



## Ohio Revised Code

### Section 1729.13 Dividends - stock - security interest.

Effective: August 5, 1998

Legislation: House Bill 600 - 122nd General Assembly

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(A) An association may pay dividends annually on its capital stock. All its other net income from business with or for members and other eligible patrons, less reserves which shall be provided for in the bylaws or other written agreements, shall be distributed to its members and other eligible patrons on the basis of patronage as provided in the bylaws or other written agreements. Any receipts or dividends from subsidiary corporations, or from stock or other securities owned by the association, may be included in the ordinary receipts of the association, and may be distributed accordingly.

(B) An association, at any time, may purchase its own common stock at par or book value as determined by the board.

(C) An association shall have a continued perfected security interest in its membership stock and patronage stock to secure payment of any indebtedness or other obligation of the holder or owner to the association. Notwithstanding Chapters 1308. and 1309. of the Revised Code, the security interest shall have priority over all other perfected security interests. Unless otherwise provided in the association's articles of incorporation or bylaws, or by contract, a member or other patron has no right to compel an association to offset its membership stock or patronage stock against any indebtedness or obligation owed to the association.

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