

**As Introduced**

**131st General Assembly  
Regular Session  
2015-2016**

**H. B. No. 229**

**Representatives Hambley, Bishoff**

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**A BILL**

To amend section 1121.30 and to enact sections 1  
1112.01, 1112.02, 1112.03, 1112.06, 1112.07, 2  
1112.08, 1112.11, 1112.12, 1112.13, 1112.14, 3  
1112.15, 1112.17, 1112.18, 1112.19, 1112.20, 4  
1112.21, 1112.24, 1112.27, 1112.28, 1112.29, 5  
1112.32, and 1112.33 of the Revised Code to 6  
create the Ohio Family Trust Company Act. 7

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 1121.30 be amended and sections 8  
1112.01, 1112.02, 1112.03, 1112.06, 1112.07, 1112.08, 1112.11, 9  
1112.12, 1112.13, 1112.14, 1112.15, 1112.17, 1112.18, 1112.19, 10  
1112.20, 1112.21, 1112.24, 1112.27, 1112.28, 1112.29, 1112.32, 11  
and 1112.33 of the Revised Code be enacted to read as follows: 12

**Sec. 1112.01.** As used in this chapter: 13

(A) "Affiliate" means any individual or entity 14  
controlling, controlled by, or under common control with a 15  
family trust company. 16

(B) "Business entity" means a partnership, corporation, 17  
limited liability company, or other entity engaged in business. 18

(C) "Control" means the power to direct or cause the 19  
direction of the management and policies of a business entity, 20  
whether through ownership of voting securities, by contract, or 21  
otherwise. 22

(D) (1) With respect to a licensed family trust company or 23  
a family trust company applying for a license under this 24  
chapter, "designated relative" means the common ancestor of the 25  
family, whether living or deceased, who is designated in the 26  
application for an original or renewal license. 27

(2) With respect to any other family trust company, 28  
"designated relative" means the common ancestor of the family, 29  
whether living or deceased, who is designated in a written 30  
document by the family trust company, which document is 31  
maintained with the permanent records of the family trust 32  
company. 33

(E) "Family affiliate" means a business entity controlled 34  
by family members or affiliates. 35

(F) (1) "Family client" means all of the following: 36

(a) Any family member; 37

(b) Any former family member; 38

(c) Any key employee; 39

(d) Any former key employee provided that, upon the end of 40  
the individual's employment by the family trust company, the 41  
individual does not receive investment advice from the family 42  
trust company, or invest additional assets with a family trust 43  
company-advised trust, foundation, or entity, other than with 44  
respect to assets advised directly or indirectly by the family 45  
trust company immediately prior to the end of the individual's 46

employment. Nothing in division (F) (1) (d) of this section shall 47  
be considered to preclude a former key employee from being a 48  
family client if the employee received investment advice from 49  
the family trust company with respect to additional investments 50  
that the individual was contractually obligated to make, and 51  
that relate to a family trust company-advised investment 52  
existing, prior to the end of the individual's employment by the 53  
family trust company. 54

(e) Any nonprofit organization, charitable foundation, 55  
charitable trust, including a charitable lead trust and 56  
charitable remainder trust whose only current beneficiaries are 57  
other family clients and charitable or nonprofit organizations, 58  
or other charitable organization, if all of the funding the 59  
organization, foundation, or trust holds came exclusively from 60  
one or more other family clients; 61

(f) Any estate of a family member, former family member, 62  
key employee, or former key employee; 63

(g) Any irrevocable trust in which one or more other 64  
family clients are the only current beneficiaries; 65

(h) Any irrevocable trust funded exclusively by one or 66  
more other family clients in which other family clients and 67  
nonprofit organizations, charitable foundations, charitable 68  
trusts, or other charitable organizations are the only current 69  
beneficiaries; 70

(i) Any revocable trust of which one or more other family 71  
clients are the sole grantors; 72

(j) Any trust to which both of the following conditions 73  
apply: 74

(i) Each trustee or other person authorized to make 75

decisions with respect to the trust is a key employee. 76

(ii) Each settlor or other person who has contributed 77  
assets to the trust is a key employee or the key employee's 78  
current or former spouse or spousal equivalent who, at the time 79  
of the contribution, holds a joint, community property, or other 80  
similar shared ownership interest with the key employee. 81

(k) Any business entity wholly owned, either directly or 82  
indirectly, exclusively by and operated for the sole benefit of 83  
one or more other family clients. 84

(2) With respect to licensed family trust companies only, 85  
"family client" also means a family affiliate and any 86  
shareholder, partner, member, director, officer, or employee of 87  
a family affiliate who is an individual described in division 88  
(F)(1) of this section. 89

(G)(1) "Family member" means all of the following, 90  
provided that the designated relative is no more than ten 91  
generations removed from the youngest generation of family 92  
members: 93

(a) All lineal descendants, including adopted children, 94  
stepchildren, foster children, and individuals who were a minor 95  
when another family member became a legal guardian of the 96  
individual, of the designated relative; 97

(b) Such lineal descendants' spouses or spousal 98  
equivalents. 99

(2) With respect to licensed family trust companies only, 100  
"family member" also means all of the following: 101

(a) An ancestor or sibling of a spouse or spousal 102  
equivalent described in division (G)(1) of this section; 103

(b) Any individual who is a beneficiary of a will or trust established by an individual described in division (G)(1) of this section, provided that, at any given time, the number of individuals qualifying as family members under division (G)(2) (b) of this section does not exceed twenty-five. 104  
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(H) "Family trust company" means a corporation or limited liability company organized under the laws of this state that meets all of the following requirements: 109  
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(1) It is organized to serve only family clients. 112

(2) It is wholly owned by family clients and is exclusively controlled, either directly or indirectly, by one or more family members or family entities. For purposes of division (H)(2) of this section, "family entity" means any of the trusts, estates, or other entities described in division (F)(1)(e), (f), (g), (h), (i), or (k) of this section, except for key employees and their trusts. 113  
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(3) It acts as a fiduciary. 120

(4) It does not transact trust business with, propose to act as a fiduciary for, or solicit or accept trust business from, a person that is not a family client. 121  
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(I) "Former family member" means a spouse, spousal equivalent, or stepchild who was a family member but is no longer a family member due to a divorce or other similar event. 124  
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(J) "Key employee" means all of the following: 127

(1) Any natural person who is an executive officer, director, trustee, or general partner of, or a person serving in a similar capacity to, the family trust company. For purposes of division (J)(1) of this section, "executive officer" means the 128  
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president, any vice-president in charge of a principal business unit, division, or function such as administration or finance, any other officer who performs a policymaking function, or any other person who performs a similar policymaking function. 132  
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(2) The spouse or spousal equivalent of a person described in division (J) (1) of this section, if the spouse or spousal equivalent holds a joint, community property, or other similar shared ownership interest with that person; 136  
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(3) Any employee of the family trust company, other than an employee performing solely clerical, secretarial, or administrative functions or duties, who participates in the investment activities of the family trust company, provided that the employee has been participating in those investment activities for or on behalf of the family trust company, or has been performing similar functions or duties for or on behalf of another business entity, for at least one year. 140  
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(K) "Licensed family trust company" means a family trust company licensed under this chapter. 148  
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(L) "Spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse. 150  
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(M) "Trust business" has the same meaning as in section 1111.01 of the Revised Code. 152  
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**Sec. 1112.02.** Except as otherwise provided in this chapter or in any other provision of the Revised Code, a family trust company is subject to this chapter only to the extent that the family trust company transacts trust business in this state. 154  
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**Sec. 1112.03.** (A) A family trust company may be, but is not required to be, licensed under this chapter. If a family trust company does not apply for a license under this chapter, 158  
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the family trust company is not subject to supervision by the 161  
superintendent of financial institutions. It shall, however, 162  
annually submit to the superintendent an affidavit signed by a 163  
senior officer of the family trust company verifying that the 164  
family trust company meets all of the requirements set forth 165  
under this chapter to transact business as a family trust 166  
company in this state. 167

(B) A family trust company licensed under this chapter is 168  
not subject to any other chapter of Title XI of the Revised 169  
Code. 170

**Sec. 1112.06.** (A) A family trust company may do any of the 171  
following for the benefit of family clients only: 172

(1) Act as a fiduciary, including as a personal 173  
representative, within and outside this state; 174

(2) Act within and outside this state as advisory agent, 175  
agent, assignee, assignee for the benefit of creditors, attorney 176  
in fact, authenticating agent, bailee, bond or indenture 177  
trustee, conservator, conversion agent, curator, custodian, 178  
escrow agent, exchange agent, fiscal or paying agent, financial 179  
adviser, investment adviser, investment manager, managing agent, 180  
purchase agent, receiver, registrar, safekeeping agent, 181  
subscription agent, transfer agent except for public business 182  
entities, warrant agent, or in any similar capacity generally 183  
performed by corporate trustees and, in so acting, possess, 184  
purchase, sell, invest, reinvest, safe keep, or otherwise manage 185  
or administer the real or personal property of other persons; 186

(3) Exercise the powers of a corporation or limited 187  
liability company organized under the laws of this state and any 188  
incidental powers to enable it to fully exercise any power 189

authorized under this chapter. 190

(B) A family trust company shall not do any of the 191  
following: 192

(1) Except as otherwise provided in division (A) (10) of 193  
section 1112.07 of the Revised Code, receive money or its 194  
equivalent from any individual or entity for deposit, make loans 195  
of any nature to any individual or entity, or otherwise conduct 196  
a general banking business; 197

(2) Engage in trust business with, or advertise its 198  
services to, the public; 199

(3) Use "trust" or any direct derivative of that word as 200  
any part of its name, unless it is a licensed family trust 201  
company. 202

**Sec. 1112.07. (A) Notwithstanding any other provision of** 203  
**law to the contrary, while acting as the fiduciary of a trust, a** 204  
**family trust company may do all of the following:** 205

(1) Invest in a security of an investment company or 206  
investment trust for which the family trust company or a family 207  
affiliate provides services in a capacity other than as a 208  
fiduciary; 209

(2) Place a security transaction using a broker that is a 210  
family affiliate; 211

(3) Invest in an investment contract that is purchased from 212  
an insurance company or carrier owned by or affiliated with the 213  
family trust company or a family affiliate; 214

(4) Enter into an agreement with a beneficiary or grantor 215  
of a trust relative to the appointment or compensation of the 216  
fiduciary or a family affiliate; 217



(5) Transact with another trust, estate, guardianship, or conservatorship for which the family trust company is a fiduciary or in which a beneficiary has an interest; 218  
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(6) Make an equity investment in a nonpublicly traded entity that may or may not be marketable and that is owned or controlled, either directly or indirectly, by one or more beneficiaries, family members, or family affiliates; 221  
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(7) Deposit trust money in a financial institution that is owned or operated by a family affiliate; 225  
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(8) Delegate the authority to conduct any transaction or action under this section to an agent of the family trust company or a family affiliate; 227  
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(9) Purchase, sell, hold, own, or invest in any security, bond, real or personal property, stock, or other asset of a family affiliate; 230  
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(10) Loan money to or borrow money from a family member or the family member's legal representative, another trust managed by the family trust company, or a family affiliate; 233  
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(11) Act as proxy in voting any shares of stock that are assets of the trust; 236  
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(12) Exercise any powers of control with respect to any interest in a business entity that is an asset of the trust, including, without limitation, the appointment of officers or directors who are family members; 238  
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(13) Receive reasonable compensation for its services. 242

(B) Nothing in this section prohibits a family trust company from transacting business with or investing in any asset of any of the following: 243  
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(1) A trust, estate, guardianship, or conservatorship for 246  
which the family trust company is a fiduciary; 247

(2) A family affiliate; 248

(3) Any other business entity, agent, or person for which 249  
a conflict of interest may exist. 250

Sec. 1112.08. Each member of the governing board of a 251  
family trust company shall take and subscribe an oath that the 252  
member will administer the affairs of the family trust company 253  
diligently and honestly and that the member will not knowingly 254  
or willfully permit noncompliance with or violation of any of 255  
the laws relating to family trust companies. 256

Sec. 1112.11. (A) A family trust company wishing to be 257  
licensed under this chapter shall file an application with the 258  
superintendent of financial institutions. The application shall 259  
be in the form prescribed by the superintendent and shall be 260  
accompanied by a nonrefundable application fee of five thousand 261  
dollars. 262

(B) Within sixty days after a complete application for a 263  
license is filed, the division of financial institutions shall 264  
investigate the relevant facts concerning the applicant. If the 265  
application involves investigation outside this state, the 266  
division may require the applicant to advance sufficient funds 267  
to pay any of the actual expenses of that investigation. 268

(C) If an application for a license does not contain all 269  
of the information required or is not accompanied by the 270  
required fee, and if that information or fee is not submitted to 271  
the superintendent within twelve months after the superintendent 272  
first requests the information or fee, or within such later 273  
period as determined by the superintendent, the superintendent 274

shall consider the application withdrawn. If an application is 275  
considered withdrawn under this division or if an applicant 276  
otherwise withdraws its application, the superintendent shall 277  
not issue a license to the applicant unless the applicant 278  
submits a new application and pays the required fee. 279

**Sec. 1112.12.** (A) Upon the conclusion of the investigation 280  
required under division (B) of section 1112.11 of the Revised 281  
Code, the superintendent of financial institutions shall issue a 282  
license to the applicant if the superintendent finds that all of 283  
the following conditions are met: 284

(1) The applicant is organized as a corporation or limited 285  
liability company under the laws of this state. 286

(2) The articles of incorporation or articles of 287  
organization of the applicant contain both of the following: 288

(a) A name for the family trust company that includes 289  
"family trust company" or "FTC" and that distinguishes it from 290  
any trust company licensed under Chapter 1111. of the Revised 291  
Code or any other family trust company licensed under this 292  
chapter; 293

(b) The purpose for which it is formed, including a 294  
statement that its services will be provided only to family 295  
clients of a designated relative. 296

(3) The individuals who will serve as directors or 297  
officers of the corporation, or the managers or family members 298  
acting in a managerial capacity for the limited liability 299  
company, as applicable: 300

(a) Have a reputation for honesty, trustworthiness, and 301  
integrity and display competence to transact the business of a 302  
licensed family trust company; 303

(b) Have not been convicted of, or pleaded guilty or nolo 304  
contendere to, a felony or any crime involving fraud, 305  
misrepresentation, or moral turpitude; 306

(c) Have not made a false statement of material fact on the 307  
application; 308

(d) Have not had a license issued under Chapter 1111. of 309  
the Revised Code or under this chapter suspended or revoked 310  
within the ten years immediately preceding the date of the 311  
application; 312

(e) Have not had a trust company license issued in any 313  
other state or any foreign country suspended or revoked within 314  
the ten years immediately preceding the date of the application; 315

(f) Have not failed to comply with any of the provisions of 316  
this chapter or any rule adopted thereunder that, in the 317  
judgment of the superintendent, would render the person unfit 318  
for the proposed position. 319

(4) The financial status of the directors and the 320  
president, vice-presidents, and treasurer of the corporation, or 321  
the managers and family members acting in a managerial capacity 322  
for the limited liability company, as applicable, is consistent 323  
with their responsibilities and duties. 324

(5) The initial stockholders' equity meets the minimum 325  
requirement set forth in division (E) (2) of section 1112.19 of 326  
the Revised Code. 327

(B) If the superintendent does not find that all of the 328  
conditions set forth in division (A) of this section have been 329  
met, the superintendent shall enter an order denying the 330  
application and notify the applicant of the denial and the 331  
applicant's reasonable opportunity to be heard in accordance 332

with Chapter 119. of the Revised Code. The notice shall be in 333  
writing, either served personally or sent by certified mail. 334

**Sec. 1112.13.** A license issued under section 1112.12 of 335  
the Revised Code may be renewed annually on or before the first 336  
day of April of each year if the superintendent of financial 337  
institutions finds that both of the following conditions are 338  
met: 339

(A) The renewal application is accompanied by a 340  
nonrefundable renewal fee of five hundred dollars and any 341  
additional fee required by the superintendent if the renewal 342  
application identifies a new designated relative. 343

(B) The applicant meets the conditions set forth in 344  
division (A) of section 1112.12 of the Revised Code. 345

**Sec. 1112.14.** Not more than one place of business shall be 346  
maintained under the same license issued under this chapter, but 347  
the superintendent of financial institutions may issue 348  
additional licenses to the same licensee. For every additional 349  
place of business in this state, the licensee shall submit an 350  
application in the form prescribed by the superintendent and pay 351  
a one-time nonrefundable fee of five hundred dollars. For every 352  
additional place of business outside this state, the licensee 353  
shall give written notice thereof to the superintendent. 354

**Sec. 1112.15.** The existence of any licensed family trust 355  
company shall date from the filing of its articles of 356  
incorporation or articles of organization, from which time it 357  
shall have and may exercise the incidental powers conferred by 358  
law upon corporations or limited liability companies, as 359  
applicable. However, until it has obtained a license issued 360  
under this chapter, a family trust company shall not transact 361

any business as a licensed family trust company, other than the 362  
election of officers, the taking and approving of their official 363  
bonds, the receipts of payment upon stock subscriptions, and 364  
other business incidental to its organization. 365

**Sec. 1112.17.** (A) Prior to transacting any business as a 366  
licensed family trust company, a family trust company shall 367  
pledge to the treasurer of state interest bearing securities 368  
authorized in division (B) of this section, having a par value, 369  
not including unaccrued interest, of one hundred thousand 370  
dollars, and approved by the superintendent of financial 371  
institutions. The family trust company may pledge the securities 372  
either by delivery to the treasurer of state or by placing the 373  
securities with a qualified trustee for safekeeping to the 374  
account of the treasurer of state. 375

(B) Securities pledged by a family trust company to 376  
satisfy the requirements of division (A) of this section shall 377  
be one or more of the following: 378

(1) Bonds, notes, or other obligation of or guaranteed by 379  
the United States or for which the full faith and credit of the 380  
United States is pledged for the payment of principal and 381  
interest; 382

(2) Bonds, notes, debentures, or other obligations or 383  
securities issued by any agency or instrumentality of the United 384  
States; 385

(3) General obligations of this or any other state of the 386  
United States or any subdivision of this or any other state of 387  
the United States. 388

(C) The treasurer of state shall accept delivery of 389  
securities pursuant to this section when accompanied by the 390

superintendent's approval of the securities or the written 391  
receipt of a qualified trustee describing the securities and 392  
showing the superintendent's approval of the securities, and 393  
shall issue a written acknowledgment of the delivery of the 394  
securities or the qualified trustee's receipt and the 395  
superintendent's approval to the family trust company. 396

(D) The superintendent shall approve securities to be 397  
pledged by a family trust company pursuant to this section if 398  
the securities are all of the following: 399

(1) Interest bearing and of the value required by division 400  
(A) of this section; 401

(2) Of one or more of the kinds authorized by division (B) 402  
of this section and not a derivative of or merely an interest in 403  
any of those securities; 404

(3) Not in default. 405

(E) The treasurer of state shall, with the approval of the 406  
superintendent, permit a family trust company to pledge 407  
securities in substitution for securities pledged pursuant to 408  
this section and the withdrawal of the securities substituted 409  
for so long as the securities remaining pledged satisfy the 410  
requirements of division (A) of this section. The treasurer of 411  
state shall permit a family trust company to collect interest 412  
paid on securities pledged pursuant to this section so long as 413  
the family trust company is solvent. The treasurer of state 414  
shall, with the approval of the superintendent, permit a 415  
licensed family trust company to withdraw securities pledged 416  
pursuant to this section when the family trust company has 417  
discontinued its business as a licensed family trust company in 418  
this state. 419

(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. 420  
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(G) The superintendent, with the approval of the treasurer of state and the attorney general, 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. 427  
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**Sec. 1112.18.** (A) Each licensed family trust company shall obtain and maintain all of the following: 434  
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(1) Fidelity bonds in such amounts as it considers advisable, but not less than an aggregate amount of one million dollars, on any active officer, manager, family member acting in a managerial capacity, or employee, whether or not such persons receive a salary or other compensation from the family trust company, to indemnify it against loss because of any dishonest, fraudulent, or criminal act or omission by any of the persons bonded, acting alone or in combination with any other person. The bonds may be in any form and may be paid for by the family trust company. 436  
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(2) Directors and officers liability insurance coverage in the amount of at least one million dollars. 446  
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(B) A licensed family trust company may also procure 448



property and casualty insurance of a nature and with such 449  
coverage amounts as it considers advisable. 450

Sec. 1112.19. Each licensed family trust company shall do 451  
all of the following: 452

(A) Maintain office space in this state for the 453  
transaction of trust business and for the storage of, and access 454  
to, family trust company records; 455

(B) Hold in this state at least two governing board 456  
meetings per year at which a quorum of the board members are 457  
physically present; 458

(C) Employ, engage, or contract with at least one 459  
individual, on a part-time basis, to provide services in this 460  
state for the family trust company; 461

(D) Perform at least three of the following trust 462  
administration activities wholly or partly in this state for the 463  
accounts under the management, administration, or custody of the 464  
family trust company: 465

(1) Annual account reviews; 466

(2) Annual investment reviews; 467

(3) Trust accountings; 468

(4) Account correspondence; 469

(5) Completion of trust account tax returns; 470

(6) Distribution of account statements. 471

(E) Maintain all of the following: 472

(1) A minimum of three directors or managers, at least one 473  
of whom is a resident of this state; 474

(2) A minimum stockholders' equity of an amount determined 475  
by the division of financial institutions, which amount shall be 476  
at least two hundred thousand dollars but not more than five 477  
hundred thousand dollars. The equity may be comprised of cash, 478  
securities, including stock of a nonpublicly traded business 479  
entity, or other reasonably liquid assets exclusive of all 480  
organization expenses. 481

(3) All applicable state and local business licenses and 482  
permits; 483

(4) A bank account with a state chartered or national bank 484  
having a principal or branch office in this state. 485

**Sec. 1112.20.** The governing board of a licensed family 486  
trust company shall hold at least one regular meeting during 487  
each calendar quarter. At each of the quarterly meetings, the 488  
board, or an auditor selected by the board, shall thoroughly 489  
review the books, records, funds, and securities held by the 490  
family trust company. If the board selects an auditor, the 491  
auditor's findings shall be reported directly to the board. In 492  
lieu of the quarterly examinations, the board may accept an 493  
annual audit conducted by a certified public accountant or an 494  
independent auditor selected by the board. 495

**Sec. 1112.21.** Except as otherwise provided in section 496  
1112.06 of the Revised Code, a licensed family trust company has 497  
all the rights, privileges, and exemptions from licensing and 498  
regulation requirements that are granted by any law of this 499  
state to trust companies licensed under Chapter 1111. of the 500  
Revised Code, including, without limitation, the requirements 501  
for registration, licensing, and supervision set forth in 502  
Chapter 1707. of the Revised Code. 503

Sec. 1112.24. If a licensed family trust company desires 504  
to discontinue its business as a family trust company, it shall 505  
furnish to the superintendent of financial institutions evidence 506  
of its release and discharge from all of the obligations and 507  
trusts that it has assumed or that have been imposed by law. If 508  
the superintendent is satisfied with the information provided, 509  
the superintendent shall enter an order canceling the license of 510  
the family trust company. 511

Sec. 1112.27. (A) Not later than eighteen months after a 512  
family trust company receives its initial license under this 513  
chapter, and as often thereafter as the superintendent of 514  
financial institutions considers necessary, but at least once 515  
each thirty-six-month cycle, the superintendent, or any deputy 516  
or examiner appointed by the superintendent for that purpose, 517  
shall thoroughly examine the records and affairs of the family 518  
trust company. For purposes of the examination, the 519  
superintendent may require the attendance of, and examine under 520  
oath, any governing board member, officer, manager, employee, or 521  
agent of a licensed family trust company. A licensed family 522  
trust company shall produce and make available all records or 523  
other documents requested by the superintendent, in either 524  
electronic or paper form, whether the examination is conducted 525  
at the office of the family trust company or wholly or partially 526  
off-site. 527

(B) The findings of any examination conducted under this 528  
section shall be recorded in a written examination report that 529  
contains a full, true, and careful statement of the condition of 530  
the licensed family trust company. The superintendent shall 531  
provide a copy of the written examination report to the 532  
governing board of the family trust company. 533

(C) A licensed family trust company being examined shall 534  
pay the expense of any examination conducted under this section, 535  
including salaries, travel expenses, supplies, and equipment. 536

**Sec. 1112.28.** (A) All of the following information is 537  
confidential: 538

(1) Application information and other information obtained 539  
from a family trust company, including the names and addresses 540  
of the directors and officers, the names and addresses of the 541  
stockholders, family members, or other owners, capital 542  
contributions, and business affiliations; 543

(2) Information required to be reported to, or filed with, 544  
the superintendent of financial institutions under this chapter, 545  
including the affidavit described in division (A) of section 546  
1112.03 of the Revised Code; 547

(3) Information leading to, arising from, or obtained in 548  
the course of an examination or investigation conducted under 549  
the authority of this chapter; 550

(4) Information relating to a family trust company that 551  
qualifies as nonpublic personal information under 15 U.S.C. 6809 552  
and the regulations adopted thereunder; 553

(5) Information or agreements relating to any merger, 554  
consolidation, or transfer; 555

(6) Any other private information relating to a family 556  
trust company. 557

(B) (1) The information described in division (A) of this 558  
section shall remain confidential for all purposes except in the 559  
following circumstances: 560

(a) When it is necessary for the superintendent to take 561

<u>official action regarding the affairs of a family trust company;</u>	562
<u>(b) To assist another state or a federal agency</u>	563
<u>investigating activities regulated under this chapter;</u>	564
<u>(c) When, in the opinion of the superintendent, the</u>	565
<u>interests of the public outweigh the interests of the person</u>	566
<u>about whom the information pertains.</u>	567
<u>(2) If the superintendent intends to disclose information</u>	568
<u>under the authority of division (B)(1) of this section, the</u>	569
<u>superintendent shall provide, in writing, at least ten days'</u>	570
<u>prior notice of the disclosure to the family trust company to</u>	571
<u>which the information relates. If the family trust company</u>	572
<u>objects to the disclosure, it may request a hearing. The</u>	573
<u>superintendent shall not disclose the information prior to the</u>	574
<u>conclusion of the hearing and a ruling.</u>	575
<u>(3) Information disclosed under the authority of division</u>	576
<u>(B)(1) of this section remains confidential.</u>	577
<u>(4) The superintendent shall not disclose any of the</u>	578
<u>information described in division (A) of this section to the</u>	579
<u>general public.</u>	580
<u>(C) Nothing in this chapter precludes any of the</u>	581
<u>following:</u>	582
<u>(1) A law enforcement officer from gaining access to</u>	583
<u>otherwise confidential records by subpoena, court order, search</u>	584
<u>warrant, or other lawful means;</u>	585
<u>(2) The superintendent from sharing information with other</u>	586
<u>governmental agencies with which the division of financial</u>	587
<u>institutions has entered into sharing arrangements;</u>	588
<u>(3) Any agency of this state from gaining access to</u>	589

otherwise confidential records in accordance with any applicable 590  
law. 591

**Sec. 1112.29.** (A) The superintendent of financial 592  
institutions may revoke a license issued under this chapter if, 593  
after notice and an opportunity for hearing in accordance with 594  
Chapter 119. of the Revised Code, the superintendent finds 595  
either of the following: 596

(1) An officer or director of, or any manager or family 597  
member acting in a managerial capacity for, the licensed family 598  
trust company has failed to comply with any provision of this 599  
chapter. 600

(2) The licensed family trust company, or any person 601  
authorized to act on its behalf, refuses to allow the 602  
superintendent or any deputy or examiner appointed by the 603  
superintendent to inspect all books, records, papers, and 604  
effects related to the family trust company's business. 605

(B) In addition to any other remedy provided under this 606  
chapter, the superintendent may impose a fine of not more than 607  
ten thousand dollars upon either of the following: 608

(1) A person who fails to comply with any provision of 609  
this chapter or any rule adopted thereunder. 610

(2) A family trust company that is not licensed under this 611  
chapter that operates in any manner that is authorized only for 612  
licensed family trust companies. 613

**Sec. 1112.32.** The superintendent of financial institutions 614  
shall not have an ownership interest in a licensed family trust 615  
company. 616

**Sec. 1112.33.** The superintendent of financial institutions 617

may, in accordance with Chapter 119. of the Revised Code, adopt 618  
any rule necessary to carry out the purposes of this chapter. 619

**Sec. 1121.30.** (A) All assessments, fees, charges, fines, 620  
and forfeitures provided for in Chapters 1101. to 1127. and 621  
sections 1315.01 to 1315.18 of the Revised Code, except civil 622  
penalties assessed pursuant to section 1121.35 or 1315.152 of 623  
the Revised Code, shall be paid to the superintendent of 624  
financial institutions, and the superintendent shall deposit 625  
them into the state treasury to the credit of the banks fund, 626  
which is hereby created. 627

(B) The superintendent may expend or obligate the banks 628  
fund to defray the costs of the division of financial 629  
institutions in administering Chapters 1101. to 1127. and 630  
sections 1315.01 to 1315.18 of the Revised Code. The 631  
superintendent shall pay from the fund all actual and necessary 632  
expenses incurred by the superintendent, including for any 633  
services rendered by the department of commerce for the 634  
division's administration of Chapters 1101. to 1127. and 635  
sections 1315.01 to 1315.18 of the Revised Code. The fund shall 636  
be assessed a proportionate share of the administrative costs of 637  
the department and the division of financial institutions. The 638  
proportionate share of the administration costs of the division 639  
of financial institutions shall be determined in accordance with 640  
procedures prescribed by the superintendent and approved by the 641  
director of budget and management. The amount assessed for the 642  
fund's proportional share of the department's administrative 643  
costs and the division's administrative costs shall be paid from 644  
the banks fund to the division of administration fund and the 645  
division of financial institutions fund respectively. 646

(C) Any money deposited into the state treasury to the 647

credit of the banks fund, but not expended or encumbered by the 648  
superintendent to defray the costs of administering Chapters 649  
1101. to 1127. and sections 1315.01 to 1315.18 of the Revised 650  
Code, shall remain in the banks fund for expenditures by the 651  
superintendent in subsequent years. 652

**Section 2.** That existing section 1121.30 of the Revised 653  
Code is hereby repealed. 654