



## Ohio Revised Code

### Section 1315.07 Satisfactory security device maintained.

Effective: April 6, 2007

Legislation: House Bill 454 - 126th General Assembly

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(A)(1) In a form satisfactory to the superintendent of financial institutions, each licensee shall provide and maintain a security device of one or more of the types described in division (B) of this section of not less than three hundred thousand dollars or such greater amount as the superintendent finds appropriate but, except pursuant to a supervisory action, not exceeding two million dollars.

(2) By control agreement or terms of the bond, the security device described in division (A)(1) of this section shall run to the superintendent for the benefit of any claimants against the licensee, to secure the faithful performance of the obligations of the licensee with respect to its receipt of money from persons in this state for transmission. In the case of a bond, the superintendent may bring suit on behalf of claimants, either in one action or in successive actions, or may authorize claimants to bring their own actions on the bond.

(B) The security device required by division (A) of this section shall be one or more of the following:

(1) A pledge, with a holder acceptable to the superintendent and subject to a control agreement with the superintendent, of any of the following:

(a) Cash;

(b) Interest-bearing stocks, bonds, notes, debentures, or other obligations of the United States or any agency or instrumentality of the United States, or guaranteed by the United States;

(c) Interest bearing stocks, bonds, notes, debentures, or other obligations of this state, or of a city, county, town, village, school district, or instrumentality of this state, or guaranteed by this state.

(2) A surety bond;



(3) Any other security device approved by the superintendent.

(C)(1)(a) In the case of a security device provided in the form of a pledge of securities, the securities pledged shall be valued at the lower of principal amount or market value.

(b) The licensee is entitled to receive all interest and dividends on cash or securities pledged and, with the approval of the superintendent, may substitute pledged securities, which substitution also may be ordered by the superintendent pursuant to a written order.

(2) In the case of a security device provided in the form of a surety bond, both of the following apply:

(a) The surety bond shall remain in effect until canceled, which may occur only after thirty days' written notice to the superintendent.

(b) Cancellation of a surety bond does not affect any liability incurred or accrued during the bond's effective period.

(D) A licensee shall maintain the security device required by division (A) of this section after the licensee ceases money transmission operations in this state, until the licensee's outstandings in this state all have been satisfied or properly reported to the division of unclaimed funds. However, the superintendent may permit the security device to be reduced to the extent that the amount of the licensee's outstandings in this state are reduced.

(E) No licensee shall fail to comply with this section.