



Ohio Revised Code Section 1112.12 Pledge of securities.

Effective: October 3, 2023

Legislation: House Bill 33

(A) Prior to transacting any business as a licensed family trust company, a family trust company shall pledge to the superintendent of financial institutions 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. The family trust company may pledge the securities either by delivery to the superintendent or by placing the securities with a qualified trustee for safekeeping to the account of the superintendent of financial institutions.

(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 statistical rating organization 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 superintendent of financial institutions shall review, approve, and accept delivery of securities pursuant to this section 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 superintendent of financial institutions shall 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 superintendent 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 superintendent shall 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 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.