



Ohio Revised Code

Section 917.14 Adoption of method guaranteeing payment to producer.

Effective: September 28, 1965

Legislation: House Bill 263 - 106th General Assembly

Each dealer or any co-operative association making payments to producers for milk or cream except as provided in this section shall adopt one of the following methods to establish financial responsibility:

(A) He shall file and maintain with the director of agriculture a surety bond to the state, which bond shall be of an amount determined by the director to be not less than twice the value of milk or cream purchased by such dealer during an average pay period of the preceding twelve months or, if figures are not available, in such amount as the director requires; such bond shall be conditioned upon the prompt payment by the dealer for all milk or cream purchased by him;

(B) He shall deposit, with a trustee satisfactory to the director, cash or negotiable securities of any kind authorized by section 2109.37 of the Revised Code for investment of trust funds, equal in value to an amount as determined in division (A) of this section;

(C) He shall file with the director a sworn financial statement showing all assets and liabilities with such pertinent and necessary supporting data as the director requires, and revise such statement as frequently as the director requires.

If upon examination of any financial statement and other pertinent factors, the director is of the opinion that the dealer filing the same does not provide sufficient security for payment of producers, he may issue an order requiring such dealer to file a financial statement prepared by a certified public accountant or a public accountant after an audit of the company's records or establish financial responsibility in accordance with division (A) or (B) of this section, or he may require the dealer to make more frequent payments for milk or cream delivered. Failure to comply with such an order shall be cause for revocation or suspension of license.

If bond is filed under division (A) of this section, it shall bind the principal and surety to pay any producer the amount due to him from the dealer when and as the amount thereof shall be admitted to



be due by the dealer or shall have been established by judgment of a court. If securities are placed in trust, the conditions of the deposit contract shall be substantially of the same effect. The form of said bond and said deposit agreement shall be prescribed by the attorney general.

Any producer or association of producers having a claim against a dealer filing such bond, which claim is more than thirty days overdue according to the statement filed by such dealer, may bring action on such bond. Any co-operative association of producers acting as agent for producer members who have delivered milk or cream to such dealer may combine in one action claims of two or more of its members whose claims are overdue.

Any producer having a claim against a dealer making deposit with a trustee shall be entitled to payment by the trustee upon presenting to the trustee either a certificate of the director that the amount claimed is not larger than the amount reported by the dealer as being due to such producer as provided in section 917.13 of the Revised Code or a certified copy of judgment of a court establishing the amount due.

This section does not apply to purchasers of cream who pay for purchases on or before the time of the next delivery.