



## Ohio Revised Code

### Section 742.112 Restrictions on fiduciaries.

Effective: November 2, 1999

Legislation: House Bill 222 - 123rd General Assembly

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(A) Except as provided in division (B) of this section, a fiduciary shall not cause the Ohio police and fire pension fund to engage in a transaction, if the fiduciary knows or should know that such transaction constitutes a direct or indirect:

- (1) Sale or exchange, or leasing, of any property between the fund and a party in interest;
- (2) Lending of money or other extension of credit between the fund and a party in interest;
- (3) Furnishing of goods, services, or facilities between the fund 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 fund; or
- (5) Acquisition, on behalf of the fund, of any employer security or employer real property.

(B) Nothing in this section shall prohibit any transaction between the Ohio police and fire pension fund 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 742. of the Revised Code.

(C) A fiduciary shall not:

- (1) Deal with the assets of the fund in the fiduciary's own interest or for the fiduciary's own account;



(2) In the fiduciary's individual or in any other capacity, act in any transaction involving the fund on behalf of a party (or represent a party) whose interests are adverse to the interests of the fund or the interests of its participants or beneficiaries; or

(3) Receive any consideration for the fiduciary's own personal account from any party dealing with such fund in connection with a transaction involving the assets of the fund.

(D) In addition to any liability which the fiduciary may have under any other provision, a fiduciary with respect to the fund shall be liable for a breach of fiduciary responsibility of any fiduciary with respect to the fund in the following circumstances:

(1) If the fiduciary 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 the fiduciary's failure to comply with Chapter 742. of the Revised Code, the fiduciary has enabled such other fiduciary to commit a breach; or

(3) If the fiduciary has knowledge of a breach by such other fiduciary, unless the fiduciary makes reasonable efforts under the circumstances to remedy the breach.

(E) Every fiduciary of the fund 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.