

May preceding the date of
 loyee member of the board
 board shall cause ballots
 l who is eligible to vote at
 member as shown on the

urd not later than the third
 at the ballots were mailed
 d eligible to vote at such

s to be counted and shall
 st number of votes elected
 for a term of four years
 following such election.

g in the term of a member
 and firemen's disability and
 of a municipal corporation
 governor for the unexpired

l of a member of the board
 department shall be filled
 rd who are employees of a
 ired term of such member.
 io is the fiscal officer of a
 iscal officer of a municipal

is an employee of a police
 ration or a fire department
 e of a police or fire depart-
 e department of a township

e fiscal officer of a municipal
 or fire department of a mu-
 : of a township who fails to
 the board, without valid
 : resigned from the board
 eated and as of the date of
 vacancy shall exist.

s after all of the first ap-
 tees of the police and fire-
 een appointed and qualified,
 of the board, and thereafter
 n such manner and at such
 , that the board shall meet
 ETINGS OF THE BOARD
 XCEPT EXECUTIVE SES-
 (G) OF SECTION 121.22
 PORTIONS OF ANY SES-

SIONS DISCUSSING MEDICAL RECORDS OR THE DEGREE
 OF DISABILITY OF A MEMBER EXCLUDED FROM PUBLIC
 INSPECTION BY SECTION 742.41 OF THE REVISED CODE.

At its first meeting the board shall organize by electing from
 its membership a chairman and a vice-chairman who shall serve
 for a term of one year. Annually thereafter the board shall elect
 from its membership a chairman and a vice-chairman for a term
 of one year.

A majority of the full membership of the board shall constitute
 a quorum.

Sec. 742.10. The board of trustees of the police and firemen's
 disability and pension fund may sue and be sued, plead and be
 impleaded, contract and be contracted with, employ and fix the
 compensation of a secretary and such technical, clerical, and adminis-
 trative employees and assistants, and may make all necessary rules
 and regulations as it deems necessary for the proper administration
 and management of the police and fireman's disability and pension
 fund in accordance with sections 742.01 to 742.40, inclusive, of the
 Revised Code. THE ATTORNEY GENERAL SHALL PRESCRIBE
 PROCEDURES FOR THE ADOPTION OF RULES AUTHORIZED
 UNDER THIS CHAPTER, CONSISTENT WITH THE PROVI-
 SION OF SECTION 111.15 OF THE REVISED CODE UNDER
 WHICH ALL RULES SHALL BE FILED IN ORDER TO BE EF-
 FECTIVE. SUCH PROCEDURES SHALL ESTABLISH METH-
 ODS BY WHICH NOTICE OF PROPOSED RULES ARE GIVEN
 TO INTERESTED PARTIES AND RULES ADOPTED BY THE
 BOARD PUBLISHED AND OTHERWISE MADE AVAILABLE.

ALL RULES ADOPTED PURSUANT TO THIS CHAPTER,
 PRIOR TO THE EFFECTIVE DATE OF THIS SECTION, SHALL
 BE PUBLISHED AND MADE AVAILABLE TO INTERESTED
 PARTIES BY JANUARY 1, 1977.

Sec. 742.11. The members of the board of trustees of the
 police and firemen's disability and pension fund shall be the trustees
 of the several funds created by section 742.38 of the Revised Code.
 The board may invest such funds in any bonds, notes, certificates
 of indebtedness, mortgage notes, stocks, shares, debentures, or
 other obligations, or securities described below:

(A) The following obligations of the federal government
 and related agencies:

(1) Bonds, notes, or other obligations of or guaranteed by
 the United States, or those for which the credit of the United
 States is pledged for the payment of the principal and interest
 thereof;

(2) Bonds, notes, debentures, or any other obligations or
 securities issued by any federal government agency presently or
 in the future established by act of congress, and as amended or
 supplemented from time to time;

(3) Obligations of local housing agencies which obligations

are secured either by a requisition agreement or by an annual contributions contract by and between the local housing agency and the public housing administration, as authorized under the provisions of the act of congress of September 1, 1937, known as the "United States Housing Act of 1937," 50 Stat. 888, 42 U.S.C. 1401, as amended by the act of congress of July 15, 1949, known as the "Housing Act of 1949," 63 Stat. 413, and as amended or supplemented from time to time;

(4) Loans to veterans guaranteed in whole or in part by the United States government pursuant to Title III of the act of congress known as the "Servicemen's Readjustment Act of 1944," 58 Stat. 284, 38 U.S.C. 693, and as amended or supplemented from time to time, provided such guaranteed loans are liens upon real estate.

(B) The following state, county, and municipal obligations:

(1) Bonds, notes, certificates of indebtedness, or other obligations issued, assumed, or guaranteed by this state, any authority, board of trustees, commission, or other agency of this state, any county, city, village, or other municipal corporation, any township, school district, conservancy district, sanitary district, or other legally constituted taxing or bond issuing authority, political subdivision, or public corporation organized under the laws of this state, whether such bonds, notes, certificates of indebtedness, or other obligations are secured by the general taxing powers, by pledge of or lien upon a designated tax or taxes, levy or levies, impost or imposts, excise or excises, singly or in combination, by pledge of or lien upon the revenues derived from a publicly owned facility or facilities for the use or services of which charges are or are to be made, or by other means authorized under the laws of this state;

(2) Bonds, notes, or other obligations issued, assumed, or guaranteed by any other state of the United States, or by any legally constituted authority, commission, or other agency of such state, provided such bonds, notes, or other obligations are secured by the general credit and taxing powers or by pledge of or lien upon a designated tax or taxes, levy or levies, impost or imposts, excise or excises, singly or in combination, which must be imposed and collected under the laws of such state while bonds secured thereby are outstanding, provided that, within ten years prior to the purchase of such investment, there has been no default in the payment of principal or interest, continuing more than ninety days, on any of the bonds, notes, or any other obligations of such state or of any legally constituted authority, commission, or other agency of such state, which obligations are secured in like manner;

(3) Bonds, notes, or other obligations issued, assumed, or guaranteed by any municipal unit of any other state of the United States, provided:

(a) Such municipal unit has a population as shown by the last preceding federal census of not less than twenty-five thousand.

(b) The municipal payment of the principal and interest on other obligations.

(c) The municipal taxable real property tax and interest of such bonds, and limitations of rate or amount.

(d) The municipal liability to the making of the investment or interest of any debt obligations for more than one year.

(e) The municipal liability to the making of the investment or interest of any debt obligations for more than one year.

As used in division (B), "unit" means any county, village, township, school district, ward, or other political subdivision.

(4) Revenue bonds

(a) The unit had five million dollars principal and interest pledged to secure such bonds.

(b) The enabling act requires the unit to maintain, and collect charges for, the investment or interest of any debt obligations for more than one year.

(c) The unit has a liability to the making of the investment or interest of any debt obligations for more than one year.

(5) As used in division (B), "unit" means

(a) "Unit" means any city, county, or other political subdivision, department, district, or other governmental entity of the federal government, or any public body created by the compact between two or more states.

(b) "Utility" means any electric light system, street railway, tunnel, turnpike, or other public utility, or any system, or a transmission system, and all appurtenances thereof.

(c) "Revenue bonds"

ment or by an annual con-
local housing agency and
authorized under the pro-
ber 1, 1937, known as the
Stat. 888, 42 U.S.C. 1401,
ly 15, 1949, known as the
id as amended or suppl-

in whole or in part by the
Title III of the act of con-
stment Act of 1944," 58
ed or supplemented from
loans are liens upon real

nd municipal obligations:
ebtedness, or other obliga-
this state, any authority,
agency of this state, any
corporation, any township,
unitary district, or other
g authority, political sub-
l under the laws of this
leates of indebtedness, or
eneral taxing powers, by
: or taxes, levy or levies,
gly or in combination, by
ed from a publicly owned
s of which charges are or
orized under the laws of

tions issued, assumed, or
United States, or by any
t, or other agency of such
er obligations are secured
s or by pledge of or lien
levies, impost or imposts,
n, which must be imposed
tate while bonds secured
within ten years prior to
as been no default in the
inuing more than ninety
other obligations of such
rity, commission, or other
re secured in like manner;
tions issued, assumed, or
other state of the United

pulation as shown by the
han twenty-five thousand.

(b) The municipal unit has pledged its faith and credit for the payment of the principal and interest of such bonds, notes, or other obligations.

(c) The municipal unit has the power to levy taxes on the taxable real property therein for the payment of both principal and interest of such bonds, notes, or other obligations without limitations of rate or amount.

(d) The municipal unit has not within the ten years prior to the making of the investment defaulted in payment of principal or interest of any debt evidenced by its bonds, notes, or other obligations for more than ninety days.

(e) The municipal unit has outstanding at the time of purchase at least one million dollars principal amount of debt secured by its faith and credit.

As used in division (B) (3) of this section, "municipal unit" means any county, village, or other municipal corporation, township, school district, water district, sanitary or sewer district, or other political subdivision of a state.

(4) Revenue bonds of a unit, provided:

(a) The unit had outstanding at the time of the investment five million dollars principal amount of debt secured by the revenues pledged to secure such revenue bonds.

(b) The enabling legislation contains provisions or covenants requiring the unit issuing such revenue bonds to fix, maintain, and collect charges for the services furnished by the utility adequate to provide revenues sufficient to meet all proper and reasonable costs of operating and maintaining the utility and to meet principal and interest requirements of such revenue bonds.

(c) The unit has not within the ten years prior to the making of the investment defaulted in payment of principal or interest of any debt secured by the revenues pledged to secure such revenue bonds.

(5) As used in division (B) (4) of this section:

(a) "Unit" means any other state of the United States or any city, county, or other political subdivisions thereof, any authority, department, district or commission, or any agency or instrumentality of any of the foregoing, or any agency or instrumentality of the federal government, or a commission or other public body created by an act of congress and pursuant to a compact between two or more states.

(b) "Utility" means any waterworks system, gas system, electric light system, sewer or sewerage disposal system, bridge, tunnel, turnpike, or other highway, or any combination of two or more of the foregoing. "System" means a supply or a generating system, or a transmission or a distribution system, or both such supply and generating system and such transmission or distribution system, and all appurtenances thereof.

(c) "Revenue bonds" means any bonds or other interest-

bearing obligations of a unit, the principal and interest of which are by their terms payable from the revenues derived from a utility owned or operated by the unit which issued such bonds or other obligations, or by an agency or instrumentality thereof, whether or not said bonds are secured by a mortgage or a trust indenture.

(d) "Enabling legislation" means any act of congress or of the legislature of any state, any ordinance or resolution of the unit authorizing or providing for the issuance of revenue bonds, or any mortgage, trust indenture, trust agreement, or other instrument executed as security for revenue bonds, singly or in combination.

The obligations described in divisions (B) (2), (3), and (4) of this section shall be rated at the time of purchase within the three highest classifications established by at least two standard rating services, or, if not rated, shall be certified in writing by one or more such services to be of investment quality equivalent to, or higher than, the quality of bonds rated in the third highest investment classifications.

(C) The following Canadian obligations, WHICH SHALL NOT EXCEED FIFTEEN PER CENT OF THE TOTAL VALUE OF ALL FUNDS DESCRIBED IN SECTION 742.38 OF THE REVISED CODE:

(1) Bonds, debentures, notes, or other obligations issued, guaranteed, or assumed as to both principal and interest by the government of the Dominion of Canada or by any province of Canada or by any city of Canada which has a population of not less than one hundred fifty thousand inhabitants, provided:

(a) That the faith and credit of the issuer, guarantor, or assumer of such bonds, debentures, notes, or other obligations is pledged for the payment of principal and interest thereof, and that the principal and interest thereof shall be payable in United States funds, either unconditionally or at the option of the holder;

(b) That any such city has power to levy taxes on the taxable real estate property therein or to collect other revenues for the payment of both principal and interest of such bonds, debentures, notes, or other obligations without limitation of rate or amount;

(c) That the issuer, guarantor, or assumer of such bonds, debentures, notes, or other obligations has not within ten years prior to the making of the investment defaulted in payment of principal or interest of any debt evidenced by its bonds, debentures, notes, or other obligations for more than ninety days;

(d) That such bonds, debentures, notes, or other obligations are rated at the time of purchase within the three highest classifications established by at least two standard rating services, or, if not rated, are certified in writing by one or more such services to be of investment quality equivalent to, or higher than, the quality of bonds rated in the third highest investment classification.

(D) The following preferred stocks;

(1) Stocks preferred by a corporation created in the United States or any state, district, or territory.

(a) (1) That for a date of investment, such corporation's fiscal annual statements have shown its average annual fixed charges means interest on funded charges, amortization of charges for leased property and, in the case of parent and subsidiary corporations, used if available, includes a requirement, if any, of the one-half times the sum of the dividend for preferred stock at the same period; provided that the sum of its dividend requirements for the same period shall not exceed the sum of its dividend requirements for the same period.

(b) (2) That such stock is not on its preferred stock;

(c) (3) As to the corporation's common stock.

(i) (a) Such common stock has been included in the securities exchange as provided in the act of 1934, 48 Stat. 881, 15.

(ii) (b) The preferred stock is outstanding, qualifies for the same treatment as common stock.

(iii) (c) Such common stock, if outstanding, had earnings for the date of investment of such bonds, debentures, notes, or other obligations sufficient to pay the proper charges for the same period.

(iv) (d) Such corporation's common stock in at least one year preceding the date of investment has been available for dividends on such bonds, debentures, notes, or other obligations for the whole of such period.

(e) (4) That in any case where such corporation is a part thereof within a five year date of investment by corporation of all or a substantial portion of its capital.

pal and interest of which revenues derived from a which issued such bonds or instrumentality thereof, a mortgage or a trust in-

any act of congress or of ance or resolution of the suance of revenue bonds, agreement, or other in-ue bonds, singly or in

as (B) (2), (3), and (4) ie of purchase within the by at least two standard certified in writing by one ent quality equivalent to, d in the third highest in-

rations, WHICH SHALL OF THE TOTAL VALUE ECTION 742.38 OF THE

other obligations issued, icipal and interest by the a or by any province of as a population of not less ants, provided:

the issuer, guarantor, or es, or other obligations is . interest thereof, and that e payable in United States tion of the holder;

o levy taxes on the taxable ct other revenues for the of such bonds, debentures, ation of rate or amount;

r assumer of such bonds, has not within ten years . defaulted in payment of d by its bonds, debentures, n ninety days;

notes, or other obligations n the three highest classi-andard rating services, or, one or more such services t to, or higher than, the st investment classification.

(D) The following preferred CONVERTIBLE and common stocks;

(1) Stocks preferred or common issued ISSUED or guaranteed by a corporation created or existing under the laws of the United States or any state, district, or territory thereof, provided;

(a) (1) That for a period of five fiscal years for which the necessary statistical data are available next preceding the date of investment, such corporation as disclosed by its published fiscal annual statements had an average annual net income plus its average annual fixed charges (as herein used, "fixed charges" means interest on funded or unfunded debt, contingent interest charges, amortization of debt discount and expense and rentals for leased property and, in the case of consolidated earnings statements of parent and subsidiary corporations, which must be used if available, includes all fixed charges and preferred dividend requirement, if any, of the subsidiaries) at least equal to one and one-half times the sum of its average annual dividend requirement for preferred stock and its average annual fixed charges for the same period; provided, during neither of the last two years of such period shall the sum of its annual net income and its annual fixed charges have been less than one and one-half times the sum of its dividend requirements for preferred stock and its fixed charges for the same period;

(b) (2) That such corporation has no arrears of dividends on its preferred stock;

(c) (3) As to the common stock of any corporation that:

(i) (a) Such common stock is registered on a national securities exchange as provided in the "Securities Exchange Act of 1934," 48 Stat. 881, 15 U.S.C. 77b.

(ii) (b) The preferred stock of such corporation, if any is outstanding, qualifies for investment under this division (D).

(iii) (c) Such corporation having no preferred stock outstanding, had earnings for the five fiscal years next preceding the date of investment of at least twice the interest on all mortgages, bonds, debentures, and funded debts, if any, after deduction of the proper charges for replacements, depreciation, and obsolescence.

(iv) (d) Such corporation paid a cash dividend on its common stock in at least three years of the five-year period next preceding the date of investment and the aggregate net earnings available for dividends on the common stock of such corporation for the whole of such period were at least equal to the amount of such dividends paid.

(d) (4) That in applying the earnings test under this division (D) to any issuing, assuming, or guaranteeing corporation, where such corporation acquired its property or any substantial part thereof within a five-year period immediately preceding the date of investment by consolidation, merger, or by the purchase of all or a substantial portion of the property of any other cor-

poration or corporations, or acquired the assets of any unincorporated business enterprise by purchase or otherwise, net income, fixed charges, and preferred dividends of the several predecessor or constituent corporations or enterprises shall be consolidated and adjusted so as to ascertain whether or not the applicable requirements of this section have been complied with;

(e) (5) That the value of the total investment in common and preferred stock does not exceed thirty-five per cent of the value of all funds described in section 742.38 of the Revised Code, including such stock at cost.

(F) The following corporate obligations:

(1) (D) Notes, bonds, debentures, PREFERRED STOCKS, conditional sales contracts, OR equipment trust certificates ; or other fixed obligations in any form of any ISSUED UNDER AN INDENTURE, WHICH ARE THE DIRECT OBLIGATIONS, OR IN THE CASE OF EQUIPMENT TRUST CERTIFICATES ARE SECURED BY DIRECT OBLIGATIONS, OF A RAILROAD OR INDUSTRIAL CORPORATION, OR A CORPORATION ENGAGED DIRECTLY AND PRIMARILY IN THE PRODUCTION, TRANSPORTATION, DISTRIBUTION, OR SALE OF ELECTRICITY OR GAS, OR THE OPERATION OF TELEPHONE OR TELEGRAPH SYSTEMS OR WATERWORKS, OR IN SOME COMBINATION OF THEM; PROVIDED THAT THE OBLIGOR corporation which is incorporated under the laws of the United States, or by any state thereof, or of the District of Columbia provided AND SAID OBLIGATIONS ARE RATED AT THE TIME OF PURCHASE WITHIN THE THREE HIGHEST CLASSIFICATIONS ESTABLISHED BY AT LEAST TWO STANDARD RATING SERVICES SELECTED FROM A LIST OF THE STANDARD RATING SERVICES WHICH SHALL BE PRESCRIBED BY THE SUPERINTENDENT OF BANKS; OR that for a period of five fiscal years for which the necessary statistical data are available next preceding the date of investment, such corporation as disclosed by its published fiscal annual statements had an average annual net PRE-TAX income plus its average annual fixed charges (as herein used, "fixed charges" means interest on funded or unfunded debt, contingent interest charges, amortization of debt discount, and expense and rentals for leased property and, in the case of consolidated earnings statements of parent and subsidiary corporations, which must be used if available, includes all fixed charges and preferred dividend requirements, if any, of the subsidiaries) at least equivalent to one and one half TWO times the sum of its average annual dividend requirement for preferred stock and its average annual fixed charges for the same period; provided, during neither of the last two years of such period shall the sum of its annual net PRE-TAX income and its annual fixed charges have been less than one and one half TWO times the sum of its dividend requirements for preferred stock and its fixed charges for the same period.

(F) (E) The following insured shares, certificates, savings accounts, and notes secured by mortgages on real estate:

(1) Shares, certificates, or bonds issued by a state chartered under the laws of the insurance of accounts as provided in the Housing Act," 48 Stat. 1000, or as may only to the extent that under said act and the certificates and other evidences of indebtedness guaranty association or of the Revised Code;

(2) Shares and certificates issued by a federal savings corporation under an act of Congress, "Federal Loan Act of 1933," 48 Stat. 1000, or as may only to the extent that under said act and the certificates and other evidences of indebtedness sub-chapter IV of the (1934), 12 U.S.C. 1701 a

(3) Savings accounts of a state or a state bank located in this state if the deposit is insured by the federal deposit insurance provisions of an act of Congress, "Federal Deposit Insurance Act," 162, 12 U.S.C. 264, and a

(4) Notes secured by a housing commissioner, or issued by such commissioner and interest by the federal government of the United States govern

(G) (F) Product of such property shall have a value of all funds described in this section

(H) (G) The following

(1) The common stock of a federal deposit insurance corporation represented by capital, or twenty million dollars;

(2) The common stock of a corporation has capital funds, represented by capital, and unassigned surplus,

(3) The common stock of a corporation, or a combination thereof, represented by capital, net surplus, or twenty million dollars.

All such bonds, notes, and securities purchased by said board

the assets of any unincorporated or otherwise, net income, of the several predecessor companies shall be consolidated or not the applicable relied with;

all investment in common stock five per cent of the value of the Revised Code, in-

MS-

PREFERRED STOCKS, not trust certificates; or ISSUED UNDER AN INDEBTEDNESS, OR IN CERTIFICATES ARE SECURED BY A RAILROAD OR INCORPORATION ENGAGED IN THE PRODUCTION, TRANSMISSION OF ELECTRICITY OR TELEPHONE OR TELEGRAPH OR ANY COMBINATION OF THE FOREGOING FOR CORPORATION WHICH IS INCORPORATED IN ANY STATE, AND SAID OBLIGATIONS ESTABLISHED BY THE SERVICES SELECTED BY THE SUPERINTENDENT OF THE RAILROAD FOR THE YEAR PRECEDING THE DATE OF THE FISCAL YEAR ENDING BY ITS PUBLISHED FISCAL YEAR ENDING PRE-TAX income (as herein used, "fixed" means funded debt, contingent interest, and expense and loss of consolidated earnings of corporations, which must include preferred dividends) at least equivalent to its average annual fixed charges during neither of the last two years nor its annual net PRE-TAX income has been less than one and one-half per cent of the value of the same period.

Shares, certificates, savings bonds on real estate:

(1) Shares, certificates, or other evidences of deposits issued by a state chartered building and loan association organized under the laws of the state, which association has obtained insurance of accounts as provided in sub-chapter IV of the "National Housing Act," 48 Stat. 1246 (1934), 12 U.S.C. 1701, and amendments thereto, or as may be provided by law after October 13, 1955, only to the extent that said evidences of deposits are insured under said act and the amendments thereto, and in shares and certificates and other evidences of deposits of a member of a deposit guaranty association organized under sections 1151.80 to 1151.92 of the Revised Code;

(2) Shares and certificates or other evidences of deposits issued by a federal savings and loan association organized and incorporated under an act of congress entitled the "Home Owners' Loan Act of 1933," 48 Stat. 128, 12 U.S.C. 1461, and amendments thereto, to the extent and only to the extent that said shares or certificates or other evidences of deposits are insured under sub-chapter IV of the "National Housing Act," 48 Stat. 1246 (1934), 12 U.S.C. 1701 and the amendments thereto;

(3) Savings accounts in a national bank located in this state or a state bank located in and organized under the laws of this state if the deposits of the depository bank are insured by the federal deposit insurance corporation, created under the provisions of an act of congress of the United States, entitled "Federal Deposit Insurance Corporation Act of 1933," 48 Stat. 162, 12 U.S.C. 264, and amendments thereto;

(4) Notes secured by mortgages insured by the federal housing commissioner, or his successor or assigns, or in debentures issued by such commissioner, which are guaranteed as to principal and interest by the federal housing administration, an agency of the United States government.

(F) Productive real estate within the state, provided that such property shall not exceed twelve per cent of the total value of all funds described in section 742.38 of the Revised Code.

(G) The following common stocks:

(1) The common stock of a bank which is a member of the federal deposit insurance corporation and has capital funds, represented by capital, surplus, and undivided profits, of at least twenty million dollars;

(2) The common stock of a life insurance company which has capital funds, represented by capital, special surplus funds, and unassigned surplus, of at least fifty million dollars;

(3) The common stock of a fire or casualty insurance company, or a combination thereof, which has capital funds represented by capital, net surplus, and voluntary reserves, of at least fifty million dollars.

All such bonds, notes, certificates, stocks, or other obligations purchased by said board shall be delivered to the treasurer of state,

who is hereby designated as custodian thereof, or to his authorized agent, and he shall collect interest and dividends thereon as the same become due and payable, and also the principal thereof, and place the same when so collected into the disability and pension funds. Such securities may be deposited by the treasurer of state for safekeeping with an authorized agent, selected by the treasurer of state, who is a qualified trustee under section 135.18 of the Revised Code. The treasurer of state shall honor and pay for such investments upon delivery of same to him, or to his authorized agent, pursuant to a receipt of a resolution LETTER OF INSTRUCTION authorizing such purchased adopted or approved by the board of trustees of the police and firemen's disability and pension fund. The board of trustees of the police and firemen's disability and pension fund may sell any securities held by it as trustee upon adoption or approval of a resolution authorizing such sale, and the treasurer of state shall deliver such securities to the purchaser upon receipt of payment by him or his authorized agent, or in accordance with accepted investment procedure, and the amount received shall be placed into the disability and pension funds.

(I) (H) Bonds, notes, or other evidences of indebtedness which are secured by first mortgages upon improved unencumbered real property, upon condition that:

(1) Only corporations which qualify for investment under division (E) (D) of this section may qualify for such mortgage loans;

(2) No such mortgage loan acquired on any one property shall, at the time of investment by the board, exceed seventy-five per cent of the value of real property securing the same, and shall provide for amortization payments to be made by the borrower on the principal thereof at least quarterly in each year in amounts sufficient to completely amortize the loan within a period of thirty years;

(3) The value of the real property securing such mortgage loan shall be as determined by an appraisal made by a member of the American institute of appraisers.

(J) (I) The police and firemen's disability and pension board may use the funds created by section 742.38 of the Revised Code to purchase various forms of commercial paper issued by any corporation which is incorporated under the laws of the United States, or any state thereof, or the District of Columbia; banker's acceptances which are eligible for discount at any federal reserve bank; and negotiable time certificates of deposit issued by commercial banks, if such obligations mature within six months from the date of purchase.

(K) The board may loan or invest not more than the aggregate of five per cent of the value of all funds described in section 742.38 of the Revised Code, in obligations not otherwise permitted under this section. In the event an obligation is determined to be qualified as an investment under this section, subsequent to being invested under the provisions of this division, the board may consider the investment as held

under the applicable provisions and such investment shall be under this division.

(L) All of the board invested, all warrants for of its cash and securities name of the board, or its nominees are authorized purpose of facilitating to members of the board of the staff, or a partner persons.

NO INVESTMENT WITHOUT THE BOARD OF TRUSTEES OF THE POLICE AND PENSION FUND.

ANY STATEMENT OF VALUE BY THE BOARD OF TRUSTEES OF THE POLICE AND PENSION FUND.

Sec. 742.111. THE POLICE AND PENSION FUND THROUGH OR PURCHASED BUSINESS WITH, ANY PARTNERSHIP, ASSOCIATION OR CONTROLLED BY, CEDING THREE YEARS OF, OR A BOARD MEMBER PERSON WHO WITHIN WAS EMPLOYED BY, A MEMBER OF THE FUND, HOLDING SUPERVISORY OR TRUST POSITION IN WHICH SUCH BEHALF OF HIS EMPLOYMENT AFFECTING FUND, AND IN WHICH ANY MONETARY GAIN

Sec. 742.20. A member of the police department of the city of Cleveland, after June 1, 1950, enlist in the armed forces of the United States, or be given full credit for service in the police department, provided, such person has been under honorable conditions of service since June 1, 1955, and has not been discharged from the police department without charge or separation.

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vidends thereon as the
e principal thereof, and
disability and pension
the treasurer of state
elected by the treasurer
section 135.18 of the
honor and pay for such
n, or to his authorized
LETTER OF INSTRUC-
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s disability and pension
and firemen's disability
ld by it as trustee upon
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board, exceed seventy-
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ability and pension board
38 of the Revised Code
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the laws of the United
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; at any federal reserve
deposit issued by com-
within six months from

more than the aggregate
ribed in section 742.38 of
permitted under this sec-
t to be qualified as an in-
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er the investment as held

under the applicable provisions of divisions (A) to (J) of this section and such investment shall no longer be considered as having been made under this division.

(L) All of the board business shall be transacted, all its funds invested, all warrants for money drawn and payments made, and all of its cash and securities and other property shall be held in the name of the board, or in the name of its nominee, provided that nominees are authorized by pension board resolution solely for the purpose of facilitating the transfer of securities and restricted to members of the board, the secretary, and designated members of the staff, or a partnership composed of any of the foregoing persons.

NO INVESTMENT SHALL BE MADE UNDER THIS SECTION WITHOUT THE PRIOR APPROVAL OF THE BOARD OF TRUSTEES OF THE POLICE AND FIREMEN'S DISABILITY AND PENSION FUND.

ANY STATEMENT OF FINANCIAL POSITION DISTRIBUTED BY THE BOARD SHALL INCLUDE THE MARKET VALUE, AS OF THE STATEMENT DATE, OF ALL INVESTMENTS HELD BY THE BOARD UNDER THIS SECTION.

Sec. 742.111. THE POLICE AND FIREMEN'S DISABILITY AND PENSION FUND SHALL MAKE NO INVESTMENTS THROUGH OR PURCHASES FROM, OR OTHERWISE DO ANY BUSINESS WITH, ANY INDIVIDUAL WHO IS, OR ANY PARTNERSHIP, ASSOCIATION, OR CORPORATION THAT IS OWNED OR CONTROLLED BY, A PERSON WHO WITHIN THE PRECEDING THREE YEARS WAS EMPLOYED BY, AN OFFICER OF, OR A BOARD MEMBER OF THE FUND, OR IN WHICH A PERSON WHO WITHIN THE PRECEDING THREE YEARS WAS EMPLOYED BY, AN OFFICER OF, OR A BOARD MEMBER OF THE FUND, HOLDS A FIDUCIARY, ADMINISTRATIVE, SUPERVISORY OR TRUST POSITION, OR ANY OTHER POSITION IN WHICH SUCH PERSON WOULD BE INVOLVED, ON BEHALF OF HIS EMPLOYER, IN DECISIONS OR RECOMMENDATIONS AFFECTING THE INVESTMENT POLICY OF THE FUND, AND IN WHICH SUCH PERSON WOULD BENEFIT BY ANY MONETARY GAIN.

Sec. 742.20. A member of the fund who is an employee of the police department of a municipal corporation who, at any time after June 1, 1950, enlisted, was inducted, or accepted a commission in the armed forces of the United States shall, in computing years of service in the police department of such municipal corporation, be given full credit for such time served in the armed forces, provided, such person has been honorably discharged or separated under honorable conditions from the armed forces on or before June 1, 1955, and has made application for reinstatement in such police department within ninety days from the date of such discharge or separation.