

Sec. 3309.156. (A) Except as provided in division (B) of this section, a fiduciary shall not cause the SCHOOL 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 of IN interest;
- (3) Furnishing of goods, services, or facilities between the system and a party of IN interest;
- (4) Transfer to, or use by or for the benefit of a party of 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 school 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 3309. 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 3309. 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.

SECTION 13. This act is hereby declared to be an emergency measure necessary for the public peace, health, and safety. The reason for this necessity lies in the fact that all legislation subsequently enacted by the General Assembly must be in conformity with this act. The provisions of this act should be immediately effective in order not to delay legislative consideration of other public business. Therefore, this act shall go into immediate effect.

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EMERGENCY

EFFECTIVE
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