

2512.

APPROVAL—BONDS OF CITY OF CLEVELAND, CUYAHOGA COUNTY,
OHIO, \$10,000.00.

COLUMBUS, OHIO, April 13, 1934.

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

2513.

SECURITIES—ARRANGEMENT BETWEEN BOARD OF EDUCATION
AND FEDERAL RESERVE BANK HOLDING SECURITIES DEPOSITED
WITH BOARD OF EDUCATION BY DEPOSITORY BANK IS
LEGAL WHEN—

SYLLABUS.

An arrangement between a board of education and a Federal Reserve Bank, whereby the Federal Reserve Bank holds in its possession securities deposited with the board of education by its depository bank to secure the bank's deposits therein, receipts to the board of education for these securities and agrees to dispose of the securities under instructions from the board of education and for its benefit upon default of the depository bank in the fulfillment of its contract, and the board of education agrees to release the securities upon fulfillment of the contract of the depository bank, is legal, and satisfies the requirements of the law that the board of education shall safely keep the securities, have control and dominion over them during the life of the depository contract and return them to the depository bank upon its fulfillment of the contract, as well as the intent and purpose of the law that the securities shall be available to the board of education upon default of the bank to the end that the depository bank's liability to the depository shall be satisfied.

COLUMBUS, OHIO, April 14, 1934.

HON. JAMES M. HOWSARE, *Prosecuting Attorney, Preble County, Eaton, Ohio.*

DEAR SIR:—This will acknowledge receipt of your request for my opinion concerning the legality of a proposed arrangement between a board of education and the Federal Reserve Bank of Cleveland, whereby the bank is to act as custodian of securities deposited with the board of education by its depository bank to secure the board's deposits. The proposed arrangement as stated by you, is as follows:

“The Board of Education for the Eaton Village School District purpose to enter into a depository contract with a local bank, for the deposit of its school funds and to accept bonds as security for said deposit, as provided in General Code Sections 7604-05-06, etc. The said bonds to be held by the Federal Reserve Bank of Cleveland, upon an unconditional order on the part of the local bank to the Federal Reserve Bank, to