

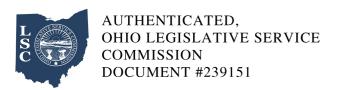
Ohio Revised Code

Section 145.113 Restrictions on fiduciaries.

Effective: June 22, 1984

Legislation: House Bill 37 - 115th General Assembly

- (A) Except as provided in division (B) of this section, a fiduciary shall not cause the public employees retirement system to engage in a transaction, if he knows or should know that such transaction constitutes a direct or indirect:
- (1) Sale or exchange, or leasing, of any property between the system and a party in interest;
- (2) Lending of money or other extension of credit between the system and a party in interest;
- (3) Furnishing of goods, services, or facilities between the system and a party in interest;
- (4) Transfer to, or use by or for the benefit of a party in interest, of any assets of the system; or
- (5) Acquisition, on behalf of the system, of any employer security or employer real property.
- (B) Nothing in this section shall prohibit any transaction between the public employees retirement system and any fiduciary or party in interest if:
- (1) All the terms and conditions of the transaction are comparable to the terms and conditions which might reasonably be expected in a similar transaction between similar parties who are not parties in interest; and
- (2) The transaction is consistent with the fiduciary duties described in Chapter 145. of the Revised Code.
- (C) A fiduciary shall not:
- (1) Deal with the assets of the system in his own interest or for his own account;



- (2) In his individual or in any other capacity, act in any transaction involving the system on behalf of a party (or represent a party) whose interests are adverse to the interests of the system or the interests of its participants or beneficiaries; or
- (3) Receive any consideration for his own personal account from any party dealing with such system in connection with a transaction involving the assets of the system.
- (D) In addition to any liability which he may have under any other provision, a fiduciary with respect to the system shall be liable for a breach of fiduciary responsibility of any fiduciary with respect to the system in the following circumstances:
- (1) If he participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach;
- (2) If, by his failure to comply with Chapter 145. of the Revised Code, he has enabled such other fiduciary to commit a breach; or
- (3) If he has knowledge of a breach by such other fiduciary, unless he makes reasonable efforts under the circumstances to remedy the breach.
- (E) Every fiduciary of the system shall be bonded or insured to an amount of not less than one million dollars for loss by reason of acts of fraud or dishonesty.