

**As Reported by the Senate Judiciary--Civil Justice Committee**

**128th General Assembly**

**Regular Session**

**2009-2010**

**Sub. H. B. No. 292**

**Representatives Letson, Oelslager**

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

**Senator Kearney**

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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.

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

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

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

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

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 78  
authority to promulgate rules or make adjudications in the 79

department of job and family services, but only with respect to 80  
both of the following: 81

(a) The adoption, amendment, or rescission of rules that 82  
section 5101.09 of the Revised Code requires be adopted in 83  
accordance with this chapter; 84

(b) The issuance, suspension, revocation, or cancellation of 85  
licenses. 86

(B) "License" means any license, permit, certificate, 87  
commission, or charter issued by any agency. "License" does not 88  
include any arrangement whereby a person, institution, or entity 89  
furnishes medicaid services under a provider agreement with the 90  
department of job and family services pursuant to Title XIX of the 91  
"Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as 92  
amended. 93

(C) "Rule" means any rule, regulation, or standard, having a 94  
general and uniform operation, adopted, promulgated, and enforced 95  
by any agency under the authority of the laws governing such 96  
agency, and includes any appendix to a rule. "Rule" does not 97  
include any internal management rule of an agency unless the 98  
internal management rule affects private rights and does not 99  
include any guideline adopted pursuant to section 3301.0714 of the 100  
Revised Code. 101

(D) "Adjudication" means the determination by the highest or 102  
ultimate authority of an agency of the rights, duties, privileges, 103  
benefits, or legal relationships of a specified person, but does 104  
not include the issuance of a license in response to an 105  
application with respect to which no question is raised, nor other 106  
acts of a ministerial nature. 107

(E) "Hearing" means a public hearing by any agency in 108  
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
<b>Sec. 1125.19.</b> (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 169  
or employment of process, of a judicial, administrative, or other 170

action or proceeding against the bank that was or could have been 171  
commenced before the filing; 172

(2) The enforcement against the bank of a judgment or other 173  
claim obtained before the filing, including claims of security, 174  
preference, priority, and offset. 175

(B) Upon the filing with the court of the finding of the 176  
superintendent or the certificate of appointment of the receiver, 177  
whichever occurs first, any other pending judicial, 178  
administrative, or other action or proceeding against the bank 179  
shall, upon motion of the receiver, be consolidated into one 180  
action or transferred as a separate matter before the presiding 181  
judge of the court having jurisdiction of the receivership, 182  
subject, however, to the automatic stay provided in division (A) 183  
of this section. Subject to the receiver's option to have an 184  
action later consolidated or transferred, any action commenced 185  
after the superintendent's filing shall be filed as a separate 186  
matter before the presiding judge in the court having jurisdiction 187  
over the receivership. 188

(C) The superintendent, prior to the appointment of a 189  
receiver, or the receiver, after its appointment, shall be the 190  
only party named in an action involving a bank subject to this 191  
chapter. 192

(D) Any action seeking to enjoin the superintendent's order 193  
appointing a receiver of a bank shall be brought prior to the date 194  
the receiver sells all or substantially all of the assets of the 195  
bank, prior to the date the receiver transfers all or 196  
substantially all of the insured deposits to an assuming 197  
institution, or within ten days after the issuance of the order, 198  
whichever is ~~earlier~~ earliest. 199

**Sec. 1157.01.** (A) As used in this chapter, "court" means the 200  
court of common pleas of the county in which the principal place 201

of business of a savings and loan association, as set forth in its 202  
articles of incorporation, is located or of any other county 203  
determined by the superintendent of financial institutions to be 204  
appropriate under the circumstances. 205

(B) The court shall have exclusive original jurisdiction of 206  
any action or proceeding relating to or arising out of the taking 207  
of possession of the property and business of a savings and loan 208  
association under this chapter, whether before or after the 209  
savings and loan association is wound up and dissolved, as well as 210  
any action or other proceeding brought under this chapter. 211

(C) Whenever the approval of the court is required for any 212  
act under this chapter, that approval may be given with or without 213  
a hearing held upon whatever notice, if any, the court may direct, 214  
unless otherwise provided in this chapter. At a hearing, the 215  
court, by order, may approve the actions petitioned. 216

**Sec. 1157.03.** (A) A savings and loan association may proceed 217  
with a voluntary liquidation and be closed only with both the 218  
consent of the superintendent of financial institutions and the 219  
prior approval of the shareholders of the savings and loan 220  
association by a vote as provided for in its articles of 221  
incorporation, if not less than a majority. 222

(B) Prior to instituting a voluntary liquidation, a savings 223  
and loan association shall submit to the superintendent an 224  
application for approval of its plan of voluntary liquidation and 225  
evidence satisfactory to the superintendent that the plan has been 226  
properly adopted by the savings and loan association and approved 227  
by its shareholders. 228

(C) A savings and loan association's plan of voluntary 229  
liquidation shall include provisions for all of the following: 230

(1) The settlement of all debts and liabilities, including 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
<b><u>Sec. 1157.04.</u></b> (A) <u>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
<u>loan association to be liquidated shall do both of the following:</u>	260
<u>(1) Publish a notice of the voluntary liquidation once a week</u>	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 loan association or a majority of its shareholders has requested the superintendent to appoint a conservator to take possession of the savings and loan association. 322  
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(G) Either all positions on the board of directors of the savings and loan association are vacant or all of the directors then in office are incapacitated or otherwise unable to perform their responsibilities. 326  
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(H) The savings and loan association 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 and loan association's depositors or other creditors. 330  
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~~(I) The savings and loan association's status as an insured institution has been terminated by the federal savings and loan deposit insurance corporation. The superintendent may fix the compensation to be paid such conservator, the bond or other security to be required of him, and may remove such conservator at any time. Upon or after the appointment of a conservator for any savings and loan association, the superintendent may order the closing of the books of such savings and loan association against further transfer of its stock. He may thereafter permit such books to be reopened.~~ 336  
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~~(B) The conservator:~~ 346

~~(1) Shall take possession of the business and property of such savings and loan association;~~ 347  
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~~(2) Shall have and exercise, in the name and on behalf of the association, all the rights, powers, and authority of the officers and directors of the association and all voting rights of its members or shareholders and may continue its business in whole or~~ 349  
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~~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~~

~~(C) 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  
assets of the savings and loan association; 475



(2) To have and exercise, in the name and on behalf of the 476  
savings and loan association, all the rights, powers, and 477  
authority of the officers and directors of the savings and loan 478  
association and all voting rights of its shareholders; 479

(3) To collect all debts, claims, and judgments belonging to 480  
the savings and loan association and to take any other action, 481  
including the lending of money, necessary to the operation of the 482  
savings and loan association during the conservatorship; 483

(4) To execute in the name of the savings and loan 484  
association any instrument necessary or proper to effectuate the 485  
conservator's powers or perform its duties as conservator; 486

(5) To initiate, pursue, compromise, and defend litigation 487  
involving any right, claim, interest, or liability of the savings 488  
and loan association; 489

(6) To exercise all fiduciary functions of the savings and 490  
loan association as of the date of appointment as conservator; 491

(7) To borrow money as necessary in the operation of the 492  
savings and loan association, and to secure those borrowings by 493  
the pledge or mortgage of the assets of the savings and loan 494  
association; 495

(8) To abandon or convey title to any holder of a deed of 496  
trust, mortgage, or similar lien against property in which the 497  
savings and loan association has an interest, whenever the 498  
conservator determines that continuing to claim that interest is 499  
burdensome and of no advantage to the savings and loan association 500  
or its account holders, creditors, or shareholders; 501

(9) If done within the ordinary course of business or 502  
financial affairs of the savings and loan association and 503  
according to ordinary business terms, to sell any and all assets, 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 and loan association in accordance with this chapter. 507  
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(B) Title to any assets of the savings and loan association does not vest in the conservator. 509  
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**Sec. 1157.13.** During the period of the conservatorship, all of the following apply: 511  
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(A) The conservator may permit the savings and loan association to continue to conduct its usual business, including the acceptance of deposits. 513  
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(B) The obligations of the savings and loan association shall continue to bear interest at the rate contracted. 516  
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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. 518  
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**Sec. 1157.14.** (A) The conservator shall evaluate the business and assets of the savings and loan association and, after conducting whatever investigations the circumstances may require, shall recommend to the superintendent of financial institutions that either the conservatorship of the savings and loan association be terminated or the superintendent appoint a receiver and the savings and loan association be liquidated as otherwise provided in this chapter. The conservator shall consult with the board of directors of the savings and loan association before making the recommendation. 521  
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(B) The conservator of the savings and loan association may submit a plan to the superintendent for approval to restructure the savings and loan association in a manner designed to return the savings and loan association to the control of its shareholders. As part of the plan, the conservator may take any steps the superintendent approves regarding the management, 531  
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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 powers and procedures for the liquidation of savings and loan associations under the laws of this state, and no receiver or other liquidating agent shall be appointed for that purpose except as expressly provided in this chapter. 569  
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Sec. 1157.18. The superintendent of financial institutions may take possession of the property and business of a savings and loan association if the superintendent finds any one or more of the following conditions: 574  
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(A) The savings and loan association is in an unsafe or unsound condition to continue the business of banking. 578  
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(B) The savings and loan association is insolvent, in that it has ceased to pay its debts in the ordinary course of business, it is incapable of paying its debts as they mature, or it has liabilities in excess of its assets. 580  
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(C) The savings and loan association has refused to submit its records or affairs to the inspection or examination of any federal bank regulatory agency or the superintendent. 584  
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(D) The savings and loan association has failed to pay its deposits or obligations in accordance with the terms under which the deposits were taken or the obligations were incurred. 587  
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(E) A majority of the board of directors of the savings and loan association has requested the superintendent to appoint a receiver to take possession of the savings and loan association for the benefit of account holders, creditors, or shareholders. 590  
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(F) The savings and loan association has violated any order of a court or of the superintendent, any statute, rule, or regulation, or its articles of incorporation, and the superintendent determines the continued control of its own affairs threatens injury to any of the public, the banking industry, or 594  
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the savings and loan association's depositors or other creditors. 599

(G) The savings and loan association's status as an insured institution has been terminated by the federal deposit insurance corporation. 600  
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(H) The savings and loan association has an impairment of paid-in capital. 603  
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**Sec. 1157.19.** (A) Upon issuing a written finding that any one or more of the conditions set forth in section 1157.18 of the Revised Code for taking possession of a savings and loan association exists and taking possession of the savings and loan association, the superintendent of financial institutions shall file a certified copy of the finding and the notice of possession with the court. 605  
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(B) Upon the appointment of a receiver, the superintendent shall file a certified copy of the certificate of appointment in the office of the secretary of state and with the court. 612  
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(C) After the superintendent files the finding of the superintendent or the certificate of appointment of the receiver, whichever occurs first, no person shall obtain a lien or charge upon any assets of the savings and loan association for any payment, advance, clearance, or liability thereafter incurred, nor shall the directors, officers, or agents of the savings and loan association have authority to act on behalf of the savings and loan association or to convey, transfer, assign, pledge, mortgage, or encumber any assets of the savings and loan association. 615  
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(D) Upon taking possession of the savings and loan association, the superintendent shall post or cause to be posted an appropriate notice of closing at the main entrance of each of the savings and loan association's banking offices. 624  
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(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 657  
more special deputy superintendents as agent or agents to assist 658  
in the duties of receivership or of liquidation and distribution. 659

No agent so appointed shall be subject to section 1181.05 of the 660  
Revised Code. 661

(D) The superintendent, any special deputy superintendents, 662  
or a receiver may employ and procure whatever assistance or advice 663  
is necessary in the receivership or liquidation and distribution 664  
of the assets of the savings and loan association, and, for that 665  
purpose, may retain officers or employees of the savings and loan 666  
association as needed. 667

(E) All expenses of a receivership and liquidation shall be 668  
paid out of the assets of the savings and loan association, and 669  
shall be a lien on the savings and loan association's assets, 670  
which lien shall be prior to any other lien. 671

**Sec. 1157.21.** Upon the superintendent of financial 672  
institutions' appointment of a receiver, title to all of the 673  
savings and loan association's assets shall vest in the receiver 674  
without the execution of any instrument of conveyance, assignment, 675  
transfer, or endorsement. 676

**Sec. 1157.22.** (A) A receiver shall have all of the following 677  
powers: 678

(1) To take possession of all books, records of account, and 679  
assets of the savings and loan association; 680

(2) To collect all debts, claims, and judgments belonging to 681  
the savings and loan association and to take any other action, 682  
including the lending of money, necessary to preserve and 683  
liquidate the assets of the savings and loan association; 684

(3) To execute in the name of the savings and loan 685  
association any instrument necessary or proper to effectuate the 686  
receiver's powers or perform its duties as receiver; 687

(4) To initiate, pursue, compromise, and defend litigation 688

involving any right, claim, interest, or liability of the savings and loan association; 689  
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(5) To exercise all fiduciary functions of the savings and loan association as of the date of appointment as receiver; 691  
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(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; 693  
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(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; 697  
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(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; 703  
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(9) To establish ancillary receiverships in any jurisdiction the receiver determines necessary; 709  
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(10) To distribute assets in accordance with this chapter; 711

(11) To take any other action incident to the powers set forth in division (A) of this section. 712  
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(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 construed to prevent a receiver from obtaining court approval when the receiver determines approval is appropriate under the 714  
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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 747  
association's estate and expenses, proved to the receiver's 748

satisfaction or approved by the court, shall be paid in the 749  
following order: 750

(1) Expenses of liquidation and receivership, including money 751  
borrowed under authority of division (A)(6) of section 1157.22 or 752  
division (A)(7) of section 1157.12 of the Revised Code and 753  
interest on it, and claims for fees and assessments due the 754  
superintendent of financial institutions; 755

(2) Claims given priorities under other provisions of state 756  
or federal law; 757

(3) Wages and salaries of officers and employees earned 758  
during the one-month period preceding the date of the savings and 759  
loan association's closing in an amount, before applicable taxes 760  
and other withholdings, that does not exceed one thousand dollars 761  
for any one person; 762

(4) Deposit obligations; 763

(5) Other general liabilities; 764

(6) Obligations subordinated to deposits and other general 765  
liabilities. 766

(B) Interest shall be given the same priority as the claim on 767  
which it is based, but no interest shall be paid on any claim 768  
until the principal of all claims within the same class has been 769  
paid or provided for in full. 770

(C) Any funds remaining after satisfying the requirements of 771  
divisions (A) and (B) of this section shall be paid to the 772  
shareholders. 773

(D) Payment on claims shall be made pro rata among claims of 774  
the kind specified in each class set forth in division (A) of this 775  
section. 776

(E) Subject to the approval of the court, the receiver may 777  
designate a separate class of claims consisting only of every 778

unsecured claim that is less than, or reduced to, an amount the 779  
court approves for payment as reasonable and necessary for 780  
administrative convenience. 781

(F) Subject to the approval of the court, the receiver may 782  
make periodic and interim liquidating dividends or payments. 783

**Sec. 1157.25.** (A) Within one hundred days after the date of 784  
the closing of a savings and loan association, a receiver may 785  
reject any executory contract to which the savings and loan 786  
association is a party without any further liability on the part 787  
of the savings and loan association or the receiver. The 788  
receiver's election to reject an executory contract creates no 789  
claim for compensation other than compensation accrued to the date 790  
of termination or for actual damages. 791

(B) A receiver may ratify and assign any executory contract 792  
to which the savings and loan association is a party 793  
notwithstanding the existence of a provision in the contract 794  
permitting the termination of the executory contract, or 795  
prohibiting, conditioning, or requiring consent to any assignment 796  
of the executory contract, upon the insolvency of the savings and 797  
loan association or the appointment of a receiver. 798

**Sec. 1157.26.** Whenever the federal deposit insurance 799  
corporation pays or makes available for payment the insured 800  
deposit liabilities of a savings and loan association, the federal 801  
deposit insurance corporation, whether or not it acts as receiver, 802  
shall be subrogated to the extent of the payments to all rights of 803  
depositors against the savings and loan association. 804

**Sec. 1157.27.** (A) The receiver may appoint a successor to all 805  
rights, obligations, assets, deposits, agreements, and trusts held 806  
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 association properly wound up and dissolved. The order shall do both of the following, to the extent applicable: 871  
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(1) Declare all of the following: 874

(a) The savings and loan association has been properly wound up. 875  
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(b) All known assets of the savings and loan association have been distributed according to the distribution priorities set forth in this chapter. 877  
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(c) The savings and loan association is dissolved. 880

(2) If there are known debts or liabilities, describe the provision made for their payment, setting forth whatever information may be necessary to enable the creditor or other person to whom payment is to be made to appear and claim payment of the debt or liability. 881  
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(C) The order shall confirm a plan by the receiver for the disposition or maintenance of any remaining real or personal property or other assets, whether held in trust or otherwise and including the contents of safe deposit boxes or vaults, held by the savings and loan association for its account holders, creditors, lessees, or shareholders. The plan shall include written notice to all known owners or beneficiaries of the assets, to be sent by first class mail to each individual's address as shown on the records of the savings and loan association. 886  
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(D) The court may make whatever additional orders and grant whatever further relief it determines proper upon the evidence submitted. 895  
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(E) Once the order is made declaring the savings and loan association dissolved, the corporate existence of the savings and loan association shall cease, except for purposes of any necessary 898  
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additional winding up. 901

(F) Once the order is made declaring the savings and loan association dissolved, the receiver shall promptly file a copy of the order, certified by the clerk of the court, with both the secretary of state and the superintendent. 902  
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Sec. 1157.30. Subject to the approval of the court, the receiver may destroy the records of the savings and loan association after the receiver determines there is no further need for them. However, the receiver shall not destroy the records earlier than six months after the date the savings and loan association is declared dissolved by the court. 906  
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Sec. 1157.33. (A) No damages may be awarded in a proceeding brought pursuant to this chapter challenging any action by the superintendent of financial institutions, special deputy superintendent, receiver, or conservator, or any employee of any of them, or any person retained for services under this chapter. Any action for damages shall be brought in the court as a separate action. 912  
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(B) The superintendent, special deputy superintendent, receiver, conservator, or any employee of any of them, or any person retained for services under this chapter, is not subject to any civil liability or penalty, or to any criminal prosecution, for any error in judgment or discretion made in good faith in any action taken or omitted in an official capacity under this chapter. 919  
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(C) The superintendent, special deputy superintendent, receiver, conservator, or any employee of any of them, or any person retained for services under this chapter, is not liable in damages for any action or failure to act unless it is proved by clear and convincing evidence in court that the action or failure 926  
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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

(B) Prior to instituting a voluntary liquidation, a savings 959  
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bank shall submit to the superintendent an application for 961  
approval of its plan of voluntary liquidation and evidence 962  
satisfactory to the superintendent that the plan has been properly 963  
adopted by the savings bank and approved by its shareholders. 964

(C) A savings bank's plan of voluntary liquidation shall 965  
include provisions for all of the following: 966

(1) The settlement of all debts and liabilities, including 967  
the claims of account holders, owed by the savings bank; 968

(2) The distribution of the savings bank's assets that remain 969  
after the settlement of debts and liabilities to all persons 970  
entitled to them; 971

(3) The disposition or maintenance of any remaining or 972  
unclaimed funds, real or personal property, either tangible or 973  
intangible, or other assets, whether in trust or otherwise, 974  
including the contents of safe deposit boxes or vaults; 975

(4) The retention of the savings bank's records in accordance 976  
with section 1163.09 of the Revised Code; 977

(5) The date upon which the savings bank shall cease doing 978  
any banking business and surrender its license to the 979  
superintendent. 980

(D) Upon receipt of a plan of voluntary liquidation, the 981  
superintendent shall make an examination of the savings bank and 982  
shall consent to or deny an application for approval of a plan 983  
based upon the superintendent's evaluation of whether or not the 984  
interests of the savings bank's depositors and creditors will 985  
suffer by the liquidation. 986

(E) The superintendent's consent to an application for 987  
approval of a plan of voluntary liquidation may be subject to any 988  
condition the superintendent determines appropriate under the 989  
circumstances. 990

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

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

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

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

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

(B) If the superintendent has reason to conclude the liquidation of a savings bank is not being safely or expeditiously conducted, the superintendent may take possession of the business and property of the savings bank in the same manner, with the same effect, and subject to the same rights accorded the savings bank as if the superintendent had taken possession under the receivership provisions of this chapter. The superintendent may proceed to liquidate the affairs of the savings bank in the same manner as otherwise provided in this chapter. 1012-1020

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

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

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

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

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

(D) The savings bank has refused to submit its records of account, papers, or affairs to the inspection or examination of any federal agency or the superintendent.

(E) The savings bank has failed to pay its deposits or

obligations in accordance with the terms under which the deposits 1051  
were taken or the obligations were incurred. 1052

(F) A majority of the board of directors of the savings bank 1053  
or a majority of its shareholders has requested the superintendent 1054  
to appoint a conservator to take possession of the savings bank. 1055

(G) Either all positions on the board of directors of the 1056  
savings bank are vacant or all of the directors then in office are 1057  
incapacitated or otherwise unable to perform their 1058  
responsibilities. 1059

(H) The savings bank has violated any court order, statute, 1060  
rule, or regulation, or its articles of incorporation, and the 1061  
superintendent determines the continued control of its own affairs 1062  
threatens injury to any of the public, the banking industry, or 1063  
the savings bank's depositors or other creditors. 1064

(I) The savings bank's status as an insured depository 1065  
institution has been terminated by the federal deposit insurance 1066  
corporation. The superintendent may fix the compensation to be 1067  
paid the conservator, the bond or other security to be required of 1068  
him, and may remove the conservator at any time. Upon or after the 1069  
appointment of a conservator for any savings bank, the 1070  
superintendent may order the closing of the books of the savings 1071  
bank against further transfer of its stock. He may thereafter 1072  
permit the books to be reopened. 1073

~~(B) The conservator shall:~~ 1074

~~(1) Take possession of the business and property of the~~ 1075  
~~savings bank;~~ 1076

~~(2) Have and exercise, in the name and on behalf of the~~ 1077  
~~savings bank, all the rights, powers, and authority of the~~ 1078  
~~officers and directors of the savings bank and all voting rights~~ 1079  
~~of its members or shareholders and may continue its business in~~ 1080  
~~whole or in part with a view to conserving its business and assets~~ 1081

~~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.~~

~~(F) The attorney general, as legal advisor to the division, 1112  
may employ special counsel to aid him with respect to any 1113  
litigation in which the conservator is involved on behalf of the 1114  
savings bank. The compensation of the special counsel shall be 1115  
fixed by the attorney general subject to the approval of the 1116  
court. 1117~~

~~(G) Within thirty days after appointment of a conservator, 1118  
the savings bank may bring an action in the court of common pleas 1119  
of Franklin county, for an order that the superintendent remove 1120  
the conservator. Immediately upon filing the action, summons shall 1121  
be issued to the sheriff of Franklin county to be served on the 1122  
superintendent, returnable within five days from its date, which 1123  
in all other respects the summons shall be made as in civil 1124  
actions, whereupon the allegations of the petition shall be deemed 1125  
to stand denied without pleading and the cause shall be advanced 1126  
and heard without delay. 1127~~

~~(H) The superintendent may terminate the conservatorship and 1128  
permit the savings bank to resume the transaction of its business, 1129  
subject to such terms and restrictions as he prescribes, when the 1130  
superintendent determines that the termination of the 1131  
conservatorship may be safely done and would be in the public 1132  
interest. In no case shall the superintendent terminate the 1133  
conservatorship and permit the savings bank to resume the 1134  
transaction of its business, unless the federal deposit insurance 1135  
corporation assures the superintendent that the savings bank, upon 1136  
resuming the transaction of its business, will have the status of 1137  
an insured depository institution. The superintendent may 1138  
terminate the conservatorship and take possession on any of the 1139  
grounds provided in section 1165.02 of the Revised Code. 1140~~

~~(I) The conservator may submit a plan for the termination of 1141  
the conservatorship to the members or shareholders of the savings 1142  
banks. If the holders of a majority of the shares or a majority of 1143~~

~~members vote to accept the plan, they shall elect directors to~~ 1144  
~~manage the affairs of the savings bank.~~ 1145

~~When a plan for termination of the conservatorship has been~~ 1146  
~~submitted to the members or shareholders of the savings bank, the~~ 1147  
~~superintendent may require that the plan be submitted to the~~ 1148  
~~court. He may require that not less than two weeks' notice of the~~ 1149  
~~time and place of hearing on such application be given by~~ 1150  
~~publication or otherwise, as the court directs, to depositors,~~ 1151  
~~creditors, members, and shareholders of the savings bank.~~ 1152

~~(J) The expenses of the conservatorship and the compensation~~ 1153  
~~of the conservator and the special counsel, if any, as provided in~~ 1154  
~~this section, shall be paid out of the assets of the savings bank~~ 1155  
~~and shall be a lien thereon prior to any other lien.~~ 1156

Sec. 1165.10. (A) If it appears to the superintendent of 1157  
financial institutions that any one or more of the conditions set 1158  
forth in section 1165.09 of the Revised Code exists as to any 1159  
savings bank, the superintendent may appoint a conservator, which 1160  
appointment may include the superintendent, and thereafter may 1161  
dismiss or replace the conservator as the superintendent 1162  
determines necessary or advisable. The superintendent may fix the 1163  
compensation to be paid the conservator and the amount of the bond 1164  
or other security, if any, to be required. 1165

(B) The superintendent may, from time to time, appoint one or 1166  
more special deputy superintendents as agent or agents to assist 1167  
in the duties of conservatorship. 1168

(C) The superintendent, any special deputy superintendents, 1169  
or a conservator may employ and procure whatever assistance or 1170  
advice is necessary in the conservatorship of the savings bank, 1171  
and, for that purpose, may retain officers or employees of the 1172  
savings bank as needed. 1173

(D) The superintendent may terminate the conservatorship at any time, and may appoint a receiver for liquidation of the savings bank on any of the grounds provided in this chapter for appointment of a receiver. 1174  
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(E) All expenses of a conservatorship shall be paid out of the assets of the savings bank, and shall be a lien on the bank's assets, which lien shall be prior to any other lien. 1178  
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**Sec. 1165.11.** (A) Upon the appointment of a conservator, the superintendent of financial institutions shall file a certified copy of the certificate of appointment in the office of the secretary of state, and thereafter no person shall obtain a lien or charge upon any assets of the savings bank for any payment, advance, clearance, or liability thereafter made or incurred, nor shall the directors, officers, or agents of the savings bank thereafter have authority to act on behalf of the savings bank or to convey, transfer, assign, pledge, mortgage, or encumber any of the savings bank's assets. 1181  
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(B) The filing of the certificate of appointment in accordance with this section shall not be a condition to either the superintendent's taking possession of the property and business of a savings bank or appointing a conservator for a savings bank. 1191  
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**Sec. 1165.12.** (A) A conservator, under the supervision of the superintendent of financial institutions and subject to any limitations imposed by the superintendent, shall have all of the following powers: 1196  
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(1) To take possession of all books, records of account, and assets of the savings bank; 1200  
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(2) To have and exercise, in the name and on behalf of the savings bank, all the rights, powers, and authority of the 1202  
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<u>officers and directors of the savings bank and all voting rights</u>	1204
<u>of its shareholders;</u>	1205
<u>(3) To collect all debts, claims, and judgments belonging to</u>	1206
<u>the savings bank and to take any other action, including the</u>	1207
<u>lending of money, necessary to the operation of the savings bank</u>	1208
<u>during the conservatorship;</u>	1209
<u>(4) To execute in the name of the savings bank any instrument</u>	1210
<u>necessary or proper to effectuate the conservator's powers or</u>	1211
<u>perform its duties as conservator;</u>	1212
<u>(5) To initiate, pursue, compromise, and defend litigation</u>	1213
<u>involving any right, claim, interest, or liability of the savings</u>	1214
<u>bank;</u>	1215
<u>(6) To exercise all fiduciary functions of the savings bank</u>	1216
<u>as of the date of appointment as conservator;</u>	1217
<u>(7) To borrow money as necessary in the operation of the</u>	1218
<u>savings bank, and to secure those borrowings by the pledge or</u>	1219
<u>mortgage of the assets of the savings bank;</u>	1220
<u>(8) To abandon or convey title to any holder of a deed of</u>	1221
<u>trust, mortgage, or similar lien against property in which the</u>	1222
<u>savings bank has an interest, whenever the conservator determines</u>	1223
<u>that continuing to claim that interest is burdensome and of no</u>	1224
<u>advantage to the savings bank or its account holders, creditors,</u>	1225
<u>or shareholders;</u>	1226
<u>(9) If done within the ordinary course of business or</u>	1227
<u>financial affairs of the savings bank and according to ordinary</u>	1228
<u>business terms, to sell any and all assets, to compromise any</u>	1229
<u>debt, claim, obligation, or judgment due to the savings bank, to</u>	1230
<u>discontinue any pending action or other proceeding, and to</u>	1231
<u>implement a restructuring of the savings bank in accordance with</u>	1232
<u>this chapter.</u>	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
<b><u>Sec. 1165.25.</u></b> <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  
1718

(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  
1732  
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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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1741  
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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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1746

**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