



Ohio Revised Code

Section 1733.181 Removal from office.

Effective: July 14, 1987

Legislation: Senate Bill 149 - 117th General Assembly

(A)(1) Whenever, in the opinion of the superintendent of credit unions, any director, officer, committee member, employee, agent, or other person participating in the conduct of the affairs of a credit union has committed any violation of law or rule, or of a cease-and-desist order, or has engaged or participated in any unsafe or unsound practice in connection with the credit union, or has committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty as director, officer, committee member, or other person, and the superintendent determines that the credit union has suffered or will probably suffer substantial financial loss or other damage or that the interests of its members could be seriously prejudiced by reason of such violation or practice or breach of fiduciary duty, the superintendent may serve upon such director, officer, committee member, or other person a written notice of his intention to remove him from office.

(2) Whenever, in the opinion of the superintendent, any director, officer, or committee member of a credit union, by conduct or practice with respect to another credit union or other business institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty or unfitness to continue as a director, officer, or committee member, and whenever, in the opinion of the superintendent, any other person participating in the conduct of the affairs of the credit union, by conduct or practice with respect to such credit union or another credit union or other business institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty or unfitness to participate in the conduct of the affairs of such credit union, the superintendent may serve upon such director, officer, committee member, or other person a written notice of his intention to remove him from office or to prohibit his further participation in any manner in the conduct of the affairs of such credit union.

(3) With respect to any director, committee member, or officer of a credit union or any other person, the superintendent may, if he considers it necessary for the protection of the credit union or the interests of its members, by written notice to such effect served upon such director, committee member, officer, or other person, suspend him from office or prohibit him from further participation in any manner in the conduct of the affairs of the credit union. Such suspension or prohibition shall



become effective upon service of such notice and shall remain in effect pending the completion of the administrative proceedings and until such time as the superintendent dismisses the charges specified in such notice, or, if an order of removal or prohibition is issued against the director, officer, or committee member or other person, until the effective date of any such order. Copies of any such notice shall also be served upon the credit union of which such person is a director, officer, or committee member or in the conduct of whose affairs he has participated.

(B) A notice of intention to remove a director, officer, committee member, or other person or to prohibit his participation in the conduct of the affairs of a credit union, as served under division (A)(1) or (2) of this section, shall contain a statement of the facts constituting the grounds therefor, and shall inform the director, officer, committee member, or other person that he may request an adjudication hearing on the question of his removal or prohibition. Such a hearing shall be conducted in accordance with section 119.09 of the Revised Code. If the director, officer, committee member, or other person does not request a hearing, he shall be deemed to have consented to the issuance of an adjudication order of removal or prohibition. In the event of such consent, or if upon the record of such hearing the superintendent finds that any of the grounds specified in the notice have been established, he may issue an adjudication order removing the director, officer, committee member, or other person, or prohibiting his participation in the conduct of the affairs of the credit union.

(C) Except as otherwise provided in this division, any person who is removed from the board of directors of a credit union under division (B) of this section, and who either does not appeal his removal or whose removal is upheld upon appeal, is forever disqualified from serving as a director of any credit union. If, however, the superintendent, upon written application of the person removed, and pursuant to an adjudication conducted in accordance with Chapter 119. of the Revised Code, finds a compelling reason for removing the disqualification of this division, he may issue an adjudication order removing the disqualification and declaring the person again eligible to serve as a director of a credit union.