



## Ohio Revised Code

### Section 1112.12 Pledge of securities.

Effective: September 14, 2016

Legislation: House Bill 229 - 131st General Assembly

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

(B) Securities pledged by a family trust company to satisfy the requirements of division (A) of this section shall be one or more of the following, provided that the bonds or other obligations are rated at the time of purchase in the three highest classifications established by at least one nationally recognized standard rating service and purchased through a registered securities broker or dealer:

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

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

(C) The treasurer of state shall accept delivery of securities pursuant to this section when accompanied by the superintendent's approval of the securities or the written receipt of a qualified trustee describing the securities and showing the superintendent's approval of the securities, and shall issue a written acknowledgment of the delivery of the securities or the qualified trustee's receipt and the superintendent's approval to the family trust company.

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

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



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

(3) Not in default.

(E) The treasurer of state shall, with the approval of the superintendent, permit a family trust company to pledge securities in substitution for securities pledged pursuant to this section and the withdrawal of the securities substituted for so long as the securities remaining pledged satisfy the requirements of division (A) of this section. The treasurer of state shall permit a family trust company to collect interest paid on securities pledged pursuant to this section so long as the family trust company is solvent. The treasurer of state shall, with the approval of the superintendent, permit a licensed family trust company to withdraw securities pledged pursuant to this section when the family trust company has discontinued its business as a licensed family trust company in this state.

(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.

(G) The superintendent, with the approval of the treasurer of state, 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.