

In the light of the foregoing, it is my opinion that:

1. Where a surety bond constitutes the security for the deposit of public funds, boards of education and boards of township trustees may not, on behalf of school districts or townships, consent to the resumption of business by a closed depository bank under a plan whereby the public depositors are to relinquish a portion of the deposit liability and accept in lieu thereof participation certificates issued against certain segregated assets.

2. Such boards do not have the power to compromise claims due their respective subdivisions similar to that granted to boards of county commissioners by Section 2416, General Code, and cannot effect a compromise with sureties on a defaulted depository bond after bringing action against such sureties or otherwise. Opinions of the Attorney General for 1933, No. 1890, approved and followed.

3. By virtue of the powers of local self-government conferred upon municipalities by Article XVIII, Section 3, Ohio Constitution, the council or other legislative body of a municipality may consent to the resumption of business by a closed municipal depository under a plan whereby the debtor is discharged from its obligation to the extent of 50% of the debt.

Respectfully,

JOHN W. BRICKER,
Attorney General.

2321.

APPROVAL, NOTES OF CLEVELAND CITY SCHOOL DISTRICT, CUYA-
HOGA COUNTY, OHIO—\$800,000.00.

COLUMBUS, OHIO, February 27, 1934.

Retirement Board, State Teachers Retirement System, Columbus, Ohio.

2322.

APPROVAL, NOTES OF WASHINGTON RURAL SCHOOL DISTRICT,
JACKSON COUNTY, OHIO—\$1,440.00.

COLUMBUS, OHIO, February 27, 1934.

Retirement Board, State Teachers Retirement System, Columbus, Ohio.

2323.

APPROVAL, BONDS OF MADISON RURAL SCHOOL DISTRICT, LAKE
COUNTY, OHIO—\$7,400.00.

COLUMBUS, OHIO, February 27, 1934.

Retirement Board, State Teachers Retirement System, Columbus, Ohio.