

As Introduced

**131st General Assembly
Regular Session
2015-2016**

S. B. No. 175

**Senator Eklund
Cosponsors: Senators Hite, Seitz**

A BILL

To amend section 1121.30 and to enact sections 1
1112.01, 1112.02, 1112.03, 1112.06, 1112.07, 2
1112.08, 1112.11, 1112.12, 1112.13, 1112.14, 3
1112.15, 1112.17, 1112.18, 1112.19, 1112.20, 4
1112.21, 1112.24, 1112.27, 1112.28, 1112.29, 5
1112.32, and 1112.33 of the Revised Code to 6
create the Ohio Family Trust Company Act. 7

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

Section 1. That section 1121.30 be amended and sections 8
1112.01, 1112.02, 1112.03, 1112.06, 1112.07, 1112.08, 1112.11, 9
1112.12, 1112.13, 1112.14, 1112.15, 1112.17, 1112.18, 1112.19, 10
1112.20, 1112.21, 1112.24, 1112.27, 1112.28, 1112.29, 1112.32, 11
and 1112.33 of the Revised Code be enacted to read as follows: 12

Sec. 1112.01. As used in this chapter: 13

(A) "Affiliate" means any individual or entity 14
controlling, controlled by, or under common control with a 15
family trust company. 16

(B) "Business entity" means a partnership, corporation, 17
limited liability company, or other entity engaged in business. 18

(C) "Control" means the power to direct or cause the direction of the management and policies of a business entity, whether through ownership of voting securities, by contract, or otherwise. 19
20
21
22

(D) (1) With respect to a licensed family trust company or a family trust company applying for a license under this chapter, "designated relative" means the common ancestor of the family, whether living or deceased, who is designated in the application for an original or renewal license. 23
24
25
26
27

(2) With respect to any other family trust company, "designated relative" means the common ancestor of the family, whether living or deceased, who is designated in a written document by the family trust company, which document is maintained with the permanent records of the family trust company. 28
29
30
31
32
33

(E) "Family affiliate" means a business entity controlled by family members or affiliates. 34
35

(F) (1) "Family client" means all of the following: 36

(a) Any family member; 37

(b) Any former family member; 38

(c) Any key employee; 39

(d) Any former key employee provided that, upon the end of the individual's employment by the family trust company, the individual does not receive investment advice from the family trust company, or invest additional assets with a family trust company-advised trust, foundation, or entity, other than with respect to assets advised directly or indirectly by the family trust company immediately prior to the end of the individual's 40
41
42
43
44
45
46

employment. Nothing in division (F) (1) (d) of this section shall 47
be considered to preclude a former key employee from being a 48
family client if the employee received investment advice from 49
the family trust company with respect to additional investments 50
that the individual was contractually obligated to make, and 51
that relate to a family trust company-advised investment 52
existing, prior to the end of the individual's employment by the 53
family trust company. 54

(e) Any nonprofit organization, charitable foundation, 55
charitable trust, including a charitable lead trust and 56
charitable remainder trust whose only current beneficiaries are 57
other family clients and charitable or nonprofit organizations, 58
or other charitable organization, if all of the funding the 59
organization, foundation, or trust holds came exclusively from 60
one or more other family clients; 61

(f) Any estate of a family member, former family member, 62
key employee, or former key employee; 63

(g) Any irrevocable trust in which one or more other 64
family clients are the only current beneficiaries; 65

(h) Any irrevocable trust funded exclusively by one or 66
more other family clients in which other family clients and 67
nonprofit organizations, charitable foundations, charitable 68
trusts, or other charitable organizations are the only current 69
beneficiaries; 70

(i) Any revocable trust of which one or more other family 71
clients are the sole grantors; 72

(j) Any trust to which both of the following conditions 73
apply: 74

(i) Each trustee or other person authorized to make 75

decisions with respect to the trust is a key employee. 76

(ii) Each settlor or other person who has contributed 77
assets to the trust is a key employee or the key employee's 78
current or former spouse or spousal equivalent who, at the time 79
of the contribution, holds a joint, community property, or other 80
similar shared ownership interest with the key employee. 81

(k) Any business entity wholly owned, either directly or 82
indirectly, exclusively by and operated for the sole benefit of 83
one or more other family clients. 84

(2) With respect to licensed family trust companies only, 85
"family client" also means a family affiliate and any 86
shareholder, partner, member, director, officer, or employee of 87
a family affiliate who is an individual described in division 88
(F)(1) of this section. 89

(G)(1) "Family member" means all of the following, 90
provided that the designated relative is no more than ten 91
generations removed from the youngest generation of family 92
members: 93

(a) All lineal descendants, including adopted children, 94
stepchildren, foster children, and individuals who were a minor 95
when another family member became a legal guardian of the 96
individual, of the designated relative; 97

(b) Such lineal descendants' spouses or spousal 98
equivalents. 99

(2) With respect to licensed family trust companies only, 100
"family member" also means all of the following: 101

(a) An ancestor or sibling of a spouse or spousal 102
equivalent described in division (G)(1) of this section; 103

(b) Any individual who is a beneficiary of a will or trust established by an individual described in division (G)(1) of this section, provided that, at any given time, the number of individuals qualifying as family members under division (G)(2) (b) of this section does not exceed twenty-five. 104
105
106
107
108

(H) "Family trust company" means a corporation or limited liability company organized under the laws of this state that meets all of the following requirements: 109
110
111

(1) It is organized to serve only family clients. 112

(2) It is wholly owned by family clients and is exclusively controlled, either directly or indirectly, by one or more family members or family entities. For purposes of division (H)(2) of this section, "family entity" means any of the trusts, estates, or other entities described in division (F)(1)(e), (f), (g), (h), (i), or (k) of this section, except for key employees and their trusts. 113
114
115
116
117
118
119

(3) It acts as a fiduciary. 120

(4) It does not transact trust business with, propose to act as a fiduciary for, or solicit or accept trust business from, a person that is not a family client. 121
122
123

(I) "Former family member" means a spouse, spousal equivalent, or stepchild who was a family member but is no longer a family member due to a divorce or other similar event. 124
125
126

(J) "Key employee" means all of the following: 127

(1) Any natural person who is an executive officer, director, trustee, or general partner of, or a person serving in a similar capacity to, the family trust company. For purposes of division (J)(1) of this section, "executive officer" means the 128
129
130
131

president, any vice-president in charge of a principal business unit, division, or function such as administration or finance, any other officer who performs a policymaking function, or any other person who performs a similar policymaking function. 132
133
134
135

(2) The spouse or spousal equivalent of a person described in division (J) (1) of this section, if the spouse or spousal equivalent holds a joint, community property, or other similar shared ownership interest with that person; 136
137
138
139

(3) Any employee of the family trust company, other than an employee performing solely clerical, secretarial, or administrative functions or duties, who participates in the investment activities of the family trust company, provided that the employee has been participating in those investment activities for or on behalf of the family trust company, or has been performing similar functions or duties for or on behalf of another business entity, for at least one year. 140
141
142
143
144
145
146
147

(K) "Licensed family trust company" means a family trust company licensed under this chapter. 148
149

(L) "Spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse. 150
151

(M) "Trust business" has the same meaning as in section 1111.01 of the Revised Code. 152
153

Sec. 1112.02. Except as otherwise provided in this chapter or in any other provision of the Revised Code, a family trust company is subject to this chapter only to the extent that the family trust company transacts trust business in this state. 154
155
156
157

Sec. 1112.03. (A) A family trust company may be, but is not required to be, licensed under this chapter. If a family trust company does not apply for a license under this chapter, 158
159
160

the family trust company is not subject to supervision by the 161
superintendent of financial institutions. It shall, however, 162
annually submit to the superintendent an affidavit signed by a 163
senior officer of the family trust company verifying that the 164
family trust company meets all of the requirements set forth 165
under this chapter to transact business as a family trust 166
company in this state. 167

(B) A family trust company licensed under this chapter is 168
not subject to any other chapter of Title XI of the Revised 169
Code. 170

Sec. 1112.06. (A) A family trust company may do any of the 171
following for the benefit of family clients only: 172

(1) Act as a fiduciary, including as a personal 173
representative, within and outside this state; 174

(2) Act within and outside this state as advisory agent, 175
agent, assignee, assignee for the benefit of creditors, attorney 176
in fact, authenticating agent, bailee, bond or indenture 177
trustee, conservator, conversion agent, curator, custodian, 178
escrow agent, exchange agent, fiscal or paying agent, financial 179
adviser, investment adviser, investment manager, managing agent, 180
purchase agent, receiver, registrar, safekeeping agent, 181
subscription agent, transfer agent except for public business 182
entities, warrant agent, or in any similar capacity generally 183
performed by corporate trustees and, in so acting, possess, 184
purchase, sell, invest, reinvest, safe keep, or otherwise manage 185
or administer the real or personal property of other persons; 186

(3) Exercise the powers of a corporation or limited 187
liability company organized under the laws of this state and any 188
incidental powers to enable it to fully exercise any power 189

authorized under this chapter. 190

(B) A family trust company shall not do any of the 191
following: 192

(1) Except as otherwise provided in division (A) (10) of 193
section 1112.07 of the Revised Code, receive money or its 194
equivalent from any individual or entity for deposit, make loans 195
of any nature to any individual or entity, or otherwise conduct 196
a general banking business; 197

(2) Engage in trust business with, or advertise its 198
services to, the public; 199

(3) Use "trust" or any direct derivative of that word as 200
any part of its name, unless it is a licensed family trust 201
company. 202

Sec. 1112.07. (A) Notwithstanding any other provision of 203
law to the contrary, while acting as the fiduciary of a trust, a 204
family trust company may do all of the following: 205

(1) Invest in a security of an investment company or 206
investment trust for which the family trust company or a family 207
affiliate provides services in a capacity other than as a 208
fiduciary; 209

(2) Place a security transaction using a broker that is a 210
family affiliate; 211

(3) Invest in an investment contract that is purchased from 212
an insurance company or carrier owned by or affiliated with the 213
family trust company or a family affiliate; 214

(4) Enter into an agreement with a beneficiary or grantor 215
of a trust relative to the appointment or compensation of the 216
fiduciary or a family affiliate; 217

(5) Transact with another trust, estate, guardianship, or conservatorship for which the family trust company is a fiduciary or in which a beneficiary has an interest; 218
219
220

(6) Make an equity investment in a nonpublicly traded entity that may or may not be marketable and that is owned or controlled, either directly or indirectly, by one or more beneficiaries, family members, or family affiliates; 221
222
223
224

(7) Deposit trust money in a financial institution that is owned or operated by a family affiliate; 225
226

(8) Delegate the authority to conduct any transaction or action under this section to an agent of the family trust company or a family affiliate; 227
228
229

(9) Purchase, sell, hold, own, or invest in any security, bond, real or personal property, stock, or other asset of a family affiliate; 230
231
232

(10) Loan money to or borrow money from a family member or the family member's legal representative, another trust managed by the family trust company, or a family affiliate; 233
234
235

(11) Act as proxy in voting any shares of stock that are assets of the trust; 236
237

(12) Exercise any powers of control with respect to any interest in a business entity that is an asset of the trust, including, without limitation, the appointment of officers or directors who are family members; 238
239
240
241

(13) Receive reasonable compensation for its services. 242

(B) Nothing in this section prohibits a family trust company from transacting business with or investing in any asset of any of the following: 243
244
245

(1) A trust, estate, guardianship, or conservatorship for 246
which the family trust company is a fiduciary; 247

(2) A family affiliate; 248

(3) Any other business entity, agent, or person for which 249
a conflict of interest may exist. 250

Sec. 1112.08. Each member of the governing board of a 251
family trust company shall take and subscribe an oath that the 252
member will administer the affairs of the family trust company 253
diligently and honestly and that the member will not knowingly 254
or willfully permit noncompliance with or violation of any of 255
the laws relating to family trust companies. 256

Sec. 1112.11. (A) A family trust company wishing to be 257
licensed under this chapter shall file an application with the 258
superintendent of financial institutions. The application shall 259
be in the form prescribed by the superintendent and shall be 260
accompanied by a nonrefundable application fee of five thousand 261
dollars. 262

(B) Within sixty days after a complete application for a 263
license is filed, the division of financial institutions shall 264
investigate the relevant facts concerning the applicant. If the 265
application involves investigation outside this state, the 266
division may require the applicant to advance sufficient funds 267
to pay any of the actual expenses of that investigation. 268

(C) If an application for a license does not contain all 269
of the information required or is not accompanied by the 270
required fee, and if that information or fee is not submitted to 271
the superintendent within twelve months after the superintendent 272
first requests the information or fee, or within such later 273
period as determined by the superintendent, the superintendent 274

shall consider the application withdrawn. If an application is 275
considered withdrawn under this division or if an applicant 276
otherwise withdraws its application, the superintendent shall 277
not issue a license to the applicant unless the applicant 278
submits a new application and pays the required fee. 279

Sec. 1112.12. (A) Upon the conclusion of the investigation 280
required under division (B) of section 1112.11 of the Revised 281
Code, the superintendent of financial institutions shall issue a 282
license to the applicant if the superintendent finds that all of 283
the following conditions are met: 284

(1) The applicant is organized as a corporation or limited 285
liability company under the laws of this state. 286

(2) The articles of incorporation or articles of 287
organization of the applicant contain both of the following: 288

(a) A name for the family trust company that includes 289
"family trust company" or "FTC" and that distinguishes it from 290
any trust company licensed under Chapter 1111. of the Revised 291
Code or any other family trust company licensed under this 292
chapter; 293

(b) The purpose for which it is formed, including a 294
statement that its services will be provided only to family 295
clients of a designated relative. 296

(3) The individuals who will serve as directors or 297
officers of the corporation, or the managers or family members 298
acting in a managerial capacity for the limited liability 299
company, as applicable: 300

(a) Have a reputation for honesty, trustworthiness, and 301
integrity and display competence to transact the business of a 302
licensed family trust company; 303

(b) Have not been convicted of, or pleaded guilty or nolo 304
contendere to, a felony or any crime involving fraud, 305
misrepresentation, or moral turpitude; 306

(c) Have not made a false statement of material fact on the 307
application; 308

(d) Have not had a license issued under Chapter 1111. of 309
the Revised Code or under this chapter suspended or revoked 310
within the ten years immediately preceding the date of the 311
application; 312

(e) Have not had a trust company license issued in any 313
other state or any foreign country suspended or revoked within 314
the ten years immediately preceding the date of the application; 315

(f) Have not failed to comply with any of the provisions of 316
this chapter or any rule adopted thereunder that, in the 317
judgment of the superintendent, would render the person unfit 318
for the proposed position. 319

(4) The financial status of the directors and the 320
president, vice-presidents, and treasurer of the corporation, or 321
the managers and family members acting in a managerial capacity 322
for the limited liability company, as applicable, is consistent 323
with their responsibilities and duties. 324

(5) The initial stockholders' equity meets the minimum 325
requirement set forth in division (E) (2) of section 1112.19 of 326
the Revised Code. 327

(B) If the superintendent does not find that all of the 328
conditions set forth in division (A) of this section have been 329
met, the superintendent shall enter an order denying the 330
application and notify the applicant of the denial and the 331
applicant's reasonable opportunity to be heard in accordance 332

with Chapter 119. of the Revised Code. The notice shall be in 333
writing, either served personally or sent by certified mail. 334

Sec. 1112.13. A license issued under section 1112.12 of 335
the Revised Code may be renewed annually on or before the first 336
day of April of each year if the superintendent of financial 337
institutions finds that both of the following conditions are 338
met: 339

(A) The renewal application is accompanied by a 340
nonrefundable renewal fee of five hundred dollars and any 341
additional fee required by the superintendent if the renewal 342
application identifies a new designated relative. 343

(B) The applicant meets the conditions set forth in 344
division (A) of section 1112.12 of the Revised Code. 345

Sec. 1112.14. Not more than one place of business shall be 346
maintained under the same license issued under this chapter, but 347
the superintendent of financial institutions may issue 348
additional licenses to the same licensee. For every additional 349
place of business in this state, the licensee shall submit an 350
application in the form prescribed by the superintendent and pay 351
a one-time nonrefundable fee of five hundred dollars. For every 352
additional place of business outside this state, the licensee 353
shall give written notice thereof to the superintendent. 354

Sec. 1112.15. The existence of any licensed family trust 355
company shall date from the filing of its articles of 356
incorporation or articles of organization, from which time it 357
shall have and may exercise the incidental powers conferred by 358
law upon corporations or limited liability companies, as 359
applicable. However, until it has obtained a license issued 360
under this chapter, a family trust company shall not transact 361

any business as a licensed family trust company, other than the 362
election of officers, the taking and approving of their official 363
bonds, the receipts of payment upon stock subscriptions, and 364
other business incidental to its organization. 365

Sec. 1112.17. (A) Prior to transacting any business as a 366
licensed family trust company, a family trust company shall 367
pledge to the treasurer of state interest bearing securities 368
authorized in division (B) of this section, having a par value, 369
not including unaccrued interest, of one hundred thousand 370
dollars, and approved by the superintendent of financial 371
institutions. The family trust company may pledge the securities 372
either by delivery to the treasurer of state or by placing the 373
securities with a qualified trustee for safekeeping to the 374
account of the treasurer of state. 375

(B) Securities pledged by a family trust company to 376
satisfy the requirements of division (A) of this section shall 377
be one or more of the following: 378

(1) Bonds, notes, or other obligation of or guaranteed by 379
the United States or for which the full faith and credit of the 380
United States is pledged for the payment of principal and 381
interest; 382

(2) Bonds, notes, debentures, or other obligations or 383
securities issued by any agency or instrumentality of the United 384
States; 385

(3) General obligations of this or any other state of the 386
United States or any subdivision of this or any other state of 387
the United States. 388

(C) The treasurer of state shall accept delivery of 389
securities pursuant to this section when accompanied by the 390

superintendent's approval of the securities or the written 391
receipt of a qualified trustee describing the securities and 392
showing the superintendent's approval of the securities, and 393
shall issue a written acknowledgment of the delivery of the 394
securities or the qualified trustee's receipt and the 395
superintendent's approval to the family trust company. 396

(D) The superintendent shall approve securities to be 397
pledged by a family trust company pursuant to this section if 398
the securities are all of the following: 399

(1) Interest bearing and of the value required by division 400
(A) of this section; 401

(2) Of one or more of the kinds authorized by division (B) 402
of this section and not a derivative of or merely an interest in 403
any of those securities; 404

(3) Not in default. 405

(E) The treasurer of state shall, with the approval of the 406
superintendent, permit a family trust company to pledge 407
securities in substitution for securities pledged pursuant to 408
this section and the withdrawal of the securities substituted 409
for so long as the securities remaining pledged satisfy the 410
requirements of division (A) of this section. The treasurer of 411
state shall permit a family trust company to collect interest 412
paid on securities pledged pursuant to this section so long as 413
the family trust company is solvent. The treasurer of state 414
shall, with the approval of the superintendent, permit a 415
licensed family trust company to withdraw securities pledged 416
pursuant to this section when the family trust company has 417
discontinued its business as a licensed family trust company in 418
this state. 419

(F) For purposes of this section, a qualified trustee is a federal reserve bank, a federal home loan bank, a trust company as defined in section 1101.01 of the Revised Code, or a bank or savings association that has pledged securities pursuant to section 1111.04 of the Revised Code, is authorized to accept and execute trusts, and is doing business under authority granted by the comptroller of the currency. 420
421
422
423
424
425
426

(G) The superintendent, with the approval of the treasurer of state and the attorney general, shall prescribe the form of all receipts and acknowledgments provided for by this section, and upon request shall furnish a copy of each form, with the superintendent's certification attached, to each qualified trustee eligible to hold securities for safekeeping under this section. 427
428
429
430
431
432
433

Sec. 1112.18. (A) Each licensed family trust company shall obtain and maintain all of the following: 434
435

(1) Fidelity bonds in such amounts as it considers advisable, but not less than an aggregate amount of one million dollars, on any active officer, manager, family member acting in a managerial capacity, or employee, whether or not such persons receive a salary or other compensation from the family trust company, to indemnify it against loss because of any dishonest, fraudulent, or criminal act or omission by any of the persons bonded, acting alone or in combination with any other person. The bonds may be in any form and may be paid for by the family trust company. 436
437
438
439
440
441
442
443
444
445

(2) Directors and officers liability insurance coverage in the amount of at least one million dollars. 446
447

(B) A licensed family trust company may also procure 448

property and casualty insurance of a nature and with such 449
coverage amounts as it considers advisable. 450

Sec. 1112.19. Each licensed family trust company shall do 451
all of the following: 452

(A) Maintain office space in this state for the 453
transaction of trust business and for the storage of, and access 454
to, family trust company records; 455

(B) Hold in this state at least two governing board 456
meetings per year at which a quorum of the board members are 457
physically present; 458

(C) Employ, engage, or contract with at least one 459
individual, on a part-time basis, to provide services in this 460
state for the family trust company; 461

(D) Perform at least three of the following trust 462
administration activities wholly or partly in this state for the 463
accounts under the management, administration, or custody of the 464
family trust company: 465

(1) Annual account reviews; 466

(2) Annual investment reviews; 467

(3) Trust accountings; 468

(4) Account correspondence; 469

(5) Completion of trust account tax returns; 470

(6) Distribution of account statements. 471

(E) Maintain all of the following: 472

(1) A minimum of three directors or managers, at least one 473
of whom is a resident of this state; 474

(2) A minimum stockholders' equity of an amount determined 475
by the division of financial institutions, which amount shall be 476
at least two hundred thousand dollars but not more than five 477
hundred thousand dollars. The equity may be comprised of cash, 478
securities, including stock of a nonpublicly traded business 479
entity, or other reasonably liquid assets exclusive of all 480
organization expenses. 481

(3) All applicable state and local business licenses and 482
permits; 483

(4) A bank account with a state chartered or national bank 484
having a principal or branch office in this state. 485

Sec. 1112.20. The governing board of a licensed family 486
trust company shall hold at least one regular meeting during 487
each calendar quarter. At each of the quarterly meetings, the 488
board, or an auditor selected by the board, shall thoroughly 489
review the books, records, funds, and securities held by the 490
family trust company. If the board selects an auditor, the 491
auditor's findings shall be reported directly to the board. In 492
lieu of the quarterly examinations, the board may accept an 493
annual audit conducted by a certified public accountant or an 494
independent auditor selected by the board. 495

Sec. 1112.21. Except as otherwise provided in section 496
1112.06 of the Revised Code, a licensed family trust company has 497
all the rights, privileges, and exemptions from licensing and 498
regulation requirements that are granted by any law of this 499
state to trust companies licensed under Chapter 1111. of the 500
Revised Code, including, without limitation, the requirements 501
for registration, licensing, and supervision set forth in 502
Chapter 1707. of the Revised Code. 503

Sec. 1112.24. If a licensed family trust company desires 504
to discontinue its business as a family trust company, it shall 505
furnish to the superintendent of financial institutions evidence 506
of its release and discharge from all of the obligations and 507
trusts that it has assumed or that have been imposed by law. If 508
the superintendent is satisfied with the information provided, 509
the superintendent shall enter an order canceling the license of 510
the family trust company. 511

Sec. 1112.27. (A) Not later than eighteen months after a 512
family trust company receives its initial license under this 513
chapter, and as often thereafter as the superintendent of 514
financial institutions considers necessary, but at least once 515
each thirty-six-month cycle, the superintendent, or any deputy 516
or examiner appointed by the superintendent for that purpose, 517
shall thoroughly examine the records and affairs of the family 518
trust company. For purposes of the examination, the 519
superintendent may require the attendance of, and examine under 520
oath, any governing board member, officer, manager, employee, or 521
agent of a licensed family trust company. A licensed family 522
trust company shall produce and make available all records or 523
other documents requested by the superintendent, in either 524
electronic or paper form, whether the examination is conducted 525
at the office of the family trust company or wholly or partially 526
off-site. 527

(B) The findings of any examination conducted under this 528
section shall be recorded in a written examination report that 529
contains a full, true, and careful statement of the condition of 530
the licensed family trust company. The superintendent shall 531
provide a copy of the written examination report to the 532
governing board of the family trust company. 533

(C) A licensed family trust company being examined shall 534
pay the expense of any examination conducted under this section, 535
including salaries, travel expenses, supplies, and equipment. 536

Sec. 1112.28. (A) All of the following information is 537
confidential: 538

(1) Application information and other information obtained 539
from a family trust company, including the names and addresses 540
of the directors and officers, the names and addresses of the 541
stockholders, family members, or other owners, capital 542
contributions, and business affiliations; 543

(2) Information required to be reported to, or filed with, 544
the superintendent of financial institutions under this chapter, 545
including the affidavit described in division (A) of section 546
1112.03 of the Revised Code; 547

(3) Information leading to, arising from, or obtained in 548
the course of an examination or investigation conducted under 549
the authority of this chapter; 550

(4) Information relating to a family trust company that 551
qualifies as nonpublic personal information under 15 U.S.C. 6809 552
and the regulations adopted thereunder; 553

(5) Information or agreements relating to any merger, 554
consolidation, or transfer; 555

(6) Any other private information relating to a family 556
trust company. 557

(B) (1) The information described in division (A) of this 558
section shall remain confidential for all purposes except in the 559
following circumstances: 560

(a) When it is necessary for the superintendent to take 561

<u>official action regarding the affairs of a family trust company;</u>	562
<u>(b) To assist another state or a federal agency</u>	563
<u>investigating activities regulated under this chapter;</u>	564
<u>(c) When, in the opinion of the superintendent, the</u>	565
<u>interests of the public outweigh the interests of the person</u>	566
<u>about whom the information pertains.</u>	567
<u>(2) If the superintendent intends to disclose information</u>	568
<u>under the authority of division (B)(1) of this section, the</u>	569
<u>superintendent shall provide, in writing, at least ten days'</u>	570
<u>prior notice of the disclosure to the family trust company to</u>	571
<u>which the information relates. If the family trust company</u>	572
<u>objects to the disclosure, it may request a hearing. The</u>	573
<u>superintendent shall not disclose the information prior to the</u>	574
<u>conclusion of the hearing and a ruling.</u>	575
<u>(3) Information disclosed under the authority of division</u>	576
<u>(B)(1) of this section remains confidential.</u>	577
<u>(4) The superintendent shall not disclose any of the</u>	578
<u>information described in division (A) of this section to the</u>	579
<u>general public.</u>	580
<u>(C) Nothing in this chapter precludes any of the</u>	581
<u>following:</u>	582
<u>(1) A law enforcement officer from gaining access to</u>	583
<u>otherwise confidential records by subpoena, court order, search</u>	584
<u>warrant, or other lawful means;</u>	585
<u>(2) The superintendent from sharing information with other</u>	586
<u>governmental agencies with which the division of financial</u>	587
<u>institutions has entered into sharing arrangements;</u>	588
<u>(3) Any agency of this state from gaining access to</u>	589

otherwise confidential records in accordance with any applicable law. 590
591

Sec. 1112.29. (A) The superintendent of financial institutions may revoke a license issued under this chapter if, after notice and an opportunity for hearing in accordance with Chapter 119. of the Revised Code, the superintendent finds either of the following: 592
593
594
595
596

(1) An officer or director of, or any manager or family member acting in a managerial capacity for, the licensed family trust company has failed to comply with any provision of this chapter. 597
598
599
600

(2) The licensed family trust company, or any person authorized to act on its behalf, refuses to allow the superintendent or any deputy or examiner appointed by the superintendent to inspect all books, records, papers, and effects related to the family trust company's business. 601
602
603
604
605

(B) In addition to any other remedy provided under this chapter, the superintendent may impose a fine of not more than ten thousand dollars upon either of the following: 606
607
608

(1) A person who fails to comply with any provision of this chapter or any rule adopted thereunder. 609
610

(2) A family trust company that is not licensed under this chapter that operates in any manner that is authorized only for licensed family trust companies. 611
612
613

Sec. 1112.32. The superintendent of financial institutions shall not have an ownership interest in a licensed family trust company. 614
615
616

Sec. 1112.33. The superintendent of financial institutions 617

may, in accordance with Chapter 119. of the Revised Code, adopt 618
any rule necessary to carry out the purposes of this chapter. 619

Sec. 1121.30. (A) All assessments, fees, charges, fines, 620
and forfeitures provided for in Chapters 1101. to 1127. and 621
sections 1315.01 to 1315.18 of the Revised Code, except civil 622
penalties assessed pursuant to section 1121.35 or 1315.152 of 623
the Revised Code, shall be paid to the superintendent of 624
financial institutions, and the superintendent shall deposit 625
them into the state treasury to the credit of the banks fund, 626
which is hereby created. 627

(B) The superintendent may expend or obligate the banks 628
fund to defray the costs of the division of financial 629
institutions in administering Chapters 1101. to 1127. and 630
sections 1315.01 to 1315.18 of the Revised Code. The 631
superintendent shall pay from the fund all actual and necessary 632
expenses incurred by the superintendent, including for any 633
services rendered by the department of commerce for the 634
division's administration of Chapters 1101. to 1127. and 635
sections 1315.01 to 1315.18 of the Revised Code. The fund shall 636
be assessed a proportionate share of the administrative costs of 637
the department and the division of financial institutions. The 638
proportionate share of the administration costs of the division 639
of financial institutions shall be determined in accordance with 640
procedures prescribed by the superintendent and approved by the 641
director of budget and management. The amount assessed for the 642
fund's proportional share of the department's administrative 643
costs and the division's administrative costs shall be paid from 644
the banks fund to the division of administration fund and the 645
division of financial institutions fund respectively. 646

(C) Any money deposited into the state treasury to the 647

credit of the banks fund, but not expended or encumbered by the 648
superintendent to defray the costs of administering Chapters 649
1101. to 1127. and sections 1315.01 to 1315.18 of the Revised 650
Code, shall remain in the banks fund for expenditures by the 651
superintendent in subsequent years. 652

Section 2. That existing section 1121.30 of the Revised 653
Code is hereby repealed. 654