transferred, any action commenced 1558
after the superintendent's filing shall be filed as a separate 1559
matter before the presiding judge in the court having jurisdiction 1560
over the receivership. 1561

(C) The superintendent, prior to the appointment of a 1562
receiver, or the receiver, after its appointment, shall be the 1563
only party named in an action involving a savings bank subject to 1564
this chapter. 1565

(D) Any action seeking to enjoin the superintendent's order 1566
appointing a receiver of a savings bank shall be brought prior to 1567
the date the receiver sells all or substantially all of the assets 1568
of the savings bank, prior to the date the receiver transfers all 1569
or substantially all of the insured deposits to an assuming 1570
institution, or within ten days after the issuance of the order, 1571
whichever is earliest. 1572

Sec. 1165.29. (A) When a receiver has completed the 1573
liquidation of a savings bank, the receiver shall, with notice to 1574
the superintendent of financial institutions, petition the court 1575
for an order declaring the savings bank properly wound up and 1576
dissolved. 1577

(B) After whatever notice and hearing, if any, the court may 1578
direct, the court may make an order declaring the savings bank 1579
properly wound up and dissolved. The order shall do both of the 1580
following, to the extent applicable: 1581

(1) Declare all of the following: 1582

(a) The savings bank has been properly wound up. 1583

(b) All known assets of the savings bank have been 1584
distributed according to the distribution priorities set forth in 1585
this chapter. 1586

(c) The savings bank is dissolved. 1587

(2) If there are known debts or liabilities, describe the 1588
provision made for their payment, setting forth whatever 1589
information may be necessary to enable the creditor or other 1590
person to whom payment is to be made to appear and claim payment 1591
of the debt or liability. 1592

(C) The order shall confirm a plan by the receiver for the 1593
disposition or maintenance of any remaining real or personal 1594
property or other assets, whether held in trust or otherwise and 1595

including the contents of safe deposit boxes or vaults, held by 1596
the savings bank for its account holders, creditors, lessees, or 1597
shareholders. The plan shall include written notice to all known 1598
owners or beneficiaries of the assets, to be sent by first class 1599
mail to each individual's address as shown on the records of the 1600
savings bank. 1601

(D) The court may make whatever additional orders and grant 1602
whatever further relief it determines proper upon the evidence 1603
submitted. 1604

(E) Once the order is made declaring the savings bank 1605
dissolved, the corporate existence of the savings bank shall 1606
cease, except for purposes of any necessary additional winding up. 1607

(F) Once the order is made declaring the savings bank 1608
dissolved, the receiver shall promptly file a copy of the order, 1609
certified by the clerk of the court, with both the secretary of 1610
state and the superintendent. 1611

Sec. 1165.30. Subject to the approval of the court, the 1612
receiver may destroy the records of the savings bank after the 1613
receiver determines there is no further need for them. However, 1614
the receiver shall not destroy the records earlier than six months 1615
after the date the savings bank is declared dissolved by the 1616
court. 1617

Sec. 1165.33. (A) No damages may be awarded in a proceeding 1618
brought pursuant to this chapter challenging any action by the 1619
superintendent of financial institutions, special deputy 1620
superintendent, receiver, or conservator, or any employee of any 1621
of them, or any person retained for services under this chapter. 1622
Any action for damages shall be brought in the court as a separate 1623
action. 1624

(B) The superintendent, special deputy superintendent, 1625

receiver, conservator, or any employee of any of them, or any 1626
person retained for services under this chapter, is not subject to 1627
any civil liability or penalty, or to any criminal prosecution, 1628
for any error in judgment or discretion made in good faith in any 1629
action taken or omitted in an official capacity under this 1630
chapter. 1631

(C) The superintendent, special deputy superintendent, 1632
receiver, conservator, or any employee of any of them, or any 1633
person retained for services under this chapter, is not liable in 1634
damages for any action or failure to act unless it is proved by 1635
clear and convincing evidence in court that the action or failure 1636
to act involved an act or omission undertaken with deliberate 1637
intent to cause injury to any of the savings bank, its 1638
shareholders, its depositors, or its creditors, or undertaken with 1639
reckless disregard for the best interests of any of the savings 1640
bank, its shareholders, its depositors, its creditors, or the 1641
public. 1642

Sec. 5301.057. (A) As used in this section: 1643

(1) "Environmental covenant" means a servitude that imposes 1644
activity and use limitations on real property and meets the 1645
requirements of section 5301.82 of the Revised Code. 1646

(2) "Transfer" means the sale, gift, conveyance, assignment, 1647
inheritance, or other transfer of an ownership interest in real 1648
property located in this state. 1649

(3) "Transfer fee" means a fee or charge required by a 1650
transfer fee covenant and payable upon the transfer of an interest 1651
in real property, or payable for the right to make or accept such 1652
a transfer, regardless of whether the fee or charge is a fixed 1653
amount or is determined as a percentage of the value of the 1654
property, the purchase price, or other consideration given for the 1655
transfer. The following are not transfer fees for purposes of this 1656

<u>section:</u>	1657
<u>(a) Any consideration payable by the grantee to the grantor for the interest in real property being transferred. For the purposes of division (A)(3)(a) of this section, an interest in real property includes a separate mineral estate and its appurtenant surface access rights.</u>	1658 1659 1660 1661 1662
<u>(b) Any commission payable to a licensed real estate broker for the transfer of real property pursuant to an agreement between the broker and the grantor or the grantee, including any subsequent additional commission for that transfer payable by the grantor or the grantee based upon any subsequent appreciation, development, or sale of real property;</u>	1663 1664 1665 1666 1667 1668
<u>(c) Any interest, charges, fees, or other amounts payable by a borrower to a lender pursuant to a loan secured by a mortgage against real property;</u>	1669 1670 1671
<u>(d) Any rent, reimbursement, charge, fee, or other amount payable by a lessee to a lessor under a lease;</u>	1672 1673
<u>(e) Any consideration payable to the holder of an option to purchase an interest in real property or the holder of a right of first refusal or first offer to purchase an interest in real property for waiving, releasing, or not exercising the option or right upon the transfer of the property to another person;</u>	1674 1675 1676 1677 1678
<u>(f) Any tax, fee, charge, assessment, fine, or other amount payable to or imposed by a governmental authority;</u>	1679 1680
<u>(g) Any fee, charge, assessment, fine, or other amount payable to a homeowners, condominium, cooperative, mobile home, or property owners association pursuant to a declaration or covenant or law applicable to the association;</u>	1681 1682 1683 1684
<u>(h) Any payment required pursuant to an environmental covenant.</u>	1685 1686

(4) "Transfer fee covenant" means a declaration or covenant recorded against the title to real property that requires or purports to require the payment of a transfer fee to the declarant or other person specified in the declaration or covenant or to their successors or assigns upon a subsequent transfer of an interest in the real property.

(B) A transfer fee covenant recorded in this state on or after the effective date of this section does not run with the title to real property and is not binding on or enforceable against any subsequent owner, purchaser, or mortgagee of any interest in real property as an equitable servitude or otherwise.

(C) Any lien purporting to secure the payment of a transfer fee under a transfer fee covenant that is recorded in this state on or after the effective date of this section is void.

Sec. 5307.11. ~~If no election party elects to take the estate is made, at the instance insistence~~ of a party, the court of common pleas may order a sale of the estate at public auction, by ~~the one of the following:~~

(A) The sheriff who executed the writ of partition, or his the sheriff's successor in office;

(B) An auctioneer who is licensed under Chapter 4707. of the Revised Code and who is qualified under section 4707.021 of the Revised Code to conduct an auction of real property.

Sec. 5307.12. (A) A sale of an estate under section 5307.11 of the Revised Code shall be made at as follows:

(1) If the sale is made by a sheriff, the sale shall be made at the door of the courthouse, unless for good cause the court of common pleas directs it to be made on the premises. The sale shall be conducted as upon execution, except that it is unnecessary to appraise the estate; but it.

(2) If the sale is made by a licensed auctioneer, the sale shall be made pursuant to Chapter 4707. of the Revised Code. 1717
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(B) No property shall not be sold for less than two thirds of the value returned by the commissioner or commissioners. Unless by special order, on good cause shown, the court directs the entire payment to be made in cash, the purchase money shall be payable one third on the day of sale, one third in one year after the sale, and one third in two years after the sale, with interest. 1719
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Sec. 5307.13. On the ~~sheriff's~~ return of ~~his~~ the proceedings to sell the estate, the court of common pleas shall examine them. If a sale has been made, and the court approves it, the sheriff shall execute and deliver a deed to the purchaser on receiving payment of the consideration money, or taking sufficient security ~~therefor~~ for that payment, to the satisfaction of the court. 1725
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Sec. 5307.14. ~~The~~ (A) Subject to division (B) of this section, the money or securities arising from a sale of, or an election to take an estate, shall be distributed and paid, by order of the court of common pleas, to the parties entitled ~~thereto~~ to the money or securities, in lieu of their respective parts and proportions of the estate, according to their rights ~~therein in the estate.~~ All 1731
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(B) When a sale is made by a licensed auctioneer, the auctioneer shall receive compensation and reimbursement for expenses as described in section 2335.021 of the Revised Code, that the court shall apportion as costs to the parties as the court finds reasonable and proper. 1738
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(C) All receipts of ~~such~~ money or securities by the sheriff arising from a sale or election are in ~~his~~ the sheriff's official capacity, and ~~his~~ the sureties on ~~his~~ the sheriff's official bond are liable for any misapplication ~~thereof~~ of those receipts. 1743
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Sec. 5307.16. ~~When a conveyance of~~ If an officer or 1747
auctioneer has not conveyed land sold, or elected to be taken in a 1748
proceeding for partition, ~~is not made by the officer who made the~~ 1749
~~sale,~~ the court of common pleas on being first satisfied that such 1750
sale or election was regularly made, and that the purchase money 1751
~~is~~ has been fully paid or secured, on motion, may order the 1752
sheriff of the county, or officer performing the duties of 1753
sheriff, to execute and deliver to the purchaser, or person 1754
electing to take the property, a deed ~~therefor~~ for the property. 1755

Section 2. That existing sections 119.01, 1125.19, 1125.28, 1756
1157.01, 1165.01, 5307.11, 5307.12, 5307.13, 5307.14, and 5307.16 1757
and sections 1157.02, 1157.03, 1157.04, 1157.05, 1157.06, 1157.07, 1758
1157.08, 1157.09, 1157.10, 1157.11, 1157.12, 1157.13, 1157.14, 1759
1157.15, 1157.16, 1157.17, 1157.18, 1157.19, 1157.20, 1157.21, 1760
1157.22, 1157.23, 1157.24, 1157.25, 1157.26, 1157.27, 1157.28, 1761
1157.29, 1165.02, 1165.03, 1165.04, 1165.05, 1165.06, 1165.07, 1762
1165.08, 1165.09, 1165.10, 1165.11, 1165.12, 1165.13, 1165.14, 1763
1165.15, 1165.16, 1165.17, 1165.18, 1165.19, 1165.20, 1165.21, 1764
1165.22, 1165.23, 1165.24, 1165.25, 1165.26, 1165.27, 1165.28, and 1765
1165.29 of the Revised Code are hereby repealed. 1766