

798.

## APPROVAL, BONDS OF CHESAPEAKE-UNION SCHOOL DISTRICT, LAWRENCE COUNTY, \$3,180.00.

COLUMBUS, OHIO, July 27, 1927.

*Industrial Commission of Ohio, Columbus, Ohio.*

799.

## TRUSTEE SHARES—ISSUED BY A NATIONAL BANK AS TRUSTEE AND REPRESENTING A DISTRIBUTIVE INTEREST IN CERTAIN STOCK OF STATE AND NATIONAL BANKS—ARE SECURITIES WITHIN THE MEANING OF SECTION 6373-1, GENERAL CODE.

## SYLLABUS:

*Trustee shares issued by a national bank as trustee and representing a distributive interest in certain stock of state and national banks, are securities within the meaning of Section 6373-1 of the General Code.*

COLUMBUS, OHIO, July 28, 1927.

HON. NORMAN E. BECK, *Chief of Division, Division of Securities, Columbus, Ohio.*

DEAR SIR:—This will acknowledge receipt of your communication as follows:

“Pursuant to our conversation of even date and in connection with printed data previously submitted, we desire to seek your opinion as to the following:

An individual licensed dealer acquires various amounts of stock certificates issued by local State and National Banks. These certificates are then trusted with the National Bank, who in turn issues a number of certificates against the collateral so held. The licensed dealer then disposes of said certificates to the general public in the course of repeated transactions.

Question: Do you consider the certificates so disposed of a security as securities are defined under the General Statutes of Ohio?”

I also have before me a copy of the trust agreement which discloses additional facts pertinent to the present consideration. It is shown that the dealer has agreed to assign to and deposit with the trustee the enumerated bank stocks. The last clause of the agreement directs the trustee to issue to the dealer, or his nominee, proxies to vote all of the stock deposited at any and all meetings for any and all purposes. In the event of the inability of the dealer to vote the stock or his failure to designate one to whom a proxy shall be granted, the trustee is vested with the voting power of the stock either directly or by proxy. Evidently, therefore, the agreement contemplates the stock being held in the name of the trustee. The duties of the trustee are set forth very comprehensively commencing with the issuance of what are called “bank stock