



Ohio Revised Code

Section 1733.361 Appointment and removal of conservator - duties of conservator.

Effective: September 29, 1994

Legislation: House Bill 695 - 120th General Assembly

(A)(1) The superintendent of credit unions may issue an order appointing a conservator for any credit union whenever he considers it necessary in order to conserve the assets of such credit union for members, depositors, and creditors. The superintendent shall appoint a conservator for any credit union whose status as an insured institution has been terminated.

(2) Within thirty days after the date of the order of appointment of a conservator, the credit union may commence a civil action in the court of common pleas of Franklin county to obtain an order compelling the superintendent to remove the conservator. The court shall give the action calendar priority over other civil business before the court and expeditiously proceed and make a determination on it. The Rules of Civil Procedure apply to the action except that the copy of the complaint and summons shall be served by the sheriff of Franklin county on the superintendent and shall be returnable within five days after the date of service, whereupon the allegations of the complaint are deemed to stand denied without necessity of filing an answer under Civil Rule 12.

(3) The credit union may consent to the appointment of a conservator by resolution of the majority of the board of directors of record on the date of the order of appointment.

(4) The superintendent may fix the compensation to be paid to the conservator, the bond or other security to be required of him, and may remove such conservator at any time.

(5) On or after the appointment of a conservator for any credit union, the superintendent may order the closing of the books of such credit union. He may thereafter permit such books to be reopened.

(B) The conservator:

(1) Shall take possession of the business and property of such credit union;



(2) Shall have and exercise, in the name and on behalf of the credit union, all the rights, powers, and authority of the officers, directors, and members of the credit union and may continue its business in whole or in part with a view to conserving its business and assets pending further disposition thereof as provided by law under the supervision of the superintendent and upon such limitations as are imposed by him;

(3) May give notice that he has taken possession of the assets of the credit union to all persons holding or having possession of any assets of such credit union;

(4) In all other respects, operate the credit union in accordance with, and remain subject to, the requirements of this chapter;

(5) May bring or defend suits or proceedings in the name of the credit union under the direction and supervision of the superintendent.

(C) This section does not vest title to any assets of the credit union in the conservator. No person, firm, corporation, or association, knowing that a conservator has taken possession of the business and property of a credit union or having been so notified shall have a lien or charge against any of the assets of such credit union for any payment, advance, or liability thereafter made or incurred.

(D) The superintendent may terminate the conservatorship and permit the credit union to resume the transaction of its business, subject to such terms and restrictions as he prescribes, when the superintendent determines that the termination of such conservatorship may be safely done and would be in the public interest. The superintendent may terminate the conservatorship and issue an order revoking the credit union's articles of incorporation and appointing a liquidating agent to liquidate the credit union in accordance with and on the grounds provided in section 1733.37 of the Revised Code.

(E) The conservator may, subject to the approval of the superintendent, submit a plan for the termination of the conservatorship to the members of the credit union. If the majority of the members vote to accept the plan, the members shall elect directors to manage the affairs of the credit union.

(F) The expenses of the conservatorship and compensation of the conservator if any, as provided in



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this section, shall be paid out of the assets of the credit union and shall be a lien thereon prior to any other lien.