



## Ohio Revised Code 1701 - General Corporation Law

### [Section 1701.01 | General corporation law definitions.](#)

**Effective: March 24, 2021**

**Latest Legislation: Senate Bill 21 - 133rd General Assembly**

**PDF: [Download Authenticated PDF](#)**

As used in sections [1701.01](#) to [1701.98](#) of the Revised Code, unless the context otherwise requires:

(A) "Corporation" or "domestic corporation" means a corporation for profit formed under the laws of this state.

(B) "Foreign corporation" means a corporation for profit formed under the laws of another state, and "foreign entity" means an entity formed under the laws of another state.

(C) "State" means the United States; any state, territory, insular possession, or other political subdivision of the United States, including the District of Columbia; any foreign country or nation; and any province, territory, or other political subdivision of such foreign country or nation.

(D) "Articles" includes original articles of incorporation, certificates of reorganization, amended articles, and amendments to any of these, and, in the case of a corporation created before September 1, 1851, the special charter and any amendments to it made by special act of the general assembly or pursuant to general law.

(E) "Incorporator" means a person who signed the original articles of incorporation.

(F) "Shareholder" means a person whose name appears on the books of the corporation as the owner of shares of the corporation. Unless the articles, the regulations adopted by the shareholders, the regulations adopted by the directors pursuant to division (A)(1) of section [1701.10](#) of the Revised Code, or the contract of subscription otherwise provides, "shareholder" includes a subscriber to shares, whether the subscription is received by the incorporators or pursuant to authorization by the directors, and such shares shall be deemed to be outstanding shares.

(G) "Person" includes, without limitation, a natural person, a corporation, whether nonprofit or for profit, a partnership, a limited liability company, an unincorporated society or association, and two or more persons having a joint or common interest.

(H) The location of the "principal office" of a corporation is the place named as the principal office in its articles.



**Ohio Revised Code 1701 - General Corporation Law**

(I) The "express terms" of shares of a class are the statements expressed in the articles with respect to such shares.

(J) Shares of a class are "junior" to shares of another class when any of their dividend or distribution rights are subordinate to, or dependent or contingent upon, any right of, or dividend on, or distribution to, shares of such other class.

(K) "Treasury shares" means shares belonging to the corporation and not retired that have been either issued and thereafter acquired by the corporation or paid as a dividend or distribution in shares of the corporation on treasury shares of the same class; such shares shall be deemed to be issued, but they shall not be considered as an asset or a liability of the corporation, or as outstanding for dividend or distribution, quorum, voting, or other purposes, except, when authorized by the directors, for dividends or distributions in authorized but unissued shares of the corporation of the same class.

(L) To "retire" a share means to restore it to the status of an authorized but unissued share.

(M) "Redemption price of shares" means the amount required by the articles to be paid on redemption of shares.

(N) "Liquidation price" means the amount or portion of assets required by the articles to be distributed to the holders of shares of any class upon dissolution, liquidation, merger, or consolidation of the corporation, or upon sale of all or substantially all of its assets.

(O) "Insolvent" means that the corporation is unable to pay its obligations as they become due in the usual course of its affairs.

(P) "Parent corporation" or "parent" means a domestic or foreign corporation that owns and holds of record shares of another corporation, domestic or foreign, entitling the holder of the shares at the time to exercise a majority of the voting power in the election of the directors of the other corporation without regard to voting power that may thereafter exist upon a default, failure, or other contingency; "subsidiary corporation" or "subsidiary" means a domestic or foreign corporation of which another corporation, domestic or foreign, is the parent.

(Q) "Combination" means a transaction, other than a merger or consolidation, wherein either of the following applies:

(1) Voting shares of a domestic corporation are issued or transferred in consideration in whole or in part for the transfer to itself or to one or more of its subsidiaries, domestic or foreign, of all or substantially all the assets of one or more corporations, domestic or foreign, with or without good will or the assumption of liabilities;



**Ohio Revised Code 1701 - General Corporation Law**

(2) Voting shares of a foreign parent corporation are issued or transferred in consideration in whole or in part for the transfer of such assets to one or more of its domestic subsidiaries.

"Transferee corporation" in a combination means the corporation, domestic or foreign, to which the assets are transferred, and "transferor corporation" in a combination means the corporation, domestic or foreign, transferring such assets and to which, or to the shareholders of which, the voting shares of the domestic or foreign corporation are issued or transferred.

(R) "Majority share acquisition" means the acquisition of shares of a corporation, domestic or foreign, entitling the holder of the shares to exercise a majority of the voting power in the election of directors of such corporation without regard to voting power that may thereafter exist upon a default, failure, or other contingency, by either of the following:

(1) A domestic corporation in consideration in whole or in part, for the issuance or transfer of its voting shares;

(2) A domestic or foreign subsidiary in consideration in whole or in part for the issuance or transfer of voting shares of its domestic parent.

(S) "Acquiring corporation" in a combination means the domestic corporation whose voting shares are issued or transferred by it or its subsidiary or subsidiaries to the transferor corporation or corporations or the shareholders of the transferor corporation or corporations; and "acquiring corporation" in a majority share acquisition means the domestic corporation whose voting shares are issued or transferred by it or its subsidiary in consideration for shares of a domestic or foreign corporation entitling the holder of the shares to exercise a majority of the voting power in the election of directors of such corporation.

(T) When used in connection with a combination or a majority share acquisition, "voting shares" means shares of a corporation, domestic or foreign, entitling the holder of the shares to vote at the time in the election of directors of such corporation without regard to voting power which may thereafter exist upon a default, failure, or other contingency.

(U) "An emergency" exists when the governor, or any other person lawfully exercising the power and discharging the duties of the office of governor, proclaims that an attack on the United States or any nuclear, atomic, or other disaster has caused an emergency for corporations, and such an emergency shall continue until terminated by proclamation of the governor or any other person lawfully exercising the powers and discharging the duties of the office of governor.



**Ohio Revised Code 1701 - General Corporation Law**

(V) "Constituent corporation" means an existing corporation merging into or into which is being merged one or more other entities in a merger or an existing corporation being consolidated with one or more other entities into a new entity in a consolidation, whether any of the entities is domestic or foreign, and "constituent entity" means any entity merging into or into which is being merged one or more other entities in a merger, or an existing entity being consolidated with one or more other entities into a new entity in a consolidation, whether any of the entities is domestic or foreign.

(W) "Surviving corporation" means the constituent domestic or foreign corporation that is specified as the corporation into which one or more other constituent entities are to be or have been merged, and "surviving entity" means the constituent domestic or foreign entity that is specified as the entity into which one or more other constituent entities are to be or have been merged.

(X) "Close corporation agreement" means an agreement that satisfies the three requirements of division (A) of section [1701.591](#) of the Revised Code.

(Y) "Issuing public corporation" means a domestic corporation with fifty or more shareholders that has its principal place of business, its principal executive offices, assets having substantial value, or a substantial percentage of its assets within this state, and as to which no valid close corporation agreement exists under division (H) of section [1701.591](#) of the Revised Code.

(Z)(1) "Control share acquisition" means the acquisition, directly or indirectly, by any person of shares of an issuing public corporation that, when added to all other shares of the issuing public corporation in respect of which the person may exercise or direct the exercise of voting power as provided in this division, would entitle the person, immediately after the acquisition, directly or indirectly, alone or with others, to exercise or direct the exercise of the voting power of the issuing public corporation in the election of directors within any of the following ranges of such voting power:

- (a) One-fifth or more but less than one-third of such voting power;
- (b) One-third or more but less than a majority of such voting power;
- (c) A majority or more of such voting power.

A bank, broker, nominee, trustee, or other person that acquires shares in the ordinary course of business for the benefit of others in good faith and not for the purpose of circumventing section [1701.831](#) of the Revised Code shall, however, be deemed to have voting power only of shares in respect of which such person would be able, without further instructions from others, to exercise or direct the exercise of votes on a



---

## Ohio Revised Code 1701 - General Corporation Law

proposed control share acquisition at a meeting of shareholders called under section [1701.831](#) of the Revised Code.

(2) The acquisition by any person of any shares of an issuing public corporation does not constitute a control share acquisition for the purpose of section [1701.831](#) of the Revised Code if the acquisition was or is consummated in, results from, or is the consequence of any of the following circumstances:

(a) Prior to November 19, 1982;

(b) Pursuant to a contract existing prior to November 19, 1982;

(c) By bequest or inheritance, by operation of law upon the death of an individual, or by any other transfer without valuable consideration, including a gift, that is made in good faith and not for the purpose of circumventing section [1701.831](#) of the Revised Code;

(d) Pursuant to the satisfaction of a pledge or other security interest created in good faith and not for the purpose of circumventing section [1701.831](#) of the Revised Code;

(e) Pursuant to a merger or consolidation adopted, or a combination or majority share acquisition authorized, by vote of the shareholders of the issuing public corporation in compliance with section [1701.78](#), [1701.781](#), [1701.79](#), [1701.791](#), or [1701.83](#) of the Revised Code, or pursuant to a merger adopted in compliance with section [1701.802](#) of the Revised Code;

(f) The person's being entitled, immediately thereafter, to exercise or direct the exercise of voting power of the issuing public corporation in the election of directors within the same range theretofore attained by that person either in compliance with the provisions of section [1701.831](#) of the Revised Code or as a result solely of the issuing public corporation's purchase of shares issued by it;

(g) The person's being engaged in business as an underwriter of securities who acquires the shares directly from the issuing public corporation or an affiliate or associate of the issuing public corporation through its participation in good faith in a firm commitment underwriting registered under the "Securities Act of 1933," 15 U.S.C. 77a et seq., and not for the purpose of circumventing section [1701.831](#) of the Revised Code.

The acquisition by any person of shares of an issuing public corporation in a manner described under division (Z)(2) of this section shall be deemed a control share acquisition authorized pursuant to section [1701.831](#) of the Revised Code within the range of voting power under division (Z)(1)(a), (b), or (c) of this section that such person is entitled to exercise after the acquisition, provided, in the case of an acquisition in a manner described under division (Z)(2)(c) or (d) of this section, the



---

## Ohio Revised Code 1701 - General Corporation Law

transferor of shares to such person had previously obtained any authorization of shareholders required under section [1701.831](#) of the Revised Code in connection with the transferor's acquisition of shares of the issuing public corporation.

(3) The acquisition of shares of an issuing public corporation in good faith and not for the purpose of circumventing section [1701.831](#) of the Revised Code from any person whose control share acquisition previously had been authorized by shareholders in compliance with section [1701.831](#) of the Revised Code, or from any person whose previous acquisition of shares of an issuing public corporation would have constituted a control share acquisition but for division (Z)(2) or (3) of this section, does not constitute a control share acquisition for the purpose of section [1701.831](#) of the Revised Code unless such acquisition entitles the person making the acquisition, directly or indirectly, alone or with others, to exercise or direct the exercise of voting power of the corporation in the election of directors in excess of the range of voting power authorized pursuant to section [1701.831](#) of the Revised Code, or deemed to be so authorized under division (Z)(2) of this section.

(AA) "Acquiring person" means any person who has delivered an acquiring person statement to an issuing public corporation pursuant to section [1701.831](#) of the Revised Code.

(BB) "Acquiring person statement" means a written statement that complies with division (B) of section [1701.831](#) of the Revised Code.

(CC)(1) "Interested shares" means the shares of an issuing public corporation in respect of which any of the following persons may exercise or direct the exercise of the voting power of the corporation in the election of directors:

(a) An acquiring person;

(b) Any officer of the issuing public corporation elected or appointed by the directors of the issuing public corporation;

(c) Any employee of the issuing public corporation who is also a director of such corporation;

(d) Any person that acquires such shares for valuable consideration during the period beginning with the date of the first public disclosure of a proposal for, or expression of interest in, a control share acquisition of the issuing public corporation; a transaction pursuant to section [1701.76](#), [1701.78](#), [1701.781](#), [1701.79](#), [1701.791](#), [1701.83](#), or [1701.86](#) of the Revised Code that involves the issuing public corporation or its assets; or any action that would directly or indirectly result in a change in control of the issuing public corporation or its assets, and ending on the record date established by the



**Ohio Revised Code 1701 - General Corporation Law**

directors pursuant to section [1701.45](#) and division (D) of section [1701.831](#) of the Revised Code, if either of the following applies:

(i) The aggregate consideration paid or given by the person who acquired the shares, and any other persons acting in concert with the person, for all such shares exceeds two hundred fifty thousand dollars;

(ii) The number of shares acquired by the person who acquired the shares, and any other persons acting in concert with the person, exceeds one-half of one per cent of the outstanding shares of the corporation entitled to vote in the election of directors.

(e) Any person that transfers such shares for valuable consideration after the record date described in division (CC)(1)(d) of this section as to shares so transferred, if accompanied by the voting power in the form of a blank proxy, an agreement to vote as instructed by the transferee, or otherwise.

(2) If any part of this division is held to be illegal or invalid in application, the illegality or invalidity does not affect any legal and valid application thereof or any other provision or application of this division or section [1701.831](#) of the Revised Code that can be given effect without the invalid or illegal provision, and the parts and applications of this division are severable.

(DD) "Certificated security" and "uncertificated security" have the same meanings as in section [1308.01](#) of the Revised Code.

(EE) "Entity" means any of the following:

(1) A for profit corporation existing under the laws of this state or any other state;

(2) Any of the following organizations existing under the laws of this state, the United States, or any other state:

(a) A business trust or association;

(b) A real estate investment trust;

(c) A common law trust;

(d) An unincorporated business or for profit organization, including a general or limited partnership;

(e) A limited liability company;

(f) A nonprofit corporation.



## Ohio Revised Code 1701 - General Corporation Law

(FF) "Benefit corporation" means a corporation that sets forth in its articles of incorporation one or more beneficial purposes among the purposes for which the corporation is formed.

(GG) "Beneficial purpose" means seeking to have a bona fide positive effect or to reduce one or more bona fide negative effects of an artistic, charitable, cultural, economic, educational, environmental, literary, medical, religious, scientific, or technological nature for the benefit of persons, entities, communities, or interests other than shareholders in their capacity as shareholders.

### **Available Versions of this Section**

- July 10, 2014 – Senate Bill 202 - 130th General Assembly [ [View July 10, 2014 Version](#) ]
- September 29, 2015 – House Bill 64 - 131st General Assembly [ [View September 29, 2015 Version](#) ]
- March 24, 2021 – Amended by Senate Bill 21 - 133rd General Assembly [ [View March 24, 2021 Version](#) ]

### [Section 1701.02 | Computation of time for notice.](#)

**Effective: October 11, 1955**

**Latest Legislation: House Bill 70 - 101st General Assembly**

**PDF: [Download Authenticated PDF](#)**

In computing the period of time for the giving of a notice required or permitted under sections [1701.01](#) to [1701.98](#), inclusive, of the Revised Code, or under the articles, the regulations, or the bylaws of a corporation, or a resolution of its shareholders or directors, the day on which the notice is given shall be excluded, and the day when the act for which notice is given is to be done shall be included, unless the instrument calling for the notice otherwise provides. If notice is permitted to be given by mail, the notice shall be deemed to have been given when deposited in the mail.

### **Available Versions of this Section**

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]

### [Section 1701.03 | Purposes of corporation.](#)





---

**Ohio Revised Code 1701 - General Corporation Law**

***Effective: April 12, 2021***

***Latest Legislation: Senate Bill 276, Senate Bill 21 - 133rd General Assembly***

***PDF: Download Authenticated PDF***

(A)(1) A corporation may be formed under this chapter for any purpose or combination of purposes for which individuals lawfully may associate themselves, except that, if the Revised Code contains special provisions pertaining to the formation of any designated type of corporation other than a professional association, as defined in section [1785.01](#) of the Revised Code, a corporation of that type shall be formed in accordance with the special provisions.

(2) The purpose for which a corporation is formed may include a beneficial purpose. Except to the extent that the articles otherwise provide, both of the following apply:

(a) Having a beneficial purpose does not prevent a corporation from seeking any of the other purposes for which the corporation is formed, including operation of the corporation for pecuniary gain or profit and distribution of net earnings.

(b) No particular purpose of a corporation has priority over any other purpose of the corporation.

(3) A corporation that does not have a beneficial purpose is not required to operate exclusively for profit or distribution of net earnings of the corporation in all instances.

(4) To be effective, a beneficial purpose shall be expressly provided in the articles. A statement of purpose in the articles that includes any purpose or combination of purposes for which individuals lawfully may associate themselves, without the express provision of a beneficial purpose, does not establish a beneficial purpose as a purpose of the corporation.

(5) A corporation that meets both of the following shall not amend its articles of incorporation to include a beneficial purpose:

(a) The corporation has issued and has outstanding shares listed on a national securities exchange or regularly quoted in an over-the-counter market by one or more members of a national or affiliated securities association.

(b) The initial articles of the corporation did not include a beneficial purpose.

(B) On and after July 1, 1994, a corporation may be formed under this chapter for the purpose of carrying on the practice of any profession, including, but not limited to, a corporation for the purpose of providing public accounting or certified public accounting services, a corporation for the erection, owning, and conducting of a sanitarium for



## **Ohio Revised Code 1701 - General Corporation Law**

receiving and caring for patients, medical and hygienic treatment of patients, and instruction of nurses in the treatment of disease and in hygiene, a corporation for the purpose of providing architectural, landscape architectural, professional engineering, or surveying services or any combination of those types of services, and a corporation for the purpose of providing a combination of the professional services, as defined in section [1785.01](#) of the Revised Code, of optometrists authorized under Chapter 4725. of the Revised Code, chiropractors authorized under Chapter 4734. of the Revised Code to practice chiropractic or acupuncture, psychologists authorized under Chapter 4732. of the Revised Code, registered or licensed practical nurses authorized under Chapter 4723. of the Revised Code, pharmacists authorized under Chapter 4729. of the Revised Code, physical therapists authorized under sections [4755.40](#) to [4755.56](#) of the Revised Code, occupational therapists authorized under sections [4755.04](#) to [4755.13](#) of the Revised Code, mechanotherapists authorized under section [4731.151](#) of the Revised Code, doctors of medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery authorized under Chapter 4731. of the Revised Code, and licensed professional clinical counselors, licensed professional counselors, independent social workers, social workers, independent marriage and family therapists, or marriage and family therapists authorized under Chapter 4757. of the Revised Code.

This chapter does not restrict, limit, or otherwise affect the authority or responsibilities of any agency, board, commission, department, office, or other entity to license, register, and otherwise regulate the professional conduct of individuals or organizations of any kind rendering professional services, as defined in section [1785.01](#) of the Revised Code, in this state or to regulate the practice of any profession that is within the jurisdiction of the agency, board, commission, department, office, or other entity, notwithstanding that an individual is a director, officer, employee, or other agent of a corporation formed under this chapter and is rendering professional services or engaging in the practice of a profession through a corporation formed under this chapter or that the organization is a corporation formed under this chapter.

(C) Nothing in division (A) or (B) of this section precludes the organization of a professional association in accordance with this chapter and Chapter 1785. of the Revised Code or the formation of a limited liability company under Chapter 1705. or 1706. of the Revised Code with respect to a trade, occupation, or profession.

(D) No corporation formed for the purpose of providing a combination of the professional services, as defined in section [1785.01](#) of the Revised Code, of optometrists authorized under Chapter 4725. of the Revised Code, chiropractors authorized under Chapter 4734. of the Revised Code to practice chiropractic or acupuncture, psychologists authorized under Chapter 4732. of the Revised Code, registered or licensed practical nurses authorized under Chapter 4723. of the Revised Code, pharmacists authorized under Chapter 4729. of the Revised Code, physical



## **Ohio Revised Code 1701 - General Corporation Law**

therapists authorized under sections [4755.40](#) to [4755.56](#) of the Revised Code, occupational therapists authorized under sections [4755.04](#) to [4755.13](#) of the Revised Code, mechanotherapists authorized under section [4731.151](#) of the Revised Code, doctors of medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery authorized under Chapter 4731. of the Revised Code, and licensed professional clinical counselors, licensed professional counselors, independent social workers, social workers, independent marriage and family therapists, or marriage and family therapists authorized under Chapter 4757. of the Revised Code shall control the professional clinical judgment exercised within accepted and prevailing standards of practice of a licensed, certificated, or otherwise legally authorized optometrist, chiropractor, chiropractor practicing acupuncture through the state chiropractic board, psychologist, nurse, pharmacist, physical therapist, occupational therapist, mechanotherapist, doctor of medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery, licensed professional clinical counselor, licensed professional counselor, independent social worker, social worker, independent marriage and family therapist, or marriage and family therapist in rendering care, treatment, or professional advice to an individual patient.

This division does not prevent a hospital, as defined in section [3727.01](#) of the Revised Code, insurer, as defined in section [3999.36](#) of the Revised Code, or intermediary organization, as defined in section [1751.01](#) of the Revised Code, from entering into a contract with a corporation described in this division that includes a provision requiring utilization review, quality assurance, peer review, or other performance or quality standards. Those activities shall not be construed as controlling the professional clinical judgment of an individual practitioner listed in this division.

*Last updated September 9, 2021 at 11:42 AM*

### ***Available Versions of this Section***

- July 10, 2014 – House Bill 232 - 130th General Assembly [ [View July 10, 2014 Version](#) ]
- March 24, 2021 – Amended by Senate Bill 276, Senate Bill 21 - 133rd General Assembly [ [View March 24, 2021 Version](#) ]
- April 12, 2021 – Amended by Senate Bill 276, Senate Bill 21 - 133rd General Assembly [ [View April 12, 2021 Version](#) ]

[Section 1701.04 | Articles of incorporation.](#)

***Effective: March 24, 2021***



---

**Ohio Revised Code 1701 - General Corporation Law**

***Latest Legislation: Senate Bill 21 - 133rd General Assembly***

***PDF: Download Authenticated PDF***

(A) Any person, singly or jointly with others, and without regard to residence, domicile, or state of incorporation, may form a corporation by signing and filing with the secretary of state articles of incorporation that shall set forth all of the following:

(1) The name of the corporation, which shall be in compliance with division (A) of section [1701.05](#) of the Revised Code;

(2) The place in this state where the principal office of the corporation is to be located;

(3) The authorized number and the par value per share of shares with par value, and the authorized number of shares without par value, except that the articles of a banking, safe deposit, trust, or insurance corporation shall not authorize shares without par value; the express terms, if any, of the shares; and, if the shares are classified, the designation of each class, the authorized number and par value per share, if any, of the shares of each class, and the express terms of the shares of each class;

(4) If the corporation is to have an initial stated capital, the amount of that stated capital.

(B) The articles also may set forth any of the following:

(1) The names of the individuals who are to serve as initial directors;

(2) The purpose or purposes for which the corporation is formed, but in the absence of a statement of the purpose or purposes or except as expressly set forth in such statement, the purpose for which any corporation is formed is to engage in any lawful act or activity for which a corporation may be formed under this chapter, and all lawful acts and activities of the corporation are within the purposes of the corporation;

(3) Any priority or other method for balancing the purposes for which the corporation is formed;

(4) Any lawful provision for the purpose of defining, limiting, or regulating the exercise of the authority of the corporation, the incorporators, the directors, the officers, the shareholders, or the holders of any class of shares;

(5) Any provision that may be set forth in the regulations;

(6) A provision specifying the period of existence of the corporation if it is to be otherwise than perpetual;



## Ohio Revised Code 1701 - General Corporation Law

(7) A provision eliminating the right of every shareholder to vote cumulatively in the election of directors;

(8) Any additional provision permitted by this chapter.

(C) A written appointment of a statutory agent for the purposes set forth in section [1701.07](#) of the Revised Code shall be filed with the articles, unless the corporation belongs to one of the classes mentioned in division (O) of that section.

(D) The legal existence of the corporation begins upon the filing of the articles or on a later date specified in the articles that is not more than ninety days after filing, and, unless the articles otherwise provide, its period of existence shall be perpetual.

### **Available Versions of this Section**

- September 30, 2008 – House Bill 374 - 127th General Assembly [ [View September 30, 2008 Version](#) ]
- March 24, 2021 – Amended by Senate Bill 21 - 133rd General Assembly [ [View March 24, 2021 Version](#) ]

### [Section 1701.041 | Exemptions for disaster workers.](#)

**Effective: September 28, 2018**

**Latest Legislation: House Bill 133 - 132nd General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) As used in this section, "critical infrastructure," "disaster response period," "disaster work," and "qualifying employee" have the same meanings as in section [5703.94](#) of the Revised Code.

(B) No person shall be required to file articles of incorporation or any other documents or applications with the secretary of state as established in sections [111.16](#), 1329.01, 1701.04, or elsewhere in the Revised Code or otherwise comply with the requirements of Title XVII of the Revised Code as a condition precedent to engaging in business in this state for any of the following activities:

(1) Disaster work performed in this state by an out-of-state disaster business during a disaster response period pursuant to a qualifying solicitation received by the business;

(2) Disaster work performed in this state by a qualifying employee described in division (A)(14)(a) of section [5703.94](#) of the Revised Code during a disaster response period pursuant to a qualifying solicitation received by the employee's employer;



## Ohio Revised Code 1701 - General Corporation Law

(3) Disaster work performed in this state by a qualifying employee described in division (A) (14)(b) of section [5703.94](#) of the Revised Code during a disaster response period on critical infrastructure owned or used by the employee's employer.

### **Available Versions of this Section**

- September 28, 2018 – Enacted by House Bill 133 - 132nd General Assembly [ [View September 28, 2018 Version](#) ]

### [Section 1701.05 | Corporate name - transfer - reservation.](#)

**Effective: April 12, 2021**

**Latest Legislation: Senate Bill 276, Senate Bill 21 - 133rd General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) Except as provided in this section, and in sections [1701.75](#), [1701.78](#), and [1701.82](#) of the Revised Code, which sections relate to the reorganization, merger, and consolidation of corporations, the corporate name of a domestic corporation shall comply with all of the following:

(1) It shall end with or include the word or abbreviation "company," "co.," "corporation," "corp.," "incorporated," or "inc."

(2) It shall not include the word "benefit" or "b-" in its name as a prefix to "company," "co.," "corporation," "corp.," "incorporated," or "inc.," unless the corporation is a benefit corporation or had a name that included such combination of words prior to the effective date of this amendment .

(3) It shall be distinguishable upon the records in the office of the secretary of state from all of the following:

(a) The name of any other corporation, whether nonprofit or for profit and whether that of a domestic or of a foreign corporation authorized to do business in this state;

(b) The name of any limited liability company registered in the office of the secretary of state pursuant to Chapter 1705. or 1706. of the Revised Code, whether domestic or foreign;

(c) The name of any limited liability partnership registered in the office of the secretary of state pursuant to Chapter 1775. or 1776. of the Revised Code, whether domestic or foreign;



**Ohio Revised Code 1701 - General Corporation Law**

(d) The name of any limited partnership registered in the office of the secretary of state pursuant to Chapter 1782. of the Revised Code, whether domestic or foreign;

(e) Any trade name the exclusive right to which is at the time in question registered in the office of the secretary of state pursuant to Chapter 1329. of the Revised Code.

(4) It shall not contain any language that indicates or implies that the corporation is connected with a government agency of this state, another state, or the United States.

(B) The secretary of state shall determine for purposes of this section whether a name is "distinguishable" from another name upon the secretary of state's records. Without excluding other names that may not constitute distinguishable names in this state, a name is not considered distinguishable from another name for purposes of this section solely because it differs from the other name in only one or more of the following manners:

(1) The use of the word "corporation," "company," "incorporated," "limited," or any abbreviation of any of those words;

(2) The use of any article, conjunction, contraction, abbreviation, or punctuation;

(3) The use of a different tense or number of the same word.

(C) A corporation may apply to the secretary of state for authorization to use a name that is not distinguishable upon the secretary of state's records from the name of any other corporation, limited liability company, limited liability partnership, or limited partnership, or from a registered trade name, if there also is filed in the office of the secretary of state, on a form prescribed by the secretary of state, the consent of the other entity or, in the case of a registered trade name, the person in whose name is registered the exclusive right to use the name, which consent is evidenced in a writing signed by any authorized officer or any authorized representative of the other entity or person.

(D) In case of judicial sale or judicial transfer, by sale or transfer of good will or otherwise, of the right to use the name of a corporation, whether nonprofit or for profit, and whether that of a domestic corporation or of a foreign corporation authorized to exercise its corporate privileges in this state or to do business in this state, the secretary of state, at the instance of the purchaser or transferee of such right, shall accept for filing articles of a corporation with a name the same as or similar to the name of such other corporation, if there also is filed in the office of the secretary of state a certified copy of the decree or order of court confirming or otherwise evidencing the purchase or transfer.



## Ohio Revised Code 1701 - General Corporation Law

(E) Any person who wishes to reserve a name for a proposed new corporation, or any corporation intending to change its name, may submit to the secretary of state a written application, on a form prescribed by the secretary of state, for the exclusive right to use a specified name as the name of a corporation. If the secretary of state finds that, under this section, the specified name is available for such use, the secretary of state shall file the application and, from the date of the filing, the applicant shall have the exclusive right for one hundred eighty days to use the specified name as the name of a corporation, counting the date of such filing as the first of one hundred eighty days. The right so obtained may be transferred by the applicant or other holder thereof by the filing in the office of the secretary of state of a written transfer, on a form prescribed by the secretary of state, stating the name and address of the transferee.

*Last updated September 9, 2021 at 11:43 AM*

### **Available Versions of this Section**

- August 6, 2008 – House Bill 332 - 127th General Assembly [ [View August 6, 2008 Version](#) ]
- April 12, 2021 – Amended by Senate Bill 276, Senate Bill 21 - 133rd General Assembly [ [View April 12, 2021 Version](#) ]

### [Section 1701.06 | Express terms of shares.](#)

**Effective: March 17, 2000**

**Latest Legislation: House Bill 78 - 123rd General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) The express terms of shares may include statements specifying any of the following:

(1) Dividend or distribution rights, which may be cumulative or noncumulative; at a specified rate, amount, or proportion; with or without further participation rights; and in preference to, junior to, or on a parity in whole or in part with dividend or distribution rights of shares of any other class;

(2) Liquidation rights, preferences, and price;

(3) Redemption rights and price;

(4) Sinking fund requirements, which may require the corporation to provide a sinking fund out of earnings or otherwise for the purchase or redemption of the shares or for dividends or distributions on them;





## Ohio Revised Code 1701 - General Corporation Law

- (5) Voting rights, which may be full, limited, or denied, except as otherwise required by law;
  - (6) Pre-emptive rights, or the denial or limitation of them;
  - (7) Conversion rights;
  - (8) Restrictions on the issuance of shares;
  - (9) Rights of alteration of express terms;
  - (10) The division of any class of shares into series;
  - (11) The designation and authorized number of shares of each series;
  - (12) The right of the directors, subject to any limitations that may be stated, to adopt amendments to the articles determining, in whole or in part, the express terms, within the limits set forth in this chapter, of any class of shares before the issuance of any shares of that class, or of one or more series within a class before the issuance of any shares of that series;
  - (13) Any other relative, participating, optional, or other special rights and privileges of, and qualifications or restrictions on, the rights of holders of shares of any class or series.
- (B) Each series of a class shall be given a distinguishing designation. All shares of a series shall have express terms identical with those of other shares of the same series. Any of the express terms of any class or series of shares may be made dependent upon facts ascertainable outside the articles or any amendment to those articles, provided that the manner in which the facts operate upon the express terms is set forth in the articles or any amendment to those articles.

### ***Available Versions of this Section***

- March 17, 2000 – House Bill 78 - 123rd General Assembly [ [View March 17, 2000 Version](#) ]

[Section 1701.07 | Statutory agent - cancellation and reinstatement of articles.](#)

***Effective: May 20, 2014***

***Latest Legislation: Senate Bill 98 - 130th General Assembly***

***PDF: Download Authenticated PDF***



**Ohio Revised Code 1701 - General Corporation Law**

(A) Every corporation shall have and maintain an agent, sometimes referred to as the "statutory agent," upon whom any process, notice, or demand required or permitted by statute to be served upon a corporation may be served. The agent shall be one of the following:

(1) A natural person who is a resident of this state;

(2) A domestic or foreign corporation, nonprofit corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited partnership association, professional association, business trust, or unincorporated nonprofit association that has a business address in this state. If the agent is an entity other than a domestic corporation, the agent shall meet the requirements of Title XVII of the Revised Code for an entity of the agent's type to transact business or exercise privileges in this state.

(B) The secretary of state shall not accept original articles for filing unless there is filed with the articles a written appointment of an agent that is signed by the incorporators of the corporation or a majority of them and a written acceptance of the appointment that is signed by the agent. In all other cases, the corporation shall appoint the agent and shall file in the office of the secretary of state a written appointment of the agent that is signed by any authorized officer of the corporation and a written acceptance of the appointment that is either the original acceptance signed by the agent or a photocopy, facsimile, or similar reproduction of the original acceptance signed by the agent.

(C) The written appointment of an agent shall set forth the name and address in this state of the agent, including the street and number or other particular description, and shall otherwise be in such form as the secretary of state prescribes. The secretary of state shall keep a record of the names of corporations, and the names and addresses of their respective agents.

(D) If any agent dies, removes from the state, or resigns, the corporation shall forthwith appoint another agent and file with the secretary of state, on a form prescribed by the secretary of state, a written appointment of the agent.

(E) If the agent changes the agent's address from that appearing upon the record in the office of the secretary of state, the corporation or the agent shall forthwith file with the secretary of state, on a form prescribed by the secretary of state, a written statement setting forth the new address.

(F) An agent may resign by filing with the secretary of state, on a form prescribed by the secretary of state, a written notice to that effect that is signed by the agent and by sending a copy of the notice to the corporation at the current or last known address of



**Ohio Revised Code 1701 - General Corporation Law**

its principal office on or prior to the date the notice is filed with the secretary of state. The notice shall set forth the name of the corporation, the name and current address of the agent, the current or last known address, including the street and number or other particular description, of the corporation's principal office, the resignation of the agent, and a statement that a copy of the notice has been sent to the corporation within the time and in the manner prescribed by this division. Upon the expiration of thirty days after the filing, the authority of the agent shall terminate.

(G) A corporation may revoke the appointment of an agent by filing with the secretary of state, on a form prescribed by the secretary of state, a written appointment of another agent and a statement that the appointment of the former agent is revoked.

(H) Any process, notice, or demand required or permitted by statute to be served upon a corporation may be served upon the corporation by delivering a copy of it to its agent, if a natural person, or by delivering a copy of it at the address of its agent in this state, as the address appears upon the record in the office of the secretary of state. If (1) the agent cannot be found, or (2) the agent no longer has that address, or (3) the corporation has failed to maintain an agent as required by this section, and if in any such case the party desiring that the process, notice, or demand be served, or the agent or representative of the party, shall have filed with the secretary of state an affidavit stating that one of the foregoing conditions exists and stating the most recent address of the corporation that the party after diligent search has been able to ascertain, then service of process, notice, or demand upon the secretary of state, as the agent of the corporation, may be initiated by delivering to the secretary of state or at the secretary of state's office quadruplicate copies of such process, notice, or demand and by paying to the secretary of state a fee of five dollars. The secretary of state shall forthwith give notice of the delivery to the corporation at its principal office as shown upon the record in the secretary of state's office and at any different address shown on its last franchise tax report filed in this state, or to the corporation at any different address set forth in the above mentioned affidavit, and shall forward to the corporation at said addresses, by certified mail, with request for return receipt, a copy of the process, notice, or demand; and thereupon service upon the corporation shall be deemed to have been made.

(I) The secretary of state shall keep a record of each process, notice, and demand delivered to the secretary of state or at the secretary of state's office under this section or any other law of this state that authorizes service upon the secretary of state, and shall record the time of the delivery and the action thereafter with respect thereto.

(J) This section does not limit or affect the right to serve any process, notice, or demand upon a corporation in any other manner permitted by law.



## Ohio Revised Code 1701 - General Corporation Law

(K) Every corporation shall state in each annual report filed by it with the department of taxation the name and address of its statutory agent.

(L) Except when an original appointment of an agent is filed with the original articles, a written appointment of an agent or a written statement filed by a corporation with the secretary of state shall be signed by any authorized officer of the corporation or by the incorporators of the corporation or a majority of them if no directors have been elected.

(M) For filing a written appointment of an agent other than one filed with original articles, and for filing a statement of change of address of an agent, the secretary of state shall charge and collect the fee specified in division (R) of section [111.16](#) of the Revised Code.

(N) Upon the failure of a corporation to appoint another agent or to file a statement of change of address of an agent, the secretary of state shall give notice thereof by ordinary or electronic mail to the corporation at the electronic mail address provided to the secretary of state, or at the address set forth in the notice of resignation or on the last franchise tax return filed in this state by the corporation. Unless the default is cured within thirty days after the mailing by the secretary of state of the notice or within any further period of time that the secretary of state grants, upon the expiration of that period of time from the date of the mailing, the articles of the corporation shall be canceled without further notice or action by the secretary of state. The secretary of state shall make a notation of the cancellation on the secretary of state's records.

A corporation whose articles have been canceled may be reinstated by filing, on a form prescribed by the secretary of state, an application for reinstatement and the required appointment of agent or required statement, and by paying the filing fee specified in division (Q) of section [111.16](#) of the Revised Code. The rights, privileges, and franchises of a corporation whose articles have been reinstated are subject to section [1701.922](#) of the Revised Code. The secretary of state shall furnish the tax commissioner a monthly list of all corporations canceled and reinstated under this division.

(O) This section does not apply to banks, trust companies, insurance companies, or any corporation defined under the laws of this state as a public utility for taxation purposes.

### ***Available Versions of this Section***

- May 20, 2014 – Senate Bill 98 - 130th General Assembly [ [View May 20, 2014 Version](#) ]

[Section 1701.08 | Acceptance of articles of incorporation and other certificates - filing not constructive notice of contents.](#)



---

## Ohio Revised Code 1701 - General Corporation Law

**Effective: July 29, 1998**

**Latest Legislation: House Bill 579 - 122nd General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) When articles of incorporation and other certificates relating to the corporation are submitted to the secretary of state, the secretary of state shall, after finding that they comply with the provisions of sections [1701.01](#) to [1701.98](#) of the Revised Code, accept the articles and other certificates for filing and make a copy of the articles and other certificates by microfilm or by any authorized photostatic or digitized process. Evidence of the filing shall be returned to the person filing the articles or certificate.

(B) All persons shall have the opportunity of acquiring knowledge of the contents of the articles and other certificates filed and recorded in the office of the secretary of state, but no person dealing with the corporation shall be charged with constructive notice of the contents of any such articles or certificates by reason of such filing or recording.

### **[Available Versions of this Section](#)**

- July 29, 1998 – House Bill 579 - 122nd General Assembly [ [View July 29, 1998 Version](#) ]

### [Section 1701.09 | Subscriptions for shares.](#)

**Effective: March 17, 2000**

**Latest Legislation: House Bill 78 - 123rd General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) After the articles have been filed, the incorporators or a majority of them may receive subscriptions for shares at such time and place that they determine.

(B) Unless the articles fix the consideration for which subscriptions are to be received, all of the following apply:

(1) If subscriptions are to be received for shares without par value, the incorporators shall fix the consideration for which they will receive subscriptions for such shares.

(2) If subscriptions are to be received for shares with par value, the consideration for the shares shall be the par value or the greater consideration that the incorporators fix.

(3) If any subscriptions are to be payable otherwise than in money, the incorporators may determine the fair value to the corporation of the consideration for the shares.



---

## Ohio Revised Code 1701 - General Corporation Law

(C) No subscriptions for shares shall be received by the incorporators if the articles name the initial directors or after the meeting of the shareholders or incorporators at which the initial election of directors occurs.

(D) The failure of incorporators of a corporation formed or attempted to be formed under the laws of this state then in effect to file in the office of the secretary of state a certificate of subscription required by those laws to be filed does not make the existence of the corporation or any of its acts subject to question.

### ***Available Versions of this Section***

- March 17, 2000 – House Bill 78 - 123rd General Assembly [ [View March 17, 2000 Version](#) ]

### [Section 1701.10 | Initial directors holding organizational meeting.](#)

***Effective: October 12, 2006***

***Latest Legislation: House Bill 301 - 126th General Assembly***

***PDF: [Download Authenticated PDF](#)***

(A) After incorporation, all of the following apply:

(1) If the initial directors are named in the articles, the initial directors shall hold an organizational meeting, at the call of a majority of the directors, to complete the organization of the corporation by receiving subscriptions, appointing officers, adopting regulations, and carrying on any other business brought before the meeting.

(2) If the initial directors are not named in the articles, the incorporator or incorporators either shall receive subscriptions as provided in division (A) of section [1701.09](#) of the Revised Code or shall hold an organizational meeting at the call of a majority of the incorporators to elect directors who shall complete the organization of the corporation as provided in division (A)(1) of this section. If subscriptions for shares are received by the incorporators, the incorporators, or a majority of them, shall give not less than seven days' written notice to the shareholders, unless written notice is waived by the shareholders, to meet at a specified time and place for the purposes of adopting regulations, electing directors, and transacting any other business. The shareholders shall meet for those purposes at the time and place specified.

(3) Notwithstanding divisions (A)(1) and (2) of this section, if regulations have not been adopted within ninety days after the formation of the corporation, regulations may be adopted only as provided in section [1701.11](#) of the Revised Code.



## Ohio Revised Code 1701 - General Corporation Law

(B) Action required or permitted by this chapter to be taken by the incorporators at an organizational meeting may be taken without a meeting if the action taken is evidenced by one or more written consents describing the action taken and signed by each incorporator.

(C) An organizational meeting may be held in or out of this state.

### ***Available Versions of this Section***

- October 12, 2006 – House Bill 301 - 126th General Assembly [ [View October 12, 2006 Version](#) ]

### [Section 1701.11 | Adopting, amending, and repealing regulations.](#)

***Effective: July 10, 2014***

***Latest Legislation: Senate Bill 202 - 130th General Assembly***

***PDF: Download Authenticated PDF***

(A)(1) Regulations for the government of a corporation, the conduct of its affairs, and the management of its property, consistent with law and the articles, may be adopted, amended, or repealed in any of the following ways:

(a) Within ninety days after the corporation is formed, by the directors in accordance with division (A)(1) of section [1701.10](#) of the Revised Code;

(b) By the shareholders at a meeting held for that purpose, by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of the corporation on the proposal, or if the articles or regulations that have been adopted so provide, by the affirmative vote of the holders entitling them to exercise a greater proportion than a majority of the voting power of the corporation on the proposal;

(c) Without a meeting, by the written consent of the holders of shares entitling them to exercise two-thirds of the voting power of the corporation on the proposal, or if the articles or regulations that have been adopted so provide or permit, by the written consent of the holders of shares entitling them to exercise a greater or lesser proportion but not less than a majority of the voting power of the corporation on the proposal;

(d) If and to the extent that the articles or regulations so provide or permit and unless a provision of the Revised Code reserves such authority to shareholders, by the directors, provided that no provision or permission in the articles or regulations may divest shareholders of the power, or limit the shareholders' power, to adopt, amend, or repeal regulations.



**Ohio Revised Code 1701 - General Corporation Law**

(2) Any amendment of regulations and any amended or new regulations adopted by shareholders of an issuing public corporation whose directors are classified pursuant to section [1701.57](#) of the Revised Code that would change or eliminate the classification of directors shall be adopted only by the shareholders at a meeting held for that purpose, by the affirmative vote of holders of shares entitling them to exercise the voting power of the corporation that is required for shareholders at a meeting under division (A)(1)(b) of this section, and also by the affirmative vote of the holders of a majority of disinterested shares voted on the proposal determined as specified in division (C)(9) of section [1704.01](#) of the Revised Code.

(3) Any amendment of regulations and any amended or new regulations adopted by shareholders of an issuing public corporation that would provide that section [1701.831](#) of the Revised Code does not apply to control share acquisitions of shares of the issuing public corporation shall be adopted:

(a) Upon the recommendation by the affirmative vote of a majority of the authorized number of directors of the issuing public corporation in favor of such amendment or new regulation; and

(b) By the shareholders at a meeting held for that purpose, by the affirmative vote of holders of shares entitling them to exercise the voting power of the corporation that is required for shareholders at a meeting under division (A)(1)(b) of this section.

(B) Without limiting the generality of the authority described in division (A) of this section, the regulations may include provisions with respect to all of the following:

(1) The place, if any, and time for holding, the manner of and authority for calling, giving notice of, and conducting, and the requirements of a quorum for, meetings of shareholders;

(2) The taking of a record of shareholders or the temporary closing of books against transfers of shares;

(3) The number, classification, manner of fixing or changing the number, qualifications, term of office, and compensation or manner of fixing compensation, of directors;

(4) The place, if any, and time for holding, the manner of and authority for calling, giving notice of, and conducting, and the requirements of a quorum for, meetings of the directors;

(5) The appointment of an executive and other committees of the directors, and their authority;





**Ohio Revised Code 1701 - General Corporation Law**

(6) The titles, qualifications, duties, term of office, compensation or manner of fixing compensation, and the removal, of officers;

(7) The terms on which new certificates for shares may be issued in the place of lost, stolen, or destroyed certificates;

(8) The manner in which and conditions upon which a certificated security, and the conditions upon which an uncertificated security, and the shares represented by a certificated or uncertificated security, may be transferred, restrictions on the right to transfer the shares, and reservations of liens on the shares;

(9)(a) Restrictions on the transfer and the right to transfer shares of either of the following:

(i) An issuing public corporation to any person in a control share acquisition;

(ii) A corporation with fifty or more shareholders to any person in an acquisition that would be a control share acquisition if the corporation were an issuing public corporation.

(b) The restrictions on the transfer and the right to transfer shares described in division (B)(9)(a)(i) and (ii) of this section may include requirements and procedures for consent to an acquisition of the shares by directors based on a determination by the directors of the best interests of the corporation and its shareholders, consent to an acquisition of the shares by shareholders, and reasonable sanctions for a violation of those requirements, including the right of the corporation to refuse to transfer, to redeem, or to deny voting or other shareholder rights appurtenant to shares acquired in an acquisition of the shares.

(10) Defining, limiting, or regulating the exercise of the authority of the corporation, the directors, or the officers;

(11) Defining, limiting, or regulating the exercise of the authority of the shareholders; provided, that any amendment of the regulations that would change or eliminate any such provision shall be adopted only by the shareholders.

(C) The shareholders of a corporation may adopt and may authorize the directors to adopt, either before or during an emergency, as that term is defined in division (U) of section [1701.01](#) of the Revised Code, emergency regulations that shall be operative only during an emergency. The emergency regulations may include any provisions that are authorized to be included in regulations by divisions (A) and (B) of this section. In addition, unless expressly prohibited by the articles or the regulations, the emergency regulations may make any provision, notwithstanding any different provisions in this chapter and notwithstanding any different provisions in the articles or the regulations



**Ohio Revised Code 1701 - General Corporation Law**

that are not expressly stated to be operative during an emergency, that may be practical or necessary with respect to the following:

(1) The place, if any, and time for holding, the manner of and authority for calling, giving notice of, and conducting, and the requirements of a quorum for, meetings of the directors;

(2) The creation and appointment of an executive and other committees of the directors and the delegation of authority to the committees by the board;

(3) The creation, existence, and filling of vacancies, including temporary vacancies, in the office of director;

(4) The selection, by appointment, election, or otherwise, of officers and other persons to serve as directors for a meeting of the board in the absence from the meeting of one or more of the directors;

(5) The creation, existence, and filling of vacancies, including temporary vacancies, in any office;

(6) The order of rank and the succession to the duties and authority of officers.

(D)(1) Unless the corporation complies with division (D)(2) of this section, if the regulations are amended or new regulations are adopted other than by the shareholders at a meeting held for that purpose, the secretary of the corporation shall send a copy of the amendment or the new regulations by mail, overnight delivery service, or any other means of communication authorized by the shareholder to whom a copy of the amendment or new regulations is sent, to each shareholder of record as of the date of the adoption of the amendment or the new regulations.

(2) Any corporation that files periodic reports with the United States securities and exchange commission pursuant to section 13 of the "Securities Exchange Act of 1934," 48 Stat. 881, 15 U.S.C. 78m, as amended, or section 15(d) of the "Securities Exchange Act of 1934," 48 Stat. 881, 15 U.S.C. 78o(d), as amended, may satisfy the notice to shareholders of record requirement of division (D)(1) of this section by including a copy of the amendment or the new regulations in a report filed in accordance with those sections within twenty days after the adoption of the amendment or the new regulations.

(E) No person dealing with the corporation shall be charged with constructive notice of the regulations.



## Ohio Revised Code 1701 - General Corporation Law

(F) Unless expressly prohibited by the articles or the regulations or unless otherwise provided by the emergency regulations, the following special rules shall be applicable during an emergency notwithstanding any different provision elsewhere in this chapter:

(1) Meetings of the directors may be called by any officer or director.

(2) Notice of the time and place of each meeting of the directors shall be given to such of the directors as it may be feasible to reach at the time and by the means of communication, written or oral, personal or mass, as may be practicable at the time.

(3) The director or directors present at any meeting of the directors that has been duly called and notice of which has been duly given shall constitute a quorum for the meeting, and, in the absence of one or more of the directors, the director or directors present may appoint one or more of the officers of the corporation directors for the meeting.

(4) If none of the directors attends a meeting of the directors that has been duly called and notice of which has been duly given, the officers of the corporation who are present, not exceeding three, in order of rank, shall be directors for the meeting, shall constitute a quorum for the meeting, and may appoint one or more of the other officers of the corporation directors for the meeting.

(5) If the chief executive officer dies, is missing, or for any other reason is temporarily or permanently incapable of discharging the duties of the office, the next ranking officer who is available shall assume the duties and authority of the office of the deceased, missing, or incapacitated chief executive officer until such time as the directors otherwise order.

(6) The offices of secretary and treasurer shall be deemed to be of equal rank, and, within the same office and as between the offices of secretary and treasurer, rank shall be determined by priority in time of the first election to the office or, if two or more persons have been first elected to the office at the same time, by seniority in age.

### ***Available Versions of this Section***

- July 10, 2014 – Senate Bill 202 - 130th General Assembly [ [View July 10, 2014 Version](#) ]

[Section 1701.12 | Liability for non-payment of initial stated capital.](#)

***Effective: July 30, 1984***

***Latest Legislation: House Bill 250 - 115th General Assembly***

***PDF: Download Authenticated PDF***



## Ohio Revised Code 1701 - General Corporation Law

If an initial stated capital is set forth in its articles and a corporation commences business before there has been paid in the amount of that initial stated capital, no corporate transaction shall be invalidated thereby, but incorporators participating in such transaction before the election of directors, and directors participating therein, shall be jointly and severally liable for the debts of the corporation up to an amount not exceeding in the aggregate the amount by which the stated capital paid in at the time the corporation commenced business fails to equal the initial stated capital set forth in the articles, until the amount set forth in the articles has been paid in.

### **Available Versions of this Section**

- July 30, 1984 – House Bill 250 - 115th General Assembly [ [View July 30, 1984 Version](#) ]

### [Section 1701.13 | Authority of corporation.](#)

**Effective: May 4, 2012**

**Latest Legislation: House Bill 48 - 129th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) A corporation may sue and be sued.

(B) A corporation may adopt and alter a corporate seal and use the same or a facsimile of the corporate seal, but failure to affix the corporate seal shall not affect the validity of any instrument.

(C) At the request or direction of the United States government or any agency of the United States government, a corporation may transact any lawful business in aid of national defense or in the prosecution of any war in which the nation is engaged.

(D) Unless otherwise provided in the articles, a corporation may take property of any description, or any interest in property, by gift, devise, or bequest, and may make donations for the public welfare or for charitable, scientific, or educational purposes.

(E)(1) A corporation may indemnify or agree to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, other than an action by or in the right of the corporation, by reason of the fact that the person is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, trustee, officer, employee, member, manager, or agent of another corporation, domestic or foreign, nonprofit or for profit, a limited liability company, or a partnership, joint venture, trust, or other enterprise, against expenses, including attorney's fees, judgments, fines, and amounts



**Ohio Revised Code 1701 - General Corporation Law**

paid in settlement actually and reasonably incurred by the person in connection with such action, suit, or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, if the person had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, the person had reasonable cause to believe that the person's conduct was unlawful.

(2) A corporation may indemnify or agree to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor, by reason of the fact that the person is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, trustee, officer, employee, member, manager, or agent of another corporation, domestic or foreign, nonprofit or for profit, a limited liability company, or a partnership, joint venture, trust, or other enterprise, against expenses, including attorney's fees, actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made in respect of any of the following:

(a) Any claim, issue, or matter as to which such person is adjudged to be liable for negligence or misconduct in the performance of the person's duty to the corporation unless, and only to the extent that, the court of common pleas or the court in which such action or suit was brought determines, upon application, that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court of common pleas or such other court shall deem proper;

(b) Any action or suit in which the only liability asserted against a director is pursuant to section [1701.95](#) of the Revised Code.

(3) To the extent that a director, trustee, officer, employee, member, manager, or agent has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in division (E)(1) or (2) of this section, or in defense of any claim, issue, or matter in the action, suit, or proceeding, the person shall be indemnified against expenses, including attorney's fees, actually and reasonably incurred by the person in connection with the action, suit, or proceeding.



**Ohio Revised Code 1701 - General Corporation Law**

(4) Any indemnification under division (E)(1) or (2) of this section, unless ordered by a court, shall be made by the corporation only as authorized in the specific case, upon a determination that indemnification of the director, trustee, officer, employee, member, manager, or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in division (E)(1) or (2) of this section. Such determination shall be made as follows:

(a) By a majority vote of a quorum consisting of directors of the indemnifying corporation who were not and are not parties to or threatened with the action, suit, or proceeding referred to in division (E)(1) or (2) of this section;

(b) If the quorum described in division (E)(4)(a) of this section is not obtainable or if a majority vote of a quorum of disinterested directors so directs, in a written opinion by independent legal counsel other than an attorney, or a firm having associated with it an attorney, who has been retained by or who has performed services for the corporation or any person to be indemnified within the past five years;

(c) By the shareholders;

(d) By the court of common pleas or the court in which the action, suit, or proceeding referred to in division (E)(1) or (2) of this section was brought.

Any determination made by the disinterested directors under division (E)(4)(a) or by independent legal counsel under division (E)(4)(b) of this section shall be promptly communicated to the person who threatened or brought the action or suit by or in the right of the corporation under division (E)(2) of this section, and, within ten days after receipt of that notification, the person shall have the right to petition the court of common pleas or the court in which the action or suit was brought to review the reasonableness of that determination.

(5)(a) Unless at the time of a director's act or omission that is the subject of an action, suit, or proceeding referred to in division (E)(1) or (2) of this section, the articles or the regulations of a corporation state, by specific reference to this division, that the provisions of this division do not apply to the corporation and unless the only liability asserted against a director in an action, suit, or proceeding referred to in division (E)(1) or (2) of this section is pursuant to section [1701.95](#) of the Revised Code, expenses, including attorney's fees, incurred by a director in defending the action, suit, or proceeding shall be paid by the corporation as they are incurred, in advance of the final disposition of the action, suit, or proceeding, upon receipt of an undertaking by or on behalf of the director in which the director agrees to do both of the following:

(i) Repay that amount if it is proved by clear and convincing evidence in a court of competent jurisdiction that the director's action or failure to act involved an act or



**Ohio Revised Code 1701 - General Corporation Law**

omission undertaken with deliberate intent to cause injury to the corporation or undertaken with reckless disregard for the best interests of the corporation;

(ii) Reasonably cooperate with the corporation concerning the action, suit, or proceeding.

(b) Expenses, including attorney's fees, incurred by a director, trustee, officer, employee, member, manager, or agent in defending any action, suit, or proceeding referred to in division (E)(1) or (2) of this section, may be paid by the corporation as they are incurred, in advance of the final disposition of the action, suit, or proceeding, as authorized by the directors in the specific case, upon receipt of an undertaking by or on behalf of the director, trustee, officer, employee, member, manager, or agent to repay that amount, if it ultimately is determined that the person is not entitled to be indemnified by the corporation.

(6) The indemnification or advancement of expenses authorized by this section shall not be exclusive of, and shall be in addition to, any other rights granted to those seeking indemnification or advancement of expenses under the articles, the regulations, any agreement, a vote of shareholders or disinterested directors, or otherwise, both as to action in their official capacities and as to action in another capacity while holding their offices or positions, and shall continue as to a person who has ceased to be a director, trustee, officer, employee, member, manager, or agent and shall inure to the benefit of the heirs, executors, and administrators of that person. A right to indemnification or to advancement of expenses arising under a provision of the articles or the regulations shall not be eliminated or impaired by an amendment to that provision after the occurrence of the act or omission that becomes the subject of the civil, criminal, administrative, or investigative action, suit, or proceeding for which the indemnification or advancement of expenses is sought, unless the provision in effect at the time of that act or omission explicitly authorizes that elimination or impairment after the act or omission has occurred.

(7) A corporation may purchase and maintain insurance or furnish similar protection, including, but not limited to, trust funds, letters of credit, or self-insurance, on behalf of or for any person who is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, trustee, officer, employee, member, manager, or agent of another corporation, domestic or foreign, nonprofit or for profit, a limited liability company, or a partnership, joint venture, trust, or other enterprise, against any liability asserted against the person and incurred by the person in any such capacity, or arising out of the person's status as such, whether or not the corporation would have the power to indemnify the person against that liability under this section. Insurance may be purchased from or maintained with a person in which the corporation has a financial interest.



**Ohio Revised Code 1701 - General Corporation Law**

(8) The authority of a corporation to indemnify persons pursuant to division (E)(1) or (2) of this section does not limit the payment of expenses as they are incurred, indemnification, insurance, or other protection that may be provided pursuant to divisions (E)(5), (6), and (7) of this section. Divisions (E)(1) and (2) of this section do not create any obligation to repay or return payments made by the corporation pursuant to division (E)(5), (6), or (7).

(9) As used in division (E) of this section, "corporation" includes all constituent entities in a consolidation or merger and the new or surviving corporation, so that any person who is or was a director, officer, employee, trustee, member, manager, or agent of such a constituent entity, or is or was serving at the request of such constituent entity as a director, trustee, officer, employee, member, manager, or agent of another corporation, domestic or foreign, nonprofit or for profit, a limited liability company, or a partnership, joint venture, trust, or other enterprise, shall stand in the same position under this section with respect to the new or surviving corporation as the person would if the person had served the new or surviving corporation in the same capacity.

(F) In carrying out the purposes stated in its articles and subject to limitations prescribed by law or in its articles, a corporation may:

(1) Purchase or otherwise acquire, lease as lessee, invest in, hold, use, lease as lessor, encumber, sell, exchange, transfer, and dispose of property of any description or any interest in such property;

(2) Make contracts;

(3) Form or acquire the control of other corporations, domestic or foreign, whether nonprofit or for profit;

(4) Be a partner, member, associate, or participant in other enterprises or ventures, whether profit or nonprofit;

(5) Conduct its affairs in this state and elsewhere;

(6) Borrow money, and issue, sell, and pledge its notes, bonds, and other evidences of indebtedness, and secure any of its obligations by mortgage, pledge, or deed of trust of all or any of its property, and guarantee or secure obligations of any person;

(7) Resist a change or potential change in control of the corporation if the directors by a majority vote of a quorum determine that the change or potential change is opposed to or not in the best interests of the corporation:

(a) Upon consideration of the interests of the corporation's shareholders and any of the matters set forth in division (F) of section [1701.59](#) of the Revised Code; or





## Ohio Revised Code 1701 - General Corporation Law

(b) Because the amount or nature of the indebtedness and other obligations to which the corporation or any successor or the property of either may become subject in connection with the change or potential change in control provides reasonable grounds to believe that, within a reasonable period of time, any of the following would apply:

(i) The assets of the corporation or any successor would be or become less than its liabilities plus its stated capital, if any;

(ii) The corporation or any successor would be or become insolvent;

(iii) Any voluntary or involuntary proceeding under the federal bankruptcy laws concerning the corporation or any successor would be commenced by any person.

(8) Do all things permitted by law and exercise all authority within the purposes stated in its articles or incidental to its articles.

(G) Irrespective of the purposes stated in its articles, but subject to limitations stated in its articles, a corporation, in addition to the authority conferred by division (F) of this section, may invest its funds not currently needed in its business in any shares or other securities, to such extent that as a result of the investment the corporation shall not acquire control of another corporation, business, or undertaking the activities and operations of which are not incidental to the purposes stated in its articles.

(H) No lack of, or limitation upon, the authority of a corporation shall be asserted in any action except (1) by the state in an action by it against the corporation, (2) by or on behalf of the corporation against a director, an officer, or any shareholder as such, (3) by a shareholder as such or by or on behalf of the holders of shares of any class against the corporation, a director, an officer, or any shareholder as such, or (4) in an action involving an alleged overissue of shares. This division shall apply to any action brought in this state upon any contract made in this state by a foreign corporation.

### ***Available Versions of this Section***

- May 4, 2012 – House Bill 48 - 129th General Assembly [ [View May 4, 2012 Version](#) ]

[Section 1701.14 | Issuance of shares and release of obligation of subscriber.](#)

***Effective: January 9, 1961***

***Latest Legislation: House Bill 1 - 104th General Assembly***

***PDF: Download Authenticated PDF***



## Ohio Revised Code 1701 - General Corporation Law

Except as otherwise provided by law, the articles, or the regulations, the directors of a corporation may:

(A) Determine the time when, the terms under which, and the considerations for which the corporation issues, disposes of, or receives subscriptions for, its shares, including treasury shares;

(B) Determine, subject to the limitations provided in section [1701.35](#) of the Revised Code in the case of purchase of shares by the corporation, whether and upon what terms the obligation of any subscriber for shares shall be released, settled, or compromised.

### **Available Versions of this Section**

- January 9, 1961 – House Bill 1 - 104th General Assembly [ [View January 9, 1961 Version](#) ]

### [Section 1701.15 | Pre-emptive rights.](#)

**Effective: March 17, 2000**

**Latest Legislation: House Bill 78 - 123rd General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) The shareholders of a corporation do not have a pre-emptive right to acquire the corporation's unissued shares except to the extent the articles so provide. If the articles provide that the holders of the shares of any class, other than shares that are limited as to dividend or distribution rate and liquidation price, have pre-emptive rights, those holders, upon the offering or sale for cash of shares of the same class, shall have the right, during a reasonable time and on reasonable terms fixed by the directors, to purchase the shares in proportion to their respective holdings of shares of such class, at a price fixed as provided in this chapter, unless the shares offered or sold are in any of the following categories:

(1) Treasury shares;

(2) Issued as a share dividend or distribution;

(3) Issued or agreed to be issued for considerations other than money;

(4) Issued or agreed to be issued upon exercise of options granted and authorized in accordance with section [1701.16](#) of the Revised Code;



**Ohio Revised Code 1701 - General Corporation Law**

(5) Issued or agreed to be issued upon conversion of convertible shares authorized in the articles, or upon exercise of conversion rights conferred and authorized in accordance with section [1701.22](#) of the Revised Code;

(6) Offered to shareholders in satisfaction of their pre-emptive rights and not purchased by such shareholders, and thereupon issued or agreed to be issued for a consideration not less than that at which the shares were so offered to such shareholders, less reasonable expenses, compensation, or discount paid or allowed for the sale, underwriting, or purchase of the shares, unless by the affirmative vote or written order of the holders of two-thirds of the shares otherwise entitled to the pre-emptive rights, the pre-emptive rights are restored as to any of the shares not previously issued or agreed to be issued;

(7) Released from pre-emptive rights by the affirmative vote or written consent of the holders of two-thirds of the shares entitled to the pre-emptive rights. Any such vote or consent shall be entered in the records of the corporation and shall be binding on all shareholders and their transferees for the time specified in the vote or consent up to but not exceeding one year, and shall protect all persons who within that time acquire the shares or options on or conversion or other rights with respect to the shares so released;

(8) Released from pre-emptive rights by the affirmative vote or written consent of the holders of a majority of the shares entitled to the pre-emptive rights, for offering and sale, or the grant of options with respect thereto, to any or all employees of the corporation or of subsidiary corporations or to a trustee on their behalf, under a plan adopted or to be adopted by the directors for that purpose.

(B) No action shall be brought upon any cause of action arising under division (A) of this section at any time after two years from the day on which a written notice or other communication is given or mailed to each shareholder having the cause of action informing the shareholder of the transaction giving rise to the cause of action, and no action shall in any event be brought upon any cause of action of that nature at any time after four years from the day on which the cause of action arose, or from the effective date of this provision, whichever is the later.

(C) The provisions of division (A) of this section as they existed prior to the effective date of this amendment, shall continue to apply to any corporation incorporated prior to the effective date of this amendment, until the shareholders of the corporation adopt an amendment to its articles expressly providing that the provisions of division (A) of this section that take effect on the effective date of this amendment apply to the corporation or amended articles of incorporation.

***Available Versions of this Section***



---

## Ohio Revised Code 1701 - General Corporation Law

- March 17, 2000 – House Bill 78 - 123rd General Assembly [ [View March 17, 2000 Version](#) ]

### [Section 1701.16 | Options to purchase shares.](#)

**Effective: February 20, 2002**

**Latest Legislation: Senate Bill 110 - 124th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) Unless the articles otherwise provide, a corporation by its directors may grant options to subscribe for or to purchase shares of any authorized class at the times and on the terms that are set forth in the securities, or in the contracts, warrants or instruments that evidence the options, which contracts, warrants, or instruments may be transferable or nontransferable and may be separable or inseparable from securities, upon the following conditions:

(1) If the shares are subject to preemptive rights and if the options are not granted to shareholders in satisfaction of their preemptive rights, the granting of the options must be authorized by the vote or consent of the shareholders or holders of shares of particular classes that then would be required to waive or release such preemptive rights. The vote or consent shall release the preemptive rights to the shares required to satisfy the options if and when exercised.

(2) If, at the time of granting the options, the corporation does not have authorized and unissued shares sufficient to satisfy the options if and when exercised, the granting of the options must be authorized by the vote of the shareholders or holders of shares of particular classes that then would be required to adopt an amendment to the articles for the purpose of increasing the authorized number of such shares, and the shares required to be issued upon the exercise of the options shall be provided by an amendment concurrently or thereafter adopted by the shareholders or the directors.

(B)(1) The securities, contracts, warrants, or instruments that evidence the options may contain any terms not repugnant to law for the protection of the holders of the options, including, but not limited to, the following:

(a) Restrictions upon the authorization or issuance of additional shares;

(b) Provisions for the adjustment of the option price;

(c) Provisions concerning rights in the event of reorganization, merger, consolidation, or sale of the entire assets of the corporation;



**Ohio Revised Code 1701 - General Corporation Law**

(d) Provisions for the reservation of authorized but unissued shares to satisfy the options;

(e) Restrictions upon the declaration or payment of dividends or distributions;

(f) Conditions on the exercise or redemption of the options, including, subject to the limitation specified in division (B)(2) of this section, conditions that preclude the holder or holders of at least a specified number or percentage of the outstanding common shares of a corporation from exercising or redeeming the options.

(2) The express or implied authority conferred by division (B)(1) of this section or any other section of this chapter for securities, contracts, warrants, or instruments that evidence options to contain a condition on the exercise or redemption of options that precludes the holder or holders of at least a specified number or percentage of the outstanding common shares of a corporation from exercising or redeeming options shall apply only to the following:

(a) A corporation that has issued and outstanding shares listed on a national securities exchange or regularly quoted in an over-the-counter market by one or more members of a national or affiliated securities association;

(b) A corporation that has adopted a close corporation agreement pursuant to which options are granted, if the securities, contracts, warrants, or instruments that evidence the options contain a condition that precludes the holder or holders of at least a specified number or percentage of the outstanding common shares of that corporation from exercising or redeeming the options.

(C) As used in this section, "securities" includes obligations and shares of the corporation.

***Available Versions of this Section***

- February 20, 2002 – Senate Bill 110 - 124th General Assembly [ [View February 20, 2002 Version](#) ]

[Section 1701.17 | Sale of shares to corporation or subsidiary employees - delegation of authority.](#)

***Effective: October 12, 2006***

***Latest Legislation: House Bill 301 - 126th General Assembly***

***PDF: Download Authenticated PDF***



## **Ohio Revised Code 1701 - General Corporation Law**

(A) A corporation by its directors, upon terms as it may impose, may provide and carry out plans for the issuance, offering, or sale, or for the grant of options, to employees of the corporation or of subsidiary corporations, or to a trustee on their behalf, during the period of their employment or other period, of, or with respect to, any unissued shares, treasury shares, or shares to be purchased, which plans may provide for the payment for such shares at one time or in installments or for the establishment of special funds in which employees may participate. Shares otherwise subject to pre-emptive rights may be offered or sold under these plans only when released from pre-emptive rights.

(B)(1) The directors, or a committee of the directors, may delegate the authority described in division (A) of this section to one or more officers if the resolution authorizing the delegation specifies the total number of shares or options that the officer or officers may award and the terms on which any shares may be issued, offered, or sold or the terms of any options.

(2) The directors may not authorize any officer described in division (B)(1) of this section to designate that officer as a recipient of any shares or options with respect to shares.

### ***Available Versions of this Section***

- October 12, 2006 – House Bill 301 - 126th General Assembly [ [View October 12, 2006 Version](#) ]

### **[Section 1701.18 | Payment for shares and liability of shareholders to corporation.](#)**

***Effective: October 12, 2006***

***Latest Legislation: House Bill 301 - 126th General Assembly***

***PDF: [Download Authenticated PDF](#)***

(A) Except as provided in the case of change of shares, share dividends or distributions, reorganization, merger, consolidation, combination, or conversion of shares or obligations into shares, the following apply:

(1) Consideration for shares may include cash, property, services rendered, a promissory note, or any other binding obligation to contribute cash or property or to perform services; the provision of any other benefit to the corporation; or any combination of these.

(2) In the case of shares with par value, other than treasury shares, the consideration shall be not less than the par value of the shares, provided that the shares may be paid for at such a discount from the par value of the shares that would amount to or not



**Ohio Revised Code 1701 - General Corporation Law**

exceed reasonable compensation for the sale, underwriting, or purchase of the shares, and, regardless of the discount, the shares shall be deemed to be fully paid.

(3) In the case of treasury shares with par value, the consideration may be less than the par value of the shares.

(B) Promissory notes, drafts, or other obligations of a subscriber or purchaser do not constitute payment for shares.

(C) An agreement by a person to perform services as the consideration for shares does not, of itself, constitute payment for such shares prior to the performance of the services.

(D) Except in the case of convertible shares or obligations, shares with par value shall not be issued or disposed of upon change of shares, share dividends or distributions, reorganization, merger, consolidation, exchange of shares for other shares or securities, or otherwise, if as a result the aggregate liabilities of the corporation plus its stated capital would exceed its aggregate assets or any existing excess would be increased.

(E) When shares have been issued as provided in this chapter, in the case of change of shares, share dividends or distributions, reorganization, merger, consolidation, or conversion of shares or obligations into shares, or when shares have been paid for in conformity with this section, such shares shall be deemed fully paid and nonassessable.

(F) Every person who subscribes for or purchases shares of a corporation is liable to the corporation to pay or deliver to the corporation the consideration agreed upon, and, except as provided in division (A) of this section, if the shares are with par value, the person is obligated to pay to the corporation consideration not less than the par value of the shares. The person is not liable to the corporation or its creditors in any other amount.

(G) Every holder, whether the original or a transferee, of shares not paid for as provided in this section, who has acquired them with actual knowledge of that fact, is personally liable to the corporation for the amount unpaid on the shares, and the holder's liability shall continue notwithstanding any transfer of the shares, until the shares are paid in full; but no holder who has acquired the shares without actual knowledge of the fact that the shares are not paid for is under any liability in respect of the shares.

(H) No pledgee or other holder of shares as collateral security is personally liable as a shareholder.

(I) No person who in fact, whether disclosed on the records of the corporation or otherwise, holds shares as executor, administrator, guardian, trustee, trustee of a voting trust, receiver, or in any other fiduciary capacity is personally liable as a shareholder, but



## Ohio Revised Code 1701 - General Corporation Law

the estate or property in the hands of such fiduciary is liable or the real or beneficial owner is liable under this section as equity may require. This section does not relieve a fiduciary from liability for a breach of trust.

(J) Except as set forth in any provision in Title LVII of the Revised Code, neither a shareholder of a corporation nor a subscriber to its shares is personally liable for any debts, obligations, or liabilities of the corporation in the absence of a written, enforceable agreement that is signed by the shareholder or subscriber and that specifically undertakes liability for such debts, obligations, or liabilities.

### ***Available Versions of this Section***

- October 12, 2006 – House Bill 301 - 126th General Assembly [ [View October 12, 2006 Version](#) ]

### [Section 1701.19 | Determination of fair value of property or services.](#)

***Effective: October 12, 2006***

***Latest Legislation: House Bill 301 - 126th General Assembly***

***PDF: Download Authenticated PDF***

(A) When a determination of the fair value to a corporation is made by the incorporators, directors, or shareholders with respect to consideration, other than cash, paid or to be paid to the corporation for shares; or made by the directors with respect to property voluntarily contributed to the corporation; or made by the directors with respect to physical assets of the corporation that are reckoned by the directors to have a fair value to the corporation in excess of the amount at which they are carried on its books; or provided for in a decree or order as provided in section [1701.75](#) of the Revised Code or set forth in an agreement of merger or consolidation adopted as provided in section [1701.78](#), [1701.79](#), [1701.80](#), or [1701.801](#) of the Revised Code, then the determination shall be conclusive in any action or proceeding in which it is claimed that the fair value to the corporation of such consideration or property is or was less than the value so determined, unless the party asserting a claim affirmatively proves by clear and convincing evidence, and otherwise than by proving the difference between the value of such consideration or property and the fair value so determined, that the determination was knowingly and intentionally made, by the persons making the determination, at a value greater than the fair value of such consideration or property to the corporation.

(B) The making of an agreement to issue or dispose of shares for property or consideration other than cash or the issuance or disposition of shares in consummation of any agreement or transaction referred to in division (A) of this section shall be held





## Ohio Revised Code 1701 - General Corporation Law

to be a determination that the property or other consideration involved has a fair value to the corporation not less than the value required to justify the issuance or disposition of such shares.

### ***Available Versions of this Section***

- October 12, 2006 – House Bill 301 - 126th General Assembly [ [View October 12, 2006 Version](#) ]

### [Section 1701.20 | Enforcing payment for shares.](#)

***Effective: October 11, 1955***

***Latest Legislation: House Bill 70 - 101st General Assembly***

***PDF: Download Authenticated PDF***

(A) When no provision as to time of payment for shares of a corporation is made in the contract of subscription or purchase, they shall be paid for on the call of the directors.

(B) In case of default in the payment of any contract of subscription or purchase, the corporation may collect the amount unpaid, and in addition to other remedies, unless the contract of subscription or purchase otherwise provides, the corporation, thirty days after notice setting forth such default and the time and place of the proposed sale of his shares has been given to the subscriber or purchaser by registered mail, may sell his shares at public auction. Notice of the time and place of sale shall be published once, at least fifteen days prior to such sale, in a newspaper of general circulation in the county in which the principal office of the corporation is located. Any proceeds remaining after paying the amount due on the shares and the cost of sale shall be paid to the subscriber or purchaser.

(C) If a receiver with power to collect debts due the corporation or a trustee in bankruptcy of the corporation has been appointed, all amounts unpaid on any contract of subscription or purchase shall be paid at such times and in such installments as such receiver or trustee, or the court appointing him, may direct, subject to the provisions of the contract.

### ***Available Versions of this Section***

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]

### [Section 1701.21 | Conversion of shares.](#)



---

**Ohio Revised Code 1701 - General Corporation Law**

***Effective: July 30, 1984***

***Latest Legislation: House Bill 250 - 115th General Assembly***

***PDF: Download Authenticated PDF***

(A) By the express terms of shares of any class or series, such shares may be convertible into the same or a different number of shares of any other class or series. Such express terms may contain any statements not repugnant to law for the protection of such conversion rights, including, without limiting the generality of such authority: restrictions upon the authorization or issuance of additional shares; provisions for the adjustment of the conversion price or ratio; provisions concerning rights in the event of reorganization, merger, consolidation, or lease, sale, exchange, transfer or other disposition of all, or substantially all, of the assets of the corporation; provisions for the reservation of authorized but unissued shares to satisfy such conversion rights; and restrictions upon the declaration or payment of dividends or distributions. Such express terms may also include statements, not inconsistent with the provisions of section [1701.30](#) of the Revised Code, to provide that upon the exercise of conversion rights the stated capital of the corporation shall be created, increased, reduced, or eliminated in the manner, at the rate, or to the extent provided therein.

(B) The corporation shall not issue any shares, with or without par value, which are convertible into shares having an aggregate par value greater than the aggregate stated capital of such convertible shares unless in each case immediately after the issuing of any of the convertible shares the corporation will have a surplus not less in amount than the excess of the aggregate par value of all the shares into which such convertible shares may be converted over the aggregate stated capital of all the outstanding convertible shares; and during the entire period that such conversion rights may be exercised, the corporation shall reserve from its surplus, solely for transfer to stated capital upon the exercise of such conversion rights, an amount equal at the time to the excess of the aggregate par value of all the shares into which the then outstanding convertible shares may be converted over the aggregate stated capital of such convertible shares; provided that the failure or inability of the corporation to maintain such reserve shall not affect the conversion rights of any outstanding convertible shares.

***Available Versions of this Section***

- July 30, 1984 – House Bill 250 - 115th General Assembly [ [View July 30, 1984 Version](#) ]

[Section 1701.22 | Conversion rights.](#)

***Effective: July 30, 1984***



**Ohio Revised Code 1701 - General Corporation Law**

***Latest Legislation: House Bill 250 - 115th General Assembly***

***PDF: Download Authenticated PDF***

(A) Unless the articles otherwise provide, a corporation by its directors may, subject to the provisions of this section, confer on the holder of any obligations of the corporation the right to convert such obligations into shares of any authorized class or series, on such terms as are set forth in the instrument evidencing such conversion rights. Such terms may include any statements not repugnant to law for the protection of such conversion rights, including, but without limiting the generality of such authority: restrictions upon the authorization or issuance of additional shares; provisions for the adjustment of the conversion price or ratio; provisions concerning rights in the event of reorganization, merger, consolidation, or lease, sale, exchange, transfer, or other disposition of all, or substantially all, of the assets of the corporation; provisions for the reservation of authorized but unissued shares to satisfy such conversion rights; and restrictions upon the declaration or payment of dividends or distributions. Such terms may also include statements, not inconsistent with the provisions of section [1701.30](#) of the Revised Code, to provide that upon the exercise of conversion rights the stated capital of the corporation shall be created or increased in the manner, at the rate, or to the extent provided therein.

(B) If the shares into which such obligations are convertible would be subject to pre-emptive rights if issued for cash, the conferring of the conversion rights must be authorized by such vote or consent of the shareholders or holders of shares of particular classes as would then be required to waive or release such pre-emptive rights; and such vote or consent shall release the pre-emptive rights to the shares required to satisfy such conversion rights if and when exercised.

(C) If at the time of conferring such conversion rights the corporation does not have authorized and unissued shares sufficient to satisfy such rights if and when exercised, the conferring of such rights must be authorized by such vote of the shareholders or holders of shares of particular classes as would then be required to adopt an amendment to the articles for the purpose of increasing the authorized number of such shares, and the shares required to be issued upon the exercise of such conversion rights shall be provided by an amendment concurrently or thereafter adopted by the shareholders or the directors.

(D) The corporation shall not issue any obligations which are convertible into shares having an aggregate par value greater than the principal amount of such obligations, unless in each case immediately after the issuing of any of the convertible obligations, the corporation will have a surplus not less in amount than the excess of the aggregate par value of all the shares into which such convertible obligations may be converted over the aggregate principal amount of the outstanding convertible obligations; and



## Ohio Revised Code 1701 - General Corporation Law

during the entire period that such conversion rights may be exercised, the corporation shall reserve, from its surplus, solely for transfer to stated capital upon the exercise of such conversion rights an amount equal at the time to the excess of the aggregate par value of all the shares into which the then outstanding convertible obligations may be converted over the aggregate principal amount of such convertible obligations; provided that the failure or inability of the corporation to maintain such reserve shall not affect the conversion rights of any outstanding convertible obligations.

### ***Available Versions of this Section***

- July 30, 1984 – House Bill 250 - 115th General Assembly [ [View July 30, 1984 Version](#) ]

### [Section 1701.23 | Redemption of shares.](#)

***Effective: October 16, 1961***

***Latest Legislation: Senate Bill 11 - 104th General Assembly***

***PDF: Download Authenticated PDF***

(A) By the express terms of shares of any class or series, such shares may be redeemable, in whole at one time or in part from time to time, at the option of the corporation, or at a specified time or event, in such manner and upon such conditions, price, and notice as are provided in said express terms. The exercise of such right of redemption shall, however, be subject to the limitations provided in section [1701.35](#) of the Revised Code.

(B) Unless otherwise provided in the articles, redemption of a part only of the outstanding shares on call shall be pro rata or by lot in such manner as the directors deem equitable.

### ***Available Versions of this Section***

- October 16, 1961 – Senate Bill 11 - 104th General Assembly [ [View October 16, 1961 Version](#) ]

### [Section 1701.24 | Certificates for shares - fractional shares - uncertificated shares.](#)

***Effective: September 30, 2008***

***Latest Legislation: House Bill 374 - 127th General Assembly***

***PDF: Download Authenticated PDF***

(A) The shares of a corporation are personal property.



**Ohio Revised Code 1701 - General Corporation Law**

(B) Unless the articles, the regulations adopted by the shareholders, or the regulations adopted by the directors pursuant to division (A)(1) of section [1701.10](#) of the Revised Code provide otherwise, a holder of shares is entitled to one or more certificates, signed by the chairperson of the board or the president or a vice-president and by the secretary, an assistant secretary, the treasurer, or an assistant treasurer of the corporation, that shall certify the number and class of shares held by the holder in the corporation, but no certificate for shares shall be executed or delivered until those shares are fully paid. When the certificate is countersigned by an incorporated transfer agent or registrar, the signature of any of those officers of the corporation may be facsimile, engraved, stamped, or printed. Although any officer of the corporation whose manual or facsimile signature is affixed to the certificate ceases to be such officer before the certificate is delivered, the certificate nevertheless shall be effective in all respects when delivered.

(C) A corporation is not obligated to but may issue fractional shares. The holder of a fractional share is entitled to exercise the rights of a shareholder, including the right to vote, to receive dividends, and to participate in the assets of the corporation upon liquidation. In the case of uncertificated securities, the corporation may proceed as provided in divisions (C)(1) and (2) of this section. In the case of certificated securities, the corporation may execute and deliver a certificate for or including a fraction of a share or, in lieu thereof, may do any of the following:

(1) Pay to the person otherwise entitled to become a holder of a fraction of a share an amount in cash specified as the value of the fraction of a share in the articles, a resolution of the directors, or other agreement or instrument pursuant to which that fraction of a share otherwise would be issued, or, if not so specified, then the amount determined for that purpose by the directors of the issuing corporation, or the amount realized upon sale of the fraction of a share;

(2) Provide reasonable means to afford to the person the opportunity, on specified terms and conditions, to purchase or sell fractional interests in shares, to the exclusion of all rights the person otherwise might have;

(3) Execute and deliver registered or bearer scrip over the manual or facsimile signature of an officer of the corporation or of its agent for that purpose, exchangeable as provided in the scrip for full shares, but such scrip shall not entitle the holder to any rights as a shareholder except as provided in the scrip. The scrip may provide that it shall become void unless the rights of the holders are exercised within a specified period and may contain any other provisions that the corporation deems advisable. Whenever any such scrip ceases to be exchangeable for full shares, the shares that otherwise would have been issuable as provided in the scrip shall be deemed to be treasury shares unless the scrip contains other provision for their disposition.



## Ohio Revised Code 1701 - General Corporation Law

(D) A joint estate with the incidents of a joint estate as at common law, including the right of survivorship, may be created in shares by registering the same in the case of uncertificated securities, or by executing and delivering a certificate in the case of certificated securities to two or more persons with the words "as joint tenants" or "as joint tenants with right of survivorship and not as tenants in common" following their names. Upon receipt by the corporation of proof satisfactory to it of the death of one or more joint tenants, it may register the transfer to, or execute and deliver a new certificate to, the survivor or survivors.

(E) Whenever a corporation has determined that any outstanding certificates for shares should be canceled and exchanged for other certificates, the corporation may order and require the holders of the outstanding certificates to surrender them for that purpose within a reasonable time to be fixed by the corporation. The order may provide that, until compliance with the order, any or all rights as a shareholder of the holder of any certificate so required to be surrendered shall be suspended with respect to the shares represented by the certificate. Not less than ten days before the order is to become effective, the corporation shall give notice of the order by mail to each shareholder affected by the order at the shareholder's address as it appears on the records of the corporation.

(F) The articles of a corporation, the regulations adopted by the shareholders of a corporation, or the regulations adopted by the directors of a corporation pursuant to division (A)(1) of section [1701.10](#) of the Revised Code may provide that some or all of any or all classes and series of shares of that corporation shall be uncertificated shares. Unless otherwise provided by the articles or regulations, the directors may provide by resolution that some or all of any or all classes and series of shares of a corporation shall be uncertificated shares, provided that the resolution shall not apply to shares represented by a certificate until the certificate is surrendered to the corporation and that the resolution shall not apply to a certificated security issued in exchange for an uncertificated security. Within a reasonable time after the issuance or transfer of uncertificated shares, the corporation shall send to the registered owner of the shares a written notice containing the information required to be set forth or stated on certificates pursuant to division (A) of section [1701.25](#) of the Revised Code. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of certificates representing shares of the same class and series shall be identical.

### ***Available Versions of this Section***

- September 30, 2008 – House Bill 374 - 127th General Assembly [ [View September 30, 2008 Version](#) ]



---

**Ohio Revised Code 1701 - General Corporation Law**

[Section 1701.25 | Statements on certificate for shares.](#)

**Effective: May 16, 2002**

**Latest Legislation: House Bill 278 - 124th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) Each certificate for shares of a corporation shall state:

(1) That the corporation is organized under the laws of this state;

(2) The name of the person to whom the shares represented by the certificate are issued;

(3) The number of shares represented by the certificate;

(4) If the shares of the corporation are classified, the designation of the class, and the series, if any, of the shares represented by the certificate;

(5) On the face or the back of the certificate:

(a) The express terms, if any, of the shares represented by the certificate and of the other class or classes and series of shares, if any, which the corporation is authorized to issue; or

(b) A summary of such express terms; or

(c) That the corporation will send to the shareholder a copy of such express terms without charge within five days after receipt of written request therefor; or

(d) That a copy of such express terms is attached to and by reference made a part of such certificate and that the corporation will send to the shareholder a copy of such express terms without charge within five days after receipt of written request therefor if the copy has become detached from the certificate.

(B) No restriction on the right to transfer shares and no reservation of lien on shares shall be effective against a transferee of such shares unless there has been compliance with section [1308.11](#) of the Revised Code, and unless, as to certificated securities, there is set forth on the face or the back of the certificate therefor:

(1) A statement of the terms of such restriction or reservation; or

(2) A summary of the terms of such restriction or reservation and a statement that the corporation will send to the shareholder a copy of such restriction or reservation without charge within five days after receipt of written request therefor; or



## Ohio Revised Code 1701 - General Corporation Law

(3) If such restriction or reservation is contained in the articles or regulations of the corporation, or in an instrument in writing to which the corporation is a party, a statement to that effect and a statement that the corporation will send to the shareholder a copy of such restriction or reservation without charge within five days after receipt of written request therefor; or

(4) If such restriction or reservation is contained in an instrument in writing (other than the articles or regulations of the corporation or an instrument in writing to which the corporation is a party), a statement to that effect identifying the instrument by title, date, and parties.

(C) A corporation shall send to a shareholder without charge within five days after receipt of written request therefor the copy or copies referred to in divisions (A)(5)(c) and (d) and (B)(2) and (3) of this section by mail, overnight delivery service, or any other means of communication authorized by the shareholder to whom the copy or copies are sent.

### **Available Versions of this Section**

- May 16, 2002 – House Bill 278 - 124th General Assembly [ [View May 16, 2002 Version](#) ]

### [Section 1701.26 | Transfer agents and registrars.](#)

**Effective: October 11, 1955**

**Latest Legislation: House Bill 70 - 101st General Assembly**

**PDF: [Download Authenticated PDF](#)**

A corporation may open transfer books in any state for the purpose of transferring shares issued by it, and it may employ agents to keep the records of its shares, or to transfer or to register shares, or both, in any state, and the acts of such agents shall be binding on the corporation. The duties and liabilities of such agents shall be such as are agreed to by the corporation. If no such transfer agent is appointed by it to act in this state, the corporation shall keep an office in this state at which shares are transferable, and at which it keeps books in which are recorded the names and addresses of all shareholders and all transfers of shares.

### **Available Versions of this Section**

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]





---

## Ohio Revised Code 1701 - General Corporation Law

### [Section 1701.27 | Replacement of lost, stolen or destroyed certificate.](#)

**Effective: January 1, 1998**

**Latest Legislation: House Bill 170 - 122nd General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) In case a certificate for shares is lost, stolen, or destroyed, the court of common pleas or the probate court of the county in which the principal office of the corporation is located shall have jurisdiction to hear and determine all questions respecting such loss, theft, or destruction, the person interested therein, the bond required to be given to protect the corporation or any person injured by the execution and delivery of a new certificate, the terms on which a new certificate shall be executed and delivered, and the costs and counsel fees, if any, to be allowed to the corporation.

(B) A corporation which voluntarily and in good faith executes and delivers a new certificate in lieu of one believed to have been lost, stolen, or destroyed, or which executes and delivers a new certificate in compliance with an order of a court of competent jurisdiction, may recognize the person named in the new certificate, or any certificate thereafter executed and delivered in exchange or substitution for such new certificate, as the owner of the shares described therein for all purposes, until the owner of the original certificate, or a transferee thereof without notice and for value, enjoins the corporation and the holder of any new certificate, or any certificate executed and delivered in exchange or substitution for such new certificate, from so acting.

(C) Special provisions in section [1308.41](#) of the Revised Code relating to the replacement of lost, apparently destroyed, or wrongfully taken securities shall govern to the exclusion of the provisions of this section on this subject, except where it clearly appears that a special provision is cumulative, in which case it and the provisions of this section on the same subject shall apply.

### ***Available Versions of this Section***

- January 1, 1998 – House Bill 170 - 122nd General Assembly [ [View January 1, 1998 Version](#) ]

### [Section 1701.28 | Recognizing record ownership of shares or other securities.](#)

**Effective: October 11, 1955**

**Latest Legislation: House Bill 70 - 101st General Assembly**

**PDF: [Download Authenticated PDF](#)**



**Ohio Revised Code 1701 - General Corporation Law**

(A) As used in this section "security" means scrip issued in lieu of fractional shares, warrants, and rights to purchase or subscribe for shares, and promissory obligations of a corporation in registered form.

(B) A corporation shall incur no liability if:

(1) In executing and delivering a certificate for shares or other securities of such corporation, whether upon original issue or transfer thereof, or in transferring on its records such shares or other securities, it adds to the name of the person inscribed as the owner of record of the shares or other securities such words of description, limitation, or qualification as, in the case of an original issue, are specified by the purchaser or subscriber or, in the case of transfer, as are specified in the indorsement, assignment, or instrument relative thereto;

(2) It treats any person in whose name shares or other securities stand of record on its books as the absolute owner thereof, with full competency, capacity, and authority to exercise all rights of ownership thereof irrespective of any knowledge or notice to the contrary, or any description, limitation, or qualification, or reference to any other instrument, or to the rights of any other person, appearing upon its records or upon the certificate for shares or such other securities;

(3) When any person has furnished to the issuing corporation proof, satisfactory to it, of his appointment and qualifications as:

(a) executor under the last will of a deceased holder of record of its shares or such other securities;

(b) an administrator of the estate of such a holder;

(c) a guardian, committee, or conservator of the estate of a ward or incompetent who is a holder of record of its shares or such other securities;

(d) a trustee in bankruptcy of such a holder;

(e) a statutory or judicial receiver or liquidator of the estate or affairs of such a holder; it treats such a fiduciary as the absolute owner of such shares or securities to the same extent as though such fiduciary were the holder of record thereof;

(4) When any other fiduciary has furnished to the corporation proof, satisfactory to it, of his authority to exercise any rights with respect to shares or such other securities of the corporation which do not stand of record in his name, it treats such fiduciary as entitled to exercise such rights;



**Ohio Revised Code 1701 - General Corporation Law**

(5) When two or more fiduciaries claim to be entitled to the same rights with respect to the same shares or securities, it refuses to treat any of them as entitled to such rights unless proof, satisfactory to it, is furnished as to which of such fiduciaries is entitled to the rights in question.

(C) The corporation is not obligated to inquire into the existence of, or to see to the performance or observance of, any duty or obligation to a third person by a holder of record of any of its shares or other securities or by anyone whom it may, as provided in this section, treat as the absolute owner thereof.

(D) When the corporation has treated a minor as entitled to exercise any rights of ownership in its shares or other securities, no subsequent disaffirmance or avoidance is effective as against the corporation.

(E) The rights, privileges, and immunities afforded to the corporation in this section extend also to each transfer agent and to each registrar of its shares or other securities, to its inspectors of election, and to all agents of the corporation concerned with the exercise of any rights by any of its shareholders or security holders.

(F) This section does not enlarge or affect the competency, authority, rights, privileges, immunities, or obligations of any holder of record of shares or other securities or of any fiduciary with respect to any person other than the corporation issuing such shares or other securities and its agents or representatives described in division (E) of this section; and this section does not relieve the corporation from any liability which it otherwise would have for breach by it of a contract to which it is a party, or for violation of lawful provisions in the articles or the regulations, or for participating in bad faith with a fiduciary in the breach of any duty of the latter, or from any liability by reason of transactions by the corporation involving the acquisition or disposition by it of any of its shares or other securities.

(G) A corporation is not entitled to the rights, privileges, and immunities otherwise afforded to it under this section in respect of any particular actions referred to in this section, in the event and to the extent that such action was taken contrary to the order of a court of competent jurisdiction in a proceeding to which the corporation was a party, or contrary to a judgment, order, or decree of a court of competent jurisdiction terminating, suspending, or restricting the particular rights of the holder of record of such shares or other securities or the fiduciary relationship with respect thereto, or the competency or authority of such holder or fiduciary, or transferring to or vesting in another person such relationships or rights of ownership of the shares or other securities, or directing the manner in which the authority of such holder or fiduciary shall be exercised, a certified copy of which judgment, order, or decree has been filed with the corporation prior to the taking of such action.



---

## Ohio Revised Code 1701 - General Corporation Law

### ***Available Versions of this Section***

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]

### [Section 1701.29 | Organizing and financing expenses.](#)

***Effective: October 11, 1955***

***Latest Legislation: House Bill 70 - 101st General Assembly***

***PDF: Download Authenticated PDF***

A corporation may pay as cost of organization or reorganization the reasonable expenses incident thereto, and it may also pay or allow reasonable expenses, compensation, or discount for the sale, underwriting, or purchase of any of its shares; such payment or allowance shall not have the effect of rendering shares not fully paid and nonassessable.

### ***Available Versions of this Section***

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]

### [Section 1701.30 | Stated capital.](#)

***Effective: July 30, 1984***

***Latest Legislation: House Bill 250 - 115th General Assembly***

***PDF: Download Authenticated PDF***

(A) Every corporation shall have and shall carry upon its books a stated capital for each class of outstanding shares with par value and for each class of outstanding shares having preference in the event of the involuntary liquidation of the corporation. Every corporation may have and, if it does have, shall carry upon its books a stated capital for any other class of outstanding shares. The stated capital of each outstanding share with par value shall be not less than its par value. The stated capital of the corporation shall be the aggregate stated capital of all classes of outstanding shares. If a particular class has stated capital, the stated capital of every share of that class outstanding at a particular time shall be identical.

(B) Subject to division (A) of this section:

(1) The stated capital of shares with stated capital that are issued or disposed of otherwise than upon conversion, change, exchange, merger, consolidation, or



**Ohio Revised Code 1701 - General Corporation Law**

reorganization is the amount of consideration for such shares, unless prior to the execution and delivery of the certificates for such shares, the incorporators, directors, or shareholders, as the case may be, who fix the consideration or otherwise determine the value of any consideration for such shares, specify, in a manner not inconsistent with this section, the portion of the consideration that constitutes stated capital, whereupon any excess over such portion (except to the extent entered on the books of a transferee corporation as earned surplus in the manner provided in division (H)(3) of section [1701.32](#) of the Revised Code upon a combination) is capital surplus; except that in the case of shares having preference in the event of involuntary liquidation of the corporation, the portion of the consideration that constitutes stated capital shall be not less than the lesser of the entire consideration for such shares or the amount of such preference.

(2) Unless the express terms of convertible shares provide that upon the exercise of conversion rights the stated capital of the corporation shall be determined otherwise than as provided in this section and in a manner not inconsistent with this section, the stated capital, if any, of the shares issued upon the exercise of such conversion rights shall be the stated capital, if any, of the convertible shares so converted.

(3) Unless the terms of convertible obligations provide that upon the exercise of conversion rights the stated capital, if any, of the corporation shall be determined otherwise than as provided in this section and in a manner not inconsistent with this section, the stated capital, if any, of the shares issued upon the exercise of such conversion rights shall be an amount equal to the principal amount of the convertible obligations so converted.

(4) Unless the amendment to the articles that effects any change in outstanding shares provides that upon such change the stated capital of the corporation shall be created, increased, reduced, or eliminated in a manner not inconsistent with this section, the stated capital, if any, of the shares issued upon such change shall be the stated capital, if any, of the shares so changed.

(5) Unless the terms of an exchange of shares provide that upon such exchange the stated capital of the corporation shall be created, increased, reduced, or eliminated in a manner not inconsistent with this section, the stated capital, if any, of the shares issued upon such exchange shall be the stated capital, if any, of the shares so exchanged.

(6) The stated capital, if any, of each class of shares to be outstanding at the time a merger, consolidation, or reorganization becomes effective shall be the amount set forth or provided for, in a manner not inconsistent with this section, in the agreement of merger, agreement of consolidation, or plan of reorganization.



## Ohio Revised Code 1701 - General Corporation Law

(C) The stated capital of a class of outstanding shares with or without par value may be created or increased by a transfer from any surplus however created to stated capital by order of the directors for the purpose of creating or increasing such stated capital or upon payment of dividends or distributions in shares of such class, and may be reduced or eliminated in any way provided for in section [1701.31](#) of the Revised Code.

(D) When a corporation having outstanding shares of more than one class has a stated capital applicable to two or more of the classes and the amount of stated capital of a particular class cannot otherwise be readily determined, the directors of the corporation may make such determination, subject to division (A) of this section.

### **Available Versions of this Section**

- July 30, 1984 – House Bill 250 - 115th General Assembly [ [View July 30, 1984 Version](#) ]

### [Section 1701.31 | Reduction of stated capital.](#)

**Effective: July 30, 1984**

**Latest Legislation: House Bill 250 - 115th General Assembly**

**PDF: [Download Authenticated PDF](#)**

A corporation shall not take any action which will require or result in reduction of the stated capital of each outstanding share with par value, to less than the par value of such share. Subject to such limitation and to such provisions as are set forth in the articles or in any contract or obligation:

(A) Whenever an outstanding redeemable share is redeemed by the corporation, or an outstanding share is purchased or otherwise acquired by the issuing corporation (otherwise than upon conversion, change, or exchange), the stated capital, if any, of the class to which such redeemed, purchased, or acquired share belongs shall thereby be reduced by an amount equal to the stated capital, if any, of such share;

(B) Whenever an outstanding share is released from subscription, the stated capital, if any, of the class to which such share belongs shall thereby be reduced by an amount equal to the stated capital, if any, of such share;

(C) Upon the exercise of conversion rights of convertible shares, the stated capital, if any, of the corporation shall be reduced if and to the extent that the express terms of such shares so provide;

(D) The stated capital of the corporation shall be reduced or eliminated, in a manner not inconsistent with section [1701.30](#) of the Revised Code, to the extent and in the



## Ohio Revised Code 1701 - General Corporation Law

manner that such reduction or elimination is provided for in an amendment to the articles described in division (B)(8) of section [1701.69](#) of the Revised Code;

(E) The stated capital, if any, of a particular class of shares may also be reduced or eliminated, in a manner not inconsistent with section [1701.30](#) of the Revised Code, by resolution adopted at a meeting of shareholders held for such purpose, by the affirmative vote of the holders of two-thirds of the shares of each class, regardless of limitations or restrictions in the articles on the voting rights of the shares of any such class, or, if the articles so provide or permit, a greater or lesser proportion, but not less than a majority of the shares of any class.

### **Available Versions of this Section**

- July 30, 1984 – House Bill 250 - 115th General Assembly [ [View July 30, 1984 Version](#) ]

### [Section 1701.32 | Surplus.](#)

**Effective: November 22, 1986**

**Latest Legislation: House Bill 902 - 116th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) The surplus of a corporation is the excess of its assets over its liabilities plus stated capital, if any. The earned surplus of a corporation is the net balance of its net profits, income, gains, and losses from the date of incorporation, except as otherwise provided in this section, or from the latest date on which a deficit in earned surplus was eliminated by application of capital surplus or otherwise, after deducting distributions to shareholders and transfers to stated capital and capital surplus to the extent that such distributions and transfers are made out of earned surplus. Surplus other than earned surplus is capital surplus.

Determinations under this section may be based upon financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances, and may make use of the equity method of accounting.

(B) Capital surplus shall be classified according to its derivation and so shown on the books of the corporation, and each balance sheet shall show separately any capital surplus arising from unrealized appreciation of assets, other capital surplus, and earned surplus.

(C) If a corporation accepts a voluntary contribution of property other than its own issued shares, the directors may order all or a part of the fair value of such property to



**Ohio Revised Code 1701 - General Corporation Law**

the corporation, as determined by the directors, to be entered on its books, and thereby create or add to capital surplus.

(D) In addition to any determination permitted under division (A) of this section, if the directors of a corporation determine that tangible or intangible assets of the corporation have a fair value to it in excess of the amount at which they are carried on its books, they may order all or a part of such excess so determined to be entered on its books, and thereby create or add to capital surplus.

(E) In addition to any determination permitted under division (A) of this section, the directors of a corporation that owns shares in another domestic or foreign corporation may, if they believe in good faith that the books of the issuing corporation are kept according to generally accepted accounting principles, order such shares to be carried on the books of the corporation owning them at the value shown on the books of the issuing corporation, and thereby create or add to the capital surplus of the corporation owning such shares. When shares are carried on such basis, the balance sheets of the corporation owning them shall contain a statement to that effect.

(F) The directors may order transfers from any surplus however created to stated capital of shares with or without par value, and from earned surplus to capital surplus.

(G) Pursuant to a resolution adopted by the affirmative vote of the holders of two-thirds of the shares of each class, regardless of limitations or restrictions in the articles on the voting rights of the shares of any such class or, if the articles so provide or permit, a greater or lesser proportion, but not less than a majority, of the shares of any class, a corporation may apply all or any part of capital surplus to the reduction or writing off of any deficit in earned surplus, or to the creation of a reserve for any proper purpose, and thereby make available for dividends or distributions, without notice to the shareholders as to the source of such dividends or distributions, any earned surplus remaining, or thereafter arising, but in case such action is taken, a record of it shall be made on the books of the corporation and shall appear on each balance sheet of the corporation for a period of not less than five years thereafter.

(H)(1) In the case of a merger of one or more domestic or foreign corporations into a domestic surviving corporation, the directors of the surviving corporation may order entered on its books all or part of the earned surplus of the other constituent corporations, diminished by any deficit in earned surplus of any constituent corporation, and thereby create, add to, or diminish the earned surplus of the surviving corporation.

(2) In the case of a consolidation of a domestic corporation with one or more domestic or foreign corporations into a new domestic corporation, the directors of the new corporation may order entered on its books all or part of the earned surplus of each of





## **Ohio Revised Code 1701 - General Corporation Law**

the constituent corporations, diminished by any deficit in earned surplus of any constituent corporation, and thereby create earned surplus of the new corporation.

(3) In the case of a combination, the directors of the acquiring corporation may order entered on its books all or part of the earned surplus of the transferor corporations, diminished by any deficit in earned surplus of any such corporation, and thereby create, add to, or diminish the earned surplus of the acquiring corporation.

(4) In the case of a dissolution of a domestic or foreign subsidiary corporation, all shares of which are owned by a domestic corporation, the directors of the parent corporation may order entered on its books all or part of the earned surplus of the subsidiary and thereby create or add to the earned surplus of the parent.

(5) The action of the directors of a corporation in creating or adding to earned surplus, as provided in this division, must be taken, if at all, not later than ninety days after the end of the fiscal year of such corporation in which the merger, consolidation, combination, or dissolution becomes effective.

### ***Available Versions of this Section***

- November 22, 1986 – House Bill 902 - 116th General Assembly [ [View November 22, 1986 Version](#) ]

### ***[Section 1701.33 | Dividends and distributions.](#)***

***Effective: March 17, 2000***

***Latest Legislation: House Bill 78 - 123rd General Assembly***

***PDF: [Download Authenticated PDF](#)***

The directors may declare dividends and distributions on outstanding shares of the corporation, subject to the following provisions:

(A) A dividend or distribution may be paid in cash, property, or shares of the corporation. The dividend or distribution shall not exceed the combination of the surplus of the corporation and the difference between the following:

(1) The reduction in surplus that results from the immediate recognition of the transition obligation under statement of financial accounting standards no. 106 (SFAS no. 106), issued by the financial accounting standards board;

(2) The aggregate amount of the transition obligation that would have been recognized as of the date of the declaration of a dividend or distribution if the corporation had



**Ohio Revised Code 1701 - General Corporation Law**

elected to amortize its recognition of the transition obligation under statement of financial accounting standards no. 106.

(B) A dividend or distribution may be paid in treasury shares or in authorized but unissued shares. If paid in shares with par value, there shall be transferred from any surplus, however created, to stated capital, the amount, if any, that is necessary in order that the stated capital represented by the outstanding shares with par value, after giving effect to the dividend or distribution, will be equal to the aggregate par value of the shares, or, if the directors so determine, a greater amount shall be so transferred. If paid in shares without par value, there shall be transferred from any surplus, however created, to stated capital, only the amount, if any, that the directors determine.

(C) No dividend or distribution shall be paid to the holders of shares of any class in violation of the rights of the holders of shares of any other class, or when the corporation is insolvent or there is reasonable ground to believe that by such payment it would be rendered insolvent.

(D) No dividend or distribution on shares of any class shall be paid in shares of another class if any of the authorized shares of the latter class are already outstanding, unless either the articles so provide or the payment is authorized by the affirmative vote of the holders of at least two-thirds of the shares of the class in which payment is to be made.

(E) If the articles of a corporation engaged in whole or in part in the exploitation of mines, timber, oil wells, gas wells, quarries, or other natural resources so provide, the corporation may compute its surplus for the purpose of paying dividends and distributions without making any deduction or allowance for the depletion of such assets incidental to the exploitation and sale of them.

(F) When any portion of a dividend or distribution is paid out of capital surplus, the corporation, at the time of paying the dividend or distribution, shall notify the shareholders receiving the dividend or distribution as to the kind of surplus out of which the dividend or distribution is paid.

(G) When a dividend or distribution is to be paid in authorized but unissued shares of the corporation, the directors may provide that the dividend or distribution shall also be paid on treasury shares of the same class.

(H) The effect of a dividend or distribution is measured as of the date the dividend or distribution is authorized if the payment occurs one hundred twenty days or less after the date of authorization or as of the date the payment is made if it occurs more than one hundred twenty days after the date of authorization. If a corporation pays a dividend or distribution by delivering an obligation or other evidence of indebtedness,



## Ohio Revised Code 1701 - General Corporation Law

the date of the delivery is the date upon which the effect of the dividend or distribution is measured.

(I) A corporation's indebtedness to a shareholder incurred by reason of a dividend or distribution made in accordance with this section is at parity with the corporation's indebtedness to its general, unsecured creditors, except to the extent subordinated by agreement.

### **Available Versions of this Section**

- March 17, 2000 – House Bill 78 - 123rd General Assembly [ [View March 17, 2000 Version](#) ]

[Section 1701.34 | Recovery of unclaimed dividend or distribution.](#)

**Effective: July 30, 1984**

**Latest Legislation: House Bill 250 - 115th General Assembly**

**PDF: [Download Authenticated PDF](#)**

If a corporation has declared a cash dividend or distribution on any shares and has mailed to a shareholder at his address appearing on the records of the corporation a valid check in the amount of the dividend or distribution to which such shareholder is entitled, and such check would have been honored if duly presented to the bank on which it is drawn, no action for the recovery of such dividend or distribution or the amount thereof shall be brought by the shareholder or other person entitled to such dividend or distribution more than six years after the date of mailing the check.

### **Available Versions of this Section**

- July 30, 1984 – House Bill 250 - 115th General Assembly [ [View July 30, 1984 Version](#) ]

[Section 1701.35 | Purchase of own shares.](#)

**Effective: July 30, 1984**

**Latest Legislation: House Bill 250 - 115th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) A corporation by its directors may purchase shares of any class issued by it, in any of the following instances:



**Ohio Revised Code 1701 - General Corporation Law**

- (1) When the articles authorize the redemption of such shares and do not prohibit such purchase;
  - (2) To collect or compromise a debt, claim, or controversy in good faith;
  - (3) From a subscriber whose shares have not been paid for in full, or in settlement or compromise of a subscription;
  - (4) For offering and sale, or the grant of options with respect thereto, to any or all of the employees of the corporation or of subsidiary corporations or to a trustee on their behalf, under any plan adopted or to be adopted by the directors for that purpose;
  - (5) From a person who has purchased such shares from the corporation under an agreement reserving to the corporation the right to repurchase or obligating it to repurchase;
  - (6) To avoid the issuance of or to eliminate fractional shares;
  - (7) When the articles in substance provide that the corporation shall have a right to repurchase if and when any shareholder desires to, or on the happening of any event is required to, sell such shares;
  - (8) From a shareholder who by reason of dissent is entitled to be paid the fair cash value of his shares;
  - (9) When authorized by the shareholders at a meeting called for such purpose, by the affirmative vote of the holders of two-thirds of the shares of each class, regardless of limitations or restrictions in the articles on the voting rights of the shares of any such class, or if the articles so provide or permit, a greater or lesser proportion, but not less than a majority, of the shares of any class;
  - (10) When authorized by the articles or by such vote or consent of holders of such proportion of shares, though less than a majority, of any one or more classes as is provided in the articles.
- (B) A corporation shall not purchase its own shares except as provided in this section, nor shall a corporation purchase or redeem its own shares if immediately thereafter its assets would be less than its liabilities plus its stated capital, if any, or if the corporation is insolvent, or if there is reasonable ground to believe that by such purchase or redemption it would be rendered insolvent.
- (C) Shares issued by a corporation which owns or controls shares entitling it to elect a majority of the directors of another corporation may be purchased by such last



## Ohio Revised Code 1701 - General Corporation Law

mentioned corporation only when and if such shares could be purchased by the issuing corporation pursuant to division (A)(9) or (10) of this section.

### ***Available Versions of this Section***

- July 30, 1984 – House Bill 250 - 115th General Assembly [ [View July 30, 1984 Version](#) ]

### [Section 1701.36 | Shares deemed retired.](#)

***Effective: October 11, 1955***

***Latest Legislation: House Bill 70 - 101st General Assembly***

***PDF: Download Authenticated PDF***

(A) Whenever convertible shares are converted into shares of another class, the shares surrendered upon such conversion shall be deemed retired and shall not be reissued as convertible shares.

(B) Whenever redeemable shares are redeemed, purchased, or otherwise acquired by the corporation, such shares shall be deemed retired.

(C) Shares released from subscription shall be deemed retired.

(D) Unless otherwise provided in the articles, the directors may retire treasury shares.

### ***Available Versions of this Section***

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]

### [Section 1701.37 | Corporation to keep books and records of account, minutes of proceedings and records of shareholders.](#)

***Effective: October 11, 1955***

***Latest Legislation: House Bill 70 - 101st General Assembly***

***PDF: Download Authenticated PDF***

(A) Whenever convertible shares are converted into shares of another class, the shares surrendered upon such conversion shall be deemed retired and shall not be reissued as convertible shares.

(B) Whenever redeemable shares are redeemed, purchased, or otherwise acquired by the corporation, such shares shall be deemed retired.



---

## Ohio Revised Code 1701 - General Corporation Law

(C) Shares released from subscription shall be deemed retired.

(D) Unless otherwise provided in the articles, the directors may retire treasury shares.

### ***Available Versions of this Section***

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]

### [Section 1701.38 | Annual report.](#)

***Effective: March 24, 2021***

***Latest Legislation: Senate Bill 21 - 133rd General Assembly***

***PDF: Download Authenticated PDF***

(A) At the annual meeting of shareholders, or the meeting held in lieu of it, every corporation, except a banking corporation, shall lay before the shareholders financial statements, which may be consolidated, and, as applicable, written statements or reports, consisting of:

(1) A balance sheet containing a summary of the assets, liabilities, stated capital, if any, and surplus (showing separately any capital surplus arising from unrealized appreciation of assets, other capital surplus, and earned surplus) as of the end of the corporation's most recent fiscal year, except that, if consolidated financial statements are laid before the shareholders, the consolidated balance sheet shall show separately or disclose by a note the amount of consolidated surplus that does not constitute under the Revised Code earned surplus of the corporation or any of its subsidiaries and that is not classified as stated capital or capital surplus on the consolidated balance sheet;

(2) A statement of profit and loss and surplus, including a summary of profits, dividends or distributions paid, and other changes in the surplus accounts, for the period commencing with the date marking the end of the period for which the last preceding statement of profit and loss required under this section was made and ending with the date of the balance sheet or, in the case of the first statement of profit and loss, for the period commencing with the date of incorporation of the corporation and ending with the date of the balance sheet;

(3) If the corporation is a benefit corporation, any written statement or report required by the articles, regulations, or a written agreement of the benefit corporation concerning the beneficial purposes of the benefit corporation and the activities of the benefit corporation toward those beneficial purposes and related provisions set forth in the corporation's articles.



---

**Ohio Revised Code 1701 - General Corporation Law**

(B) The financial statements shall have appended to them an opinion signed by the president or a vice-president or the treasurer or an assistant treasurer of the corporation or by a public accountant or firm of public accountants to the effect that the financial statement presents fairly the financial position of the corporation and the results of its operations in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period, or to the effect that the financial statements have been prepared on the basis of accounting practices and principles that are reasonable in the circumstances.

(C) Upon request of any shareholder made in writing or by any other means of communication authorized by the corporation prior to the date of the meeting described in division (A) of this section, the corporation shall send a copy of any financial statements, written statements, and reports, as applicable, laid or to be laid before the shareholders at the meeting to the shareholder by mail, overnight delivery service, or any other means of communication authorized by the shareholder to whom the copy is sent on or before the later of the following:

(1) The fifth day after the receipt of the written request;

(2) The earlier of the following:

(a) The fifth day before the date of the meeting;

(b) The fifth day after the expiration of four months from the date of the balance sheet described in division (A)(1) of this section.

(D) If the meeting described in division (A) of this section is to be held solely by means of communications equipment, the corporation shall make the financial statements, written statements, and reports described in that division, as applicable, open to the examination of any shareholder or proxyholder during the whole time of the meeting on a reasonably accessible electronic network. The directors may adopt guidelines and procedures to permit the corporation to verify that any person accessing the financial statements, written statements, or reports is a shareholder or proxyholder.

***Available Versions of this Section***

- May 16, 2002 – House Bill 278 - 124th General Assembly [ [View May 16, 2002 Version](#) ]
- March 24, 2021 – Amended by Senate Bill 21 - 133rd General Assembly [ [View March 24, 2021 Version](#) ]

[Section 1701.39 | Annual meeting.](#)



---

## Ohio Revised Code 1701 - General Corporation Law

**Effective: September 30, 1974**

**Latest Legislation: Senate Bill 155 - 110th General Assembly**

**PDF: [Download Authenticated PDF](#)**

An annual meeting of shareholders for the election of directors and the consideration of reports to be laid before such meeting shall be held on a date designated by, or in the manner provided for in, the articles or in the regulations. In the absence of such designation, the annual meeting shall be held on the first Monday of the fourth month following the close of each fiscal year of the corporation. When the annual meeting is not held or directors are not elected thereat, they may be elected at a special meeting called for that purpose.

### ***Available Versions of this Section***

- September 30, 1974 – Senate Bill 155 - 110th General Assembly [ [View September 30, 1974 Version](#) ]

### ***[Section 1701.40 | Calling meeting of shareholders.](#)***

**Effective: October 12, 2006**

**Latest Legislation: House Bill 301 - 126th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) Meetings of shareholders may be called by any of the following:

(1) The chairperson of the board, the president, or, in case of the president's absence, death, or disability, the vice-president authorized to exercise the authority of the president;

(2) The directors by action at a meeting, or a majority of the directors acting without a meeting;

(3) Persons who hold twenty-five per cent of all shares outstanding and entitled to vote at the meeting, unless the articles, the regulations adopted by the shareholders, or the regulations adopted by the directors pursuant to division (A)(1) of section [1701.10](#) of the Revised Code specify for that purpose a smaller or larger proportion but not in excess of fifty per cent;

(4) Such other officers or persons as the articles or the regulations authorize to call the meetings.

(B) Meetings of shareholders may be held either within or without this state if so provided in the articles or the regulations. The articles or regulations may authorize the





## Ohio Revised Code 1701 - General Corporation Law

directors to determine that the meeting shall not be held at any physical place, but instead may be held solely by means of communications equipment as authorized by division (C) of this section. If the corporation is an issuing public corporation and the articles or regulations do not require that a meeting be held at a particular physical place and also authorize the directors to fix the place of the meeting, the directors may determine that the meeting shall not be held at any physical place, but instead may be held solely by means of communications equipment as authorized by division (C) of this section. In the absence of any such provision, all meetings shall be held at the principal office of the corporation in this state.

(C) If authorized by the directors, the shareholders and proxyholders who are not physically present at a meeting of shareholders may attend a meeting of shareholders by use of communications equipment that enables the shareholder or proxyholder an opportunity to participate in the meeting and to vote on matters submitted to the shareholders, including an opportunity to read or hear the proceedings of the meeting and to speak or otherwise participate in the proceedings contemporaneously with those physically present. Any shareholder using communications equipment will be deemed present in person at the meeting whether the meeting is to be held at a designated place or solely by means of communications equipment. The directors may adopt guidelines and procedures for the use of communications equipment in connection with a meeting of shareholders to permit the corporation to verify that a person is a shareholder or proxyholder and to maintain a record of any vote or other action.

### ***Available Versions of this Section***

- October 12, 2006 – House Bill 301 - 126th General Assembly [ [View October 12, 2006 Version](#) ]

### ***[Section 1701.41 | Notice of meeting.](#)***

***Effective: October 12, 2006***

***Latest Legislation: House Bill 301 - 126th General Assembly***

***PDF: [Download Authenticated PDF](#)***

(A) Written notice stating the time, place, if any, and purposes of a meeting of the shareholders, and the means, if any, by which shareholders can be present and vote at the meeting through the use of communications equipment shall be given either by personal delivery or by mail, overnight delivery service, or any other means of communication authorized by the shareholder to whom the notice is given, not less than seven nor more than sixty days before the date of the meeting unless the articles, the regulations adopted by the shareholders, or the regulations adopted by the directors pursuant to division (A)(1) of section [1701.10](#) of the Revised Code specify a



## **Ohio Revised Code 1701 - General Corporation Law**

longer period: (1) to every shareholder of record entitled to notice of the meeting; (2) by or at the direction of the president or the secretary or any other person required or permitted by the regulations to give that notice. If mailed or sent by overnight delivery service, the notice shall be sent to the shareholder at the shareholder's address as it appears on the records of the corporation. If sent by another means of communication authorized by the shareholder, the notice shall be sent to the address furnished by the shareholder for those transmissions. Notice of adjournment of a meeting need not be given if the time and place, if any, to which it is adjourned and the means, if any, by which shareholders can be present and vote at the adjourned meeting through the use of communications equipment are fixed and announced at the meeting.

(B) Upon request in writing delivered either in person or by registered mail to the president or the secretary by any persons entitled to call a meeting of shareholders, that officer shall forthwith cause to be given to the shareholders entitled to notice of a meeting to be held on a date not less than seven nor more than sixty days after the receipt of the request, as the officer may fix, unless the articles, the regulations adopted by the shareholders, or the regulations adopted by the directors pursuant to division (A)(1) of section [1701.10](#) of the Revised Code specify a longer period for this purpose. If the notice is not given within fifteen days after the delivery or mailing of the request, or that shorter or longer period as the articles, the regulations adopted by the shareholders, or the regulations adopted by the directors pursuant to division (A)(1) of section [1701.10](#) of the Revised Code specify for this purpose, the persons calling the meeting may fix the time of meeting and give notice of the time of meeting as provided in division (A) of this section, or cause the notice to be given by any designated representative.

(C) Any authorization by a shareholder to send notices given pursuant to this chapter by any means other than in person or by mail or overnight delivery service is revocable by written notice to the corporation either by personal delivery or by mail, overnight delivery service, or any other means of communication authorized by the corporation. If sent by another means of communication authorized by the corporation, the notice shall be sent to the address furnished by the corporation for those transmissions. Any authorization by a shareholder to send notices given pursuant to this chapter by any means other than in person or by mail or overnight delivery service will be deemed to have been revoked by the shareholder if (1) the corporation has attempted to make delivery of two consecutive notices in accordance with that authorization, and (2) the secretary or an assistant secretary of the corporation, or other person responsible for giving of notice, has received notice that, or otherwise believes that, delivery has not occurred. However, an inadvertent failure to treat the inability to deliver notice as a revocation will not invalidate any meeting of shareholders or other action.

### ***Available Versions of this Section***



## Ohio Revised Code 1701 - General Corporation Law

- October 12, 2006 – House Bill 301 - 126th General Assembly [ [View October 12, 2006 Version](#) ]

### [Section 1701.42 | Waiver of notice.](#)

**Effective: May 16, 2002**

**Latest Legislation: House Bill 278 - 124th General Assembly**

**PDF: [Download Authenticated PDF](#)**

Notice of the time, place, if any, and purposes of any meeting of shareholders or directors, as the case may be, whether required by law, the articles, the regulations, or (in the case of directors) the bylaws, may be waived in writing, either before or after the holding of such meeting, by any shareholder, or by any director, which writing shall be filed with or entered upon the records of the meeting. The attendance of any shareholder or any director at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by the shareholder or director of notice of such meeting. A telegram, cablegram, electronic mail, or an electronic or other transmission capable of authentication that appears to have been sent by a person described in this section and that contains a waiver by that person is a writing for the purposes of this section.

### ***Available Versions of this Section***

- May 16, 2002 – House Bill 278 - 124th General Assembly [ [View May 16, 2002 Version](#) ]

### [Section 1701.43 | Notice requirements may be dispensed with.](#)

**Effective: October 11, 1955**

**Latest Legislation: House Bill 70 - 101st General Assembly**

**PDF: [Download Authenticated PDF](#)**

Any requirement imposed by law, the articles, the regulations, or the bylaws, with respect to the giving or sending of any notice or communication to any shareholder or director as such whose address as it appears upon the records of the corporation is outside of the United States, may be dispensed with, and no action taken shall be affected or invalidated by the failure to give or send any such notice or communication in so far as compliance with any such requirement is at the time prohibited by, or dependent upon the obtaining of a license or consent under, any act of congress or any rules, regulations, proclamations, or executive orders issued under authority of any such act.



---

## Ohio Revised Code 1701 - General Corporation Law

### ***Available Versions of this Section***

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]

### [Section 1701.44 | Qualifications of voters.](#)

***Effective: October 12, 2006***

***Latest Legislation: House Bill 301 - 126th General Assembly***

***PDF: Download Authenticated PDF***

(A) Except to the extent that the voting rights of the shares of any class are increased, limited, or denied by the express terms of such shares, and except as provided in scrip issued in lieu of a certificate for a fraction of a share, each outstanding share regardless of class shall entitle the holder thereof to one vote on each matter properly submitted to the shareholders for their vote, consent, waiver, release, or other action, subject to the provisions with respect to cumulative voting in section [1701.55](#) of the Revised Code.

(B) Unless the articles, the regulations adopted by the shareholders, the regulations adopted by the directors pursuant to division (A)(1) of section [1701.10](#) of the Revised Code, or the contract of subscription for shares otherwise provides, a shareholder shall be entitled to vote even though the shareholder's shares have not been fully paid, but shares upon which an installment of the consideration for such shares is overdue and unpaid shall not be voted.

### ***Available Versions of this Section***

- October 12, 2006 – House Bill 301 - 126th General Assembly [ [View October 12, 2006 Version](#) ]

### [Section 1701.45 | Director to fix record date.](#)

***Effective: March 17, 2000***

***Latest Legislation: House Bill 78 - 123rd General Assembly***

***PDF: Download Authenticated PDF***

(A) For any lawful purpose, including, without limitation, the determination of the shareholders who are entitled: (1) to receive notice of or to vote at a meeting of shareholders; (2) to receive payment of any dividend or distribution; (3) to receive or exercise rights of purchase of or subscription for, or exchange or conversion of, shares or other securities, subject to contract rights with respect to the shares or securities; or (4) to participate in the execution of written consents, waivers, or releases; the



**Ohio Revised Code 1701 - General Corporation Law**

directors may fix a record date which shall not be a date earlier than the date on which the record date is fixed and, in the cases provided for in clauses (1), (2) and (3) above, shall not be more than sixty days, unless the articles or the regulations specify a shorter or a longer period for that purpose, preceding the date of the meeting of the shareholders, or the date fixed for the payment of any dividend or distribution, or the date fixed for the receipt or the exercise of rights, as the case may be.

(B) If a meeting of the shareholders is called by persons entitled to call the meeting or action is taken by shareholders without a meeting, and if the directors fail or refuse, within the time that the persons calling the meeting or initiating other action may request, to fix a record date for the purpose of clause (1) or (4) of division (A) of this section, then the persons calling the meeting or initiating other action may fix a record date for either of those purposes, subject to the limitations set forth in division (A) of this section.

(C) The record date for the purpose of clause (1) of division (A) of this section shall continue to be the record date for all adjournments of such meeting, unless the directors or the persons who fixed the original record date, subject to the limitations set forth in division (A) of this section, fix another record date, and in case a new record date is so fixed, notice of the record date and of the date to which the meeting has been adjourned shall be given to shareholders of record as of that date in accordance with the same requirements as those applying to a meeting newly called.

(D) The directors may close the share transfer books against transfers of shares during the whole or any part of the period provided for in division (A) of this section, including the date of the meeting of the shareholders and the period ending with the date, if any, to which the meeting is adjourned.

(E) If no record date is fixed, the record date for determining the shareholders who are entitled to receive notice of, or who are entitled to vote at, a meeting of shareholders shall be the date next preceding the day on which notice is given, or the date next preceding the day on which the meeting is held, as the case may be.

(F) The record date for a change of shares shall be the time when the certificate of amendment or of amended articles effecting the change is filed in the office of the secretary of state.

(G) If the directors do not fix a record date for determining shareholders entitled to payment of any dividend or distribution, the record date is the date that the directors authorize the dividend or distribution.

***Available Versions of this Section***



---

## Ohio Revised Code 1701 - General Corporation Law

- March 17, 2000 – House Bill 78 - 123rd General Assembly [ [View March 17, 2000 Version](#) ]

### [Section 1701.46 | Voting by fiduciaries and minors.](#)

**Effective: October 11, 1955**

**Latest Legislation: House Bill 70 - 101st General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) As used in this section, "consent" includes, without limitation, waivers, releases, and also writings signed by holders of shares in lieu of taking action at meetings of shareholders. Objections to consents, in order to be effective for the purposes of this section, must be filed with the corporation before the consents in question had been acted upon.

(B) Fiduciaries and minors may vote and execute consents in respect of shares which stand of record in their respective names.

(C) When any person has furnished to the issuing corporation proof, satisfactory to it, of his appointment and qualification as: executor under the last will of a deceased holder of record of its shares; an administrator of the estate of such a holder; a guardian, committee, or conservator of the estate of a ward or incompetent who is holder of record of its shares; a trustee in bankruptcy of such a holder; or a statutory or judicial receiver or liquidator of the estate or affairs of such a holder; such fiduciary may vote and execute consents with respect to such shares as though he were the holder of record thereof.

(D) When any other fiduciary has furnished to the issuing corporation proof, satisfactory to it, of his authority to do so, he may vote and execute consents and objections to consents with respect to shares not of record in his name.

(E) If shares stand of record in the names of two or more persons, whether fiduciaries, joint tenants, tenants in common, or otherwise, or if two or more persons have the same fiduciary relationship respecting such shares, then in the absence of proof satisfactory to the issuing corporation to the contrary, (1) with respect to voting and executing consents and objections to consents, if more than one person attends the meeting, a majority of those attending if they concur in any action may act for all; if more than one acts in executing consents or objections to consents and the number executing consents shall exceed the number executing objections to consents, the former may act for all; and likewise if the number executing objections to consents shall exceed the number executing consents, the greater number may act for all; if only one of said persons attends the meeting, or executes a consent and no other of said



## Ohio Revised Code 1701 - General Corporation Law

persons executes an objection to such consent, then that one may act for all; and if an even number attend the meeting and a majority of all the persons so attending do not agree on any particular issue, or if one or more execute consents and a like number execute objections to consents, each person so attending or executing consents or objections to consents may act with respect to an equal number of shares; (2) in the exercise of any other rights of ownership with respect to such shares, a majority of all such persons may act for all.

(F) This section does not enlarge or affect the rights or obligations of a holder of record of shares or of a fiduciary or a minor with respect to any person other than the corporation issuing such shares and its agents or representatives, including, without limitation, inspectors of election, concerned with the exercise of the powers referred to in this section.

(G) A holder of record of shares and a fiduciary who is not a holder of record of shares may not vote or execute consents or objections to consents contrary to the order of a court of competent jurisdiction in a proceeding to which the corporation is a party, or contrary to a judgment, order, or decree of a court of competent jurisdiction terminating, suspending, or restricting such rights of the holder of record of such shares or the fiduciary relationship with respect thereto, or the competency or authority of such holder or fiduciary, or transferring to or vesting in another person such relationships or rights of ownership of such shares, or directing the manner in which the powers of such holder or fiduciary shall be exercised, a certified copy of which judgment, order, or decree shall have been filed with the corporation prior to the exercise of the powers in question.

(H) The powers referred to in this section, of a minor and, in the absence of proof satisfactory to the issuing corporation to the contrary, of a fiduciary, may be exercised in person or by proxy appointed in writing, and such proxy may be vested with discretionary authority.

### ***Available Versions of this Section***

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]

[Section 1701.47 | Voting by corporations.](#)

***Effective: October 11, 1955***

***Latest Legislation: House Bill 70 - 101st General Assembly***

***PDF: Download Authenticated PDF***



## Ohio Revised Code 1701 - General Corporation Law

(A) When any domestic corporation, non-profit or for profit, holds shares of a domestic or foreign corporation, the chairman of the board, the president, any vice-president, the secretary, or the treasurer of the corporation holding such shares, and any such officer or cashier or trust officer of a banking or trust corporation holding shares of a domestic or foreign corporation, and any like officer of a foreign corporation, non-profit or for profit, or of a foreign banking or trust corporation, holding shares of a domestic corporation, shall conclusively be deemed to have authority to vote on behalf of the corporation holding such shares, and to appoint proxies and to execute consents, waivers, and releases on its behalf, unless before a vote is taken or a consent, waiver, or release is acted upon it appears by a certified copy of the regulations, the bylaws, or a resolution of the trustees, directors, or executive committee of said corporation that such authority does not exist or is vested in some other officer or person.

(B) For the purposes of this section, a person exercising such authority as such officer is prima-facie deemed to be duly elected, qualified, and acting as such officer.

(C) No corporation shall directly or indirectly vote any shares issued by it. Shares which under this division of this section are not entitled to be voted shall not be considered as outstanding for the purpose of computing the voting power of the corporation or of shares of any class.

### ***Available Versions of this Section***

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]

[Section 1701.48 | Voting by proxy.](#)

***Effective: September 13, 1999***

***Latest Legislation: House Bill 6 - 123rd General Assembly***

***PDF: Download Authenticated PDF***

(A) A person who is entitled to attend a shareholders' meeting, to vote at a shareholders' meeting, or to execute consents, waivers, or releases may be represented at the meeting or vote at the meeting, may execute consents, waivers, and releases, and may exercise any of the person's other rights, by proxy or proxies appointed by a writing signed by the person or appointed by a verifiable communication authorized by the person.

(B) Any transmission that creates a record capable of authentication, including, but not limited to, a telegram, a cablegram, electronic mail, or an electronic, telephonic, or other transmission, that appears to have been transmitted by a person described in





**Ohio Revised Code 1701 - General Corporation Law**

division (A) of this section, and that appoints a proxy is a sufficient verifiable communication to appoint a proxy. A photographic, photostatic, facsimile transmission, or equivalent reproduction of a writing that is signed by a person described in division (A) of this section and that appoints a proxy is a sufficient writing to appoint a proxy.

(C) No appointment of a proxy is valid after the expiration of eleven months after it is made unless the writing or verifiable communication specifies the date on which it is to expire or the length of time it is to continue in force. No proxy appointed for or in connection with the shareholder authorization of a control share acquisition pursuant to section [1701.831](#) of the Revised Code is valid if it provides that it is irrevocable or if it is sought, appointed, and received other than both:

(1) In accordance with all applicable requirements of the law of this state and the law of the United States;

(2) Separate and apart from the sale or purchase, contract or tender for sale or purchase, or request or invitation for tender for sale or purchase, of shares of the issuing public corporation.

(D) Every appointment of a proxy shall be revocable unless that appointment is coupled with an interest, except that, as provided in division (C) of this section, proxies appointed for or in connection with the shareholder authorization of a control share acquisition pursuant to section [1701.831](#) of the Revised Code shall be revocable at all times prior to the obtaining of that shareholder authorization, whether or not coupled with an interest. A revocation of a revocable appointment may be made only as provided in this section. Without affecting any vote previously taken, the person appointing a proxy may revoke a revocable appointment by a later appointment received by the corporation or by giving notice of revocation to the corporation in writing, in a verifiable communication, or in open meeting. The presence at a meeting of the person appointing a proxy does not revoke the appointment.

(E) A revocable appointment of a proxy is not revoked by the death or incompetency of the maker unless, before the vote is taken or the authority granted is otherwise exercised, written notice of the death or incompetency of the maker is received by the corporation from the executor or administrator of the estate of the maker or from the fiduciary having control of the shares in respect of which the proxy was appointed.

(F) Unless the writing or verifiable communication appointing a proxy otherwise provides:

(1) Each proxy has the power of substitution, and, if three or more proxies are appointed, a majority of them or of their substitutes may appoint one or more substitutes to act for all.



## Ohio Revised Code 1701 - General Corporation Law

(2) If more than one proxy is appointed, then (a) with respect to voting or executing consents, waivers, or releases, or objections to consents at a shareholders' meeting, a majority of the proxies that attend the meeting, or if only one attends then that one, may exercise all the voting and consenting authority at the meeting; and if one or more attend and a majority do not agree on any particular issue, each proxy so attending shall be entitled to exercise that authority with respect to an equal number of shares; (b) with respect to exercising any other authority, a majority may act for all.

### **Available Versions of this Section**

- September 13, 1999 – House Bill 6 - 123rd General Assembly [ [View September 13, 1999 Version](#) ]

### [Section 1701.49 | Voting trusts.](#)

**Effective: January 1, 1998**

**Latest Legislation: House Bill 170 - 122nd General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) By written agreement certificates for shares of a corporation may be deposited within or without this state by any holder or holders thereof with one or more persons as trustees, or with any depository designated by or pursuant to such agreement to act for such trustees, for the purpose and with the effect of granting to such trustees or a majority of them, or to such persons as may be designated by or pursuant to such agreement, all the voting, consenting, or other rights in respect of the shares represented by such certificates, or such of these rights as may be specified in the agreement, or for such other lawful purposes as may be specified in the agreement, for such period and upon such terms as may be stated therein.

In the case of uncertificated securities, the deposit of the shares may be accomplished by registration in the name of the trustee or trustees as provided in division (F) of this section.

(B) No such agreement which grants the voting or consenting rights in respect of shares shall be irrevocable for a period of more than ten years, unless the voting or consenting rights granted thereby are coupled with an interest in the shares to which such rights relate, except that, if the agreement so provides, such irrevocable grant may be extended for additional periods of not more than ten years each, upon the affirmative vote or assent of the beneficial owners of not less than a majority of the shares deposited under the agreement. Such rights shall be deemed coupled with an interest in the shares if granted in connection with: an option, authority, or contract to buy or sell the shares or a part thereof; a pledge of the shares to secure the performance or



### **Ohio Revised Code 1701 - General Corporation Law**

nonperformance of any act; the performance or nonperformance of any act, or agreement for an act, by the corporation issuing the shares; or any other act or thing constituting an interest sufficient in law to support a power coupled therewith.

(C) The trustees under the agreement may issue, or cause to be issued by their depository or agent, voting trust certificates registered in the name of the owners thereof. So far as consistent with the agreement and the voting trust certificates issued thereunder, the provisions of Chapter 1308., and of sections [1701.01](#) to [1701.99](#) of the Revised Code, with respect to the transfer of certificates for shares shall apply to transfers of such voting trust certificates.

Voting trust certificates must be in certificated form, and interests in a voting trust shall not be eligible for treatment as uncertificated securities.

(D) The agreement may include any terms not repugnant to law, including provisions defining, limiting, or regulating the exercise of the authority, and the liability of, the trustees, or of such persons as are designated by or pursuant to any such agreement to exercise the voting, consenting, or other rights in respect of the deposited shares or to act as depository thereunder.

(E) An executed counterpart of the agreement may be filed with the secretary of the corporation, and upon such filing shall be open to inspection by any shareholder at the office of the corporation at all reasonable times.

(F) The certificates for shares so deposited may be surrendered to and canceled by the issuing corporation, and if this is done new certificates therefor shall be issued by the corporation in the names of the trustees or of such persons as are designated by or pursuant to the agreement, as specified in a writing signed by the trustees and delivered to the issuing corporation. The new certificates shall be delivered to the trustees, or to any depository, as the trustees may direct. The new certificates shall be issued in such manner that it shall appear that they are issued pursuant to the agreement, and in the entry of ownership in the proper books of the corporation that fact shall also be noted.

If the corporation has elected to issue uncertificated securities, shares in uncertificated form may be deposited, with the effect provided by division (A) of this section, by registration in the name of the trustee or trustees or of such persons as are designated by or pursuant to the agreement, in accordance with Chapter 1308. of the Revised Code.

(G) Shares issued by a foreign corporation may be made the subject of an agreement under this section.



## Ohio Revised Code 1701 - General Corporation Law

(H) The rights conferred by this section are in addition to rights at common law, and no limitation established by this section shall limit rights at common law.

(I) Any such agreement shall be conclusively deemed to have been made under the common law, and not under this section, if the agreement so states.

### **Available Versions of this Section**

- January 1, 1998 – House Bill 170 - 122nd General Assembly [ [View January 1, 1998 Version](#) ]

### [Section 1701.50 | Inspectors of elections.](#)

**Effective: October 11, 1955**

**Latest Legislation: House Bill 70 - 101st General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) Unless the articles or the regulations otherwise provide:

(1) The directors, in advance of any meeting of shareholders, may appoint inspectors of election to act at such meeting or any adjournment thereof;

(2) If inspectors are not so appointed, the officer or person acting as chairman of any such meeting may, and on the request of any shareholder or his proxy shall, make such appointment;

(3) In case any person appointed as inspector fails to appear or to act, the vacancy may be filled by appointment made by the directors in advance of the meeting, or at the meeting by the officer or person acting as chairman.

(B) If there are three or more inspectors, the decision, act, or certificate of a majority of them shall be effective in all respects as the decision, act, or certificate of all.

(C) The inspectors shall determine the number of shares outstanding, the voting rights with respect to each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies; receive votes, ballots, consents, waivers, or releases; hear and determine all challenges and questions arising in connection with the vote; count and tabulate all votes, consents, waivers, and releases; determine and announce the result; and do such acts as are proper to conduct the election or vote with fairness to all shareholders.

(D) On request, the inspectors shall make a report in writing of any challenge, question, or matter determined by them and execute a certificate of any fact found by them.



## Ohio Revised Code 1701 - General Corporation Law

(E) The certificate of the inspectors shall be prima-facie evidence of the facts stated therein and of the vote as certified by them.

### ***Available Versions of this Section***

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]

### [Section 1701.51 | Quorum at shareholders' meetings.](#)

***Effective: October 12, 2006***

***Latest Legislation: House Bill 301 - 126th General Assembly***

***PDF: Download Authenticated PDF***

(A) Unless the articles, the regulations adopted by the shareholders, or the regulations adopted by the directors pursuant to division (A)(1) of section [1701.10](#) of the Revised Code otherwise provide, the shareholders present in person, by proxy, or by the use of communications equipment at any meeting of shareholders shall constitute a quorum for such meeting, but no action required by law, the articles, or the regulations to be authorized or taken by the holders of a designated proportion of the shares of any particular class or of each class, may be authorized or taken by a lesser proportion.

(B) Unless the articles or the regulations otherwise provide, the holders of a majority of the voting shares represented at a meeting, whether or not a quorum is present, may adjourn such meeting from time to time.

### ***Available Versions of this Section***

- October 12, 2006 – House Bill 301 - 126th General Assembly [ [View October 12, 2006 Version](#) ]

### [Section 1701.52 | Vote of shareholders required - proportion.](#)

***Effective: October 11, 1955***

***Latest Legislation: House Bill 70 - 101st General Assembly***

***PDF: Download Authenticated PDF***

Notwithstanding any provision in sections [1701.01](#) to [1701.98](#), inclusive, of the Revised Code requiring for any purpose the vote, consent, waiver, or release of the holders of a designated proportion (but less than all) of the shares of any particular class or of each class, the articles may provide that for such purpose the vote, consent, waiver, or release of the holders of a greater or lesser proportion of the shares of such particular



## Ohio Revised Code 1701 - General Corporation Law

class or of each class shall be required, but unless otherwise expressly permitted by such sections such proportion shall be not less than a majority.

### ***Available Versions of this Section***

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]

[Section 1701.53 | Vote of shareholders required for rescission or revocation.](#)

***Effective: October 11, 1955***

***Latest Legislation: House Bill 70 - 101st General Assembly***

***PDF: Download Authenticated PDF***

The authorization or taking of any action by vote, consent, waiver, or release of the shareholders may be rescinded or revoked by the same vote, consent, waiver, or release as at the time of rescission or revocation would be required to authorize or take such action in the first instance, subject to the contract rights of other persons.

### ***Available Versions of this Section***

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]

[Section 1701.54 | Action by shareholders or directors without a meeting.](#)

***Effective: October 12, 2006***

***Latest Legislation: House Bill 301 - 126th General Assembly***

***PDF: Download Authenticated PDF***

(A) Unless the articles, the regulations adopted by the shareholders, or the regulations adopted by the directors pursuant to division (A)(1) of section [1701.10](#) of the Revised Code prohibit the authorization or taking of any action of the shareholders or of the directors without a meeting, any action that may be authorized or taken at a meeting of the shareholders or of the directors, as the case may be, may be authorized or taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by all the shareholders who would be entitled to notice of a meeting of the shareholders held for such purpose, or all the directors, respectively, which writing or writings shall be filed with or entered upon the records of the corporation. Any certificate with respect to the authorization or taking of any such action that is required to be filed in the office of the secretary of state shall recite that the authorization or



## Ohio Revised Code 1701 - General Corporation Law

taking of such action was in a writing or writings approved and signed as specified in this section.

(B) A telegram, cablegram, electronic mail, or an electronic or other transmission capable of authentication that appears to have been sent by a person described in division (A) of this section and that contains an affirmative vote or approval of that person is a signed writing for the purposes of this section. The date on which that telegram, cablegram, electronic mail, or electronic or other transmission is sent is the date on which the writing is signed.

### ***Available Versions of this Section***

- October 12, 2006 – House Bill 301 - 126th General Assembly [ [View October 12, 2006 Version](#) ]

### [Section 1701.55 | Election of directors - cumulative voting.](#)

***Effective: September 30, 2008***

***Latest Legislation: House Bill 374 - 127th General Assembly***

***PDF: Download Authenticated PDF***

(A) At a meeting of shareholders at which directors are to be elected, only persons nominated as candidates shall be eligible for election as directors.

(B) Unless the articles set forth alternative election standards, at all elections of directors, the candidates receiving the greatest number of votes shall be elected.

(C) Unless the articles provide that no shareholder of a corporation may cumulate the shareholder's voting power, each shareholder has the right to vote cumulatively if notice in writing is given by any shareholder to the president, a vice-president, or the secretary of a corporation, not less than forty-eight hours before the time fixed for holding a meeting of the shareholders for the purpose of electing directors if notice of the meeting has been given at least ten days before the meeting, and, if the ten days' notice has not been given, not less than twenty-four hours before the meeting time, that the shareholder desires that the voting at such election shall be cumulative, provided that an announcement of the giving of that notice is made upon the convening of the meeting by the chairperson or secretary or by or on behalf of the shareholder giving the notice.

(D) Unless the articles provide that no shareholder of a corporation may cumulate the shareholder's voting power, each shareholder has the right, subject to the notice requirements contained in division (C) of this section, to cumulate the voting power the shareholder possesses and to give one candidate as many votes as the number of



## Ohio Revised Code 1701 - General Corporation Law

directors to be elected multiplied by the number of the shareholder's votes equals, or to distribute the shareholder's votes on the same principle among two or more candidates, as the shareholder sees fit.

### ***Available Versions of this Section***

- September 30, 2008 – House Bill 374 - 127th General Assembly [ [View September 30, 2008 Version](#) ]

### [Section 1701.56 | Number and qualifications of directors - provisional director.](#)

***Effective: July 6, 2016***

***Latest Legislation: Senate Bill 181 - 131st General Assembly***

***PDF: Download Authenticated PDF***

(A) Except as provided in division (B) of this section and section [1701.911](#) of the Revised Code:

(1) The number of directors may be fixed by the articles or the regulations, but the number so fixed shall not be less than one.

(2) Unless the articles or the regulations fix the number of directors or provide the manner in which such number may be fixed or changed by the shareholders, the number may be fixed or changed to a number not less than one at a meeting of the shareholders called for the purpose of electing directors at which a quorum is present, by the affirmative vote of the holders of a majority of the shares which are represented at the meeting and entitled to vote on the proposal. In addition to the authority of the shareholders to fix or change the number of directors and the manner in which such number may be fixed or changed, the articles or the regulations may authorize the directors to change the number of directors, may specify the manner in which the directors are to change the number of directors and limitations upon the directors' use of this authority, and may authorize the directors who are in office to fill any director's office that is created by an increase in the number of directors. No reduction in the number of directors shall of itself have the effect of shortening the term of any incumbent director.

(3) The directors shall be natural persons of at least eighteen years of age and shall have such qualifications, if any, as are stated in the articles or the regulations.

(4) The directors may elect a chairperson of the board who shall be a director. Unless otherwise provided in the articles or regulations or in a resolution of the directors, the chairperson of the board is not an officer of the corporation.





## Ohio Revised Code 1701 - General Corporation Law

(B) The court of common pleas of the county in which a corporation maintains its principal office may, pursuant to division (A) of section [1701.911](#) of the Revised Code, order the appointment of a provisional director for the corporation without regard to the number or qualifications of directors stated in the articles or regulations of the corporation.

### **Available Versions of this Section**

- May 4, 2012 – House Bill 48 - 129th General Assembly [ [View May 4, 2012 Version](#) ]
- July 6, 2016 – Amended by Senate Bill 181 - 131st General Assembly [ [View July 6, 2016 Version](#) ]

### [Section 1701.57 | Term and classification of directors.](#)

**Effective: October 12, 2006**

**Latest Legislation: House Bill 301 - 126th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) Unless the articles, the regulations adopted by the shareholders, or the regulations adopted by the directors pursuant to division (A)(1) of section [1701.10](#) of the Revised Code provide for a different term (which may not exceed three years from the date of election and until a successor is elected), each director shall hold office until the next annual meeting of the shareholders and until a successor is elected, or until the director's earlier resignation, removal from office, or death.

(B) The articles, the regulations adopted by the shareholders, or the regulations adopted by the directors pursuant to division (A)(1) of section [1701.10](#) of the Revised Code may provide:

(1) For the classification of directors into either two or three classes consisting of not less than three directors each, provided that where all shares of a corporation entitled to elect a class of directors are owned of record by one or two shareholders, the number of directors of each class may be less than three, but not less than the number of shareholders entitled to elect directors of such class;

(2) That the terms of office of the several classes need not be uniform, except that no term shall exceed the maximum period specified in division (A) of this section.

### **Available Versions of this Section**



---

## Ohio Revised Code 1701 - General Corporation Law

- October 12, 2006 – House Bill 301 - 126th General Assembly [ [View October 12, 2006 Version](#) ]

### [Section 1701.58 | Removal of directors and filling vacancies.](#)

**Effective: September 30, 2008**

**Latest Legislation: House Bill 374 - 127th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) The office of a director becomes vacant if the director dies or resigns. A resignation shall take effect immediately or at such other time as the director may specify.

(B) The directors may remove any director and thereby create a vacancy in the board:

(1) If by order of court the director has been found to be of unsound mind, or if the director is adjudicated a bankrupt;

(2) If within sixty days, or within any other period of time as is prescribed in the articles or the regulations, from the date of the director's election the director does not qualify by accepting in writing the director's election to that office or by acting at a meeting of the directors, and by acquiring the qualifications specified in the articles or the regulations; or if, for such period as is prescribed in the articles or the regulations, the director ceases to hold the required qualifications.

(C) Except as otherwise provided in this division, if the shareholders have the right to vote cumulatively in the election of directors, then, unless the articles, the regulations adopted by the shareholders, or the regulations adopted by the directors pursuant to division (A)(1) of section [1701.10](#) of the Revised Code expressly provide that no director may be removed from office or that removal of directors requires a greater vote than that specified in this division, all the directors, all the directors of a particular class, or any individual director may be removed from office, without assigning any cause, by the vote of the holders of a majority of the voting power entitling them to elect directors in place of those to be removed, except that, unless all the directors, or all the directors of a particular class, are removed, no individual director shall be removed if the votes of a sufficient number of shares are cast against the director's removal that, if cumulatively voted at an election of all the directors, or all the directors of a particular class, as the case may be, would be sufficient to elect at least one director. In the case of an issuing public corporation whose directors are classified pursuant to section [1701.57](#) of the Revised Code, the shareholders may effect a removal under this division only for cause.

(D) If the shareholders do not have the right to vote cumulatively in the election of directors, then, unless the articles, the regulations adopted by the shareholders, or the



## Ohio Revised Code 1701 - General Corporation Law

regulations adopted by the directors pursuant to division (A)(1) of section [1701.10](#) of the Revised Code expressly provide that no director may be removed from office or that removal of directors requires a greater vote than that specified in this division, all the directors, all the directors of a particular class, or any individual director may be removed from office, without assigning any cause, by the vote of the holders of a majority of the voting power entitling them to elect directors in place of those to be removed; except that in the case of an issuing public corporation whose directors are classified pursuant to section [1701.57](#) of the Revised Code, the shareholders may effect that removal only for cause.

(E) In case of any removal pursuant to division (C) or (D) of this section, a new director may be elected at the same meeting for the unexpired term of each director removed. Failure to elect a director to fill the unexpired term of any director removed is deemed to create a vacancy in the board.

(F) Unless the articles or the regulations otherwise provide, the remaining directors, though less than a majority of the whole authorized number of directors, may, by the vote of a majority of their number, fill any vacancy in the board for the unexpired term. Under this section, a vacancy exists if the shareholders increase the authorized number of directors but fail at the meeting at which such increase is authorized, or an adjournment of that meeting, to elect the additional directors provided for, or if the shareholders fail at any time to elect the whole authorized number of directors.

### ***Available Versions of this Section***

- September 30, 2008 – House Bill 374 - 127th General Assembly [ [View September 30, 2008 Version](#) ]

[Section 1701.59 | Authority of directors - bylaws.](#)

***Effective: March 24, 2021***

***Latest Legislation: Senate Bill 21 - 133rd General Assembly***

***PDF: Download Authenticated PDF***

(A) Except where the law, the articles, or the regulations require action to be authorized or taken by shareholders, all of the authority of a corporation shall be exercised by or under the direction of its directors. For their own government, the directors may adopt bylaws that are not inconsistent with the articles or the regulations. The selection of a time frame for the achievement of corporate goals shall be the responsibility of the directors.



**Ohio Revised Code 1701 - General Corporation Law**

(B) A director shall perform the director's duties as a director, including the duties as a member of any committee of the directors upon which the director may serve, in good faith, in a manner the director reasonably believes to be in or not opposed to the best interests of the corporation, and with the care that an ordinarily prudent person in a like position would use under similar circumstances. A director serving on a committee of directors is acting as a director.

(C) In performing a director's duties, a director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, that are prepared or presented by any of the following:

- (1) One or more directors, officers, or employees of the corporation who the director reasonably believes are reliable and competent in the matters prepared or presented;
- (2) Counsel, public accountants, or other persons as to matters that the director reasonably believes are within the person's professional or expert competence;
- (3) A committee of the directors upon which the director does not serve, duly established in accordance with a provision of the articles or the regulations, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

(D) For purposes of division (B) of this section, the following apply:

(1) A director shall not be found to have violated the director's duties under division (B) of this section unless it is proved by clear and convincing evidence that the director has not acted in good faith, in a manner the director reasonably believes to be in or not opposed to the best interests of the corporation, or with the care that an ordinarily prudent person in a like position would use under similar circumstances, in any action brought against a director, including actions involving or affecting any of the following:

(a) A change or potential change in control of the corporation, including a determination to resist a change or potential change in control made pursuant to division (F)(7) of section [1701.13](#) of the Revised Code;

(b) A termination or potential termination of the director's service to the corporation as a director;

(c) The director's service in any other position or relationship with the corporation.

(2) A director shall not be considered to be acting in good faith if the director has knowledge concerning the matter in question that would cause reliance on information, opinions, reports, or statements that are prepared or presented by the persons described in divisions (C)(1) to (3) of this section to be unwarranted.



**Ohio Revised Code 1701 - General Corporation Law**

(3) A director's duties under division (B) of this section are not owed by a director of a benefit corporation to a person who is a beneficiary of a beneficial purpose of the benefit corporation based solely on the status of that person as a beneficiary.

(4) Nothing contained in this division limits relief available under section [1701.60](#) of the Revised Code.

(E) A director shall be liable in damages for any action that the director takes or fails to take as a director only if it is proved by clear and convincing evidence in a court of competent jurisdiction that the director's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the corporation or undertaken with reckless disregard for the best interests of the corporation. Nothing contained in this division affects the liability of directors under section [1701.95](#) of the Revised Code or limits relief available under section [1701.60](#) of the Revised Code. This division does not apply if, and only to the extent that, at the time of a director's act or omission that is the subject of complaint, the articles or the regulations of the corporation state by specific reference to this division that the provisions of this division do not apply to the corporation.

(F) For purposes of this section, a director, in determining what the director reasonably believes to be in the best interests of the corporation, shall consider the interests of the corporation's shareholders and any beneficial purposes and related provisions set forth in the corporation's articles. The director shall consider any priority among purposes provided in the corporation's articles and shall consider any other method for balancing the purposes of the corporation that is set forth in the corporation's articles. In addition, the director may, in the director's discretion, consider any of the following:

(1) The interests of the corporation's employees, suppliers, creditors, and customers;

(2) The economy of the state and nation;

(3) Community and societal considerations;

(4) The long-term as well as short-term interests of the corporation and its shareholders, including the possibility that these interests or any beneficial purpose set forth in the corporation's articles may be best served by the continued independence of the corporation.

(G) Nothing contained in division (D) or (E) of this section affects the duties of either of the following:

(1) A director who acts in any capacity other than the director's capacity as a director;



## Ohio Revised Code 1701 - General Corporation Law

(2) A director of a corporation that does not have issued and outstanding shares that are listed on a national securities exchange or are regularly quoted in an over-the-counter market by one or more members of a national or affiliated securities association, who votes for or assents to any action taken by the directors of the corporation that, in connection with a change in control of the corporation, directly results in the holder or holders of a majority of the outstanding shares of the corporation receiving a greater consideration for their shares than other shareholders.

### **Available Versions of this Section**

- May 4, 2012 – House Bill 48 - 129th General Assembly [ [View May 4, 2012 Version](#) ]
- March 24, 2021 – Amended by Senate Bill 21 - 133rd General Assembly [ [View March 24, 2021 Version](#) ]

### [Section 1701.591 | Close corporation agreement.](#)

**Effective: March 24, 2021**

**Latest Legislation: Senate Bill 21 - 133rd General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) In order to qualify as a close corporation agreement under this section, the agreement shall meet the following requirements:

(1) Every person who is a shareholder of the corporation at the time of the agreement's adoption, whether or not entitled to vote, shall have assented to the agreement in writing;

(2) The agreement shall be set forth in the articles, the regulations, or another written instrument;

(3) The agreement shall include a statement that it is to be governed by this section.

(B) A close corporation agreement that is not set forth in the articles or the regulations shall be entered in the record of minutes of the proceedings of the shareholders of the corporation and shall be subject to the provisions of division (C) of section [1701.92](#) of the Revised Code.

(C) Irrespective of any other provisions of this chapter, but subject to division (D)(2) of this section, a close corporation agreement may contain provisions, which shall be binding on the corporation and all of its shareholders, regulating any aspect of the



**Ohio Revised Code 1701 - General Corporation Law**

internal affairs of the corporation or the relations of the shareholders among themselves, including the following:

- (1) Regulation of the management of the business and affairs of the corporation;
- (2) The right of one or more shareholders to dissolve the corporation at will or on the occurrence of a specified event or contingency;
- (3) The obligation to vote the shares of a person as specified, or voting requirements, including the requirement of the affirmative vote or approval of all shareholders or of all directors, which voting requirements need not appear in the articles unless the close corporation agreement is set forth in the articles;
- (4) The designation of the persons who shall be the officers or directors of the corporation;
- (5) The authority of any individual who holds more than one office of the corporation to execute, acknowledge, or certify in more than one capacity any instrument required to be executed, acknowledged, or certified by the holders of two or more offices;
- (6) The terms and conditions of employment of an officer or employee of the corporation without regard to the period of employment;
- (7) The declaration and payment of dividends or distributions or the division of profits;
- (8) Elimination of the board of directors, restrictions upon the exercise by directors of their authority, or delegation to one or more shareholders or other persons of all or part of the authority of the directors;
- (9) Conferring on any shareholder or agent of a shareholder the absolute right, without the necessity of stating any purpose, to examine and copy during usual business hours any of the corporation's records or documents to which reference is made in section [1701.37](#) of the Revised Code;
- (10) Prohibition of or limitation upon the issuance or sale by the corporation of any of its shares, including treasury shares, without the affirmative vote or approval of the holders of all or a proportion of the outstanding shares or unless other specified terms and conditions are met;
- (11) Arbitration of issues on which the shareholders are deadlocked in voting power or on which the directors or other parties managing the corporation are deadlocked;
- (12) Dispensing with the annual meeting of shareholders unless a shareholder, by written notice to the president or secretary either by personal delivery or by mail within



---

**Ohio Revised Code 1701 - General Corporation Law**

thirty days after the end of the most recent fiscal year of the corporation, requests that the meeting be held.

(D) Except as may be necessary to give effect to divisions (C)(3), (5), (8), (9), and (12) and division (I) of this section, any provision of a close corporation agreement that does either of the following shall be invalid:

(1) Eliminates the filing with the secretary of state of any document required under this chapter or changes the required form or content of the document;

(2) Waives or alters the effect of any of the provisions of section [1701.03](#), 1701.18, 1701.24, 1701.25, 1701.30, 1701.31, 1701.32, 1701.33, 1701.35, 1701.37, 1701.38, 1701.39, 1701.591, 1701.91, 1701.93, 1701.94, 1701.95, or the first sentence of section [1701.64](#) of the Revised Code.

Unless otherwise provided in the close corporation agreement, the invalidity of a provision pursuant to this division does not affect the validity of the remainder of the agreement.

Any certificate that is required to be filed with the secretary of state with respect to the authorization or taking of any action pursuant to a close corporation agreement that would not be permitted under this chapter in the absence of division (C) of this section shall recite the existence of a close corporation agreement that authorizes the action.

(E)(1) Except as provided in division (E)(2) of this section, a close corporation agreement may be amended or terminated by the affirmative vote or written consent of the holders, then parties to the close corporation agreement, of all of the outstanding shares of each class or, as may be provided by the close corporation agreement, of the holders, then parties to the close corporation agreement, of a proportion of not less than four-fifths of the outstanding shares of each class. If a close corporation agreement is amended or terminated by the written consent of the holders of fewer than all of the shares, the secretary of the corporation shall mail a copy of the amendment or a notice of the termination to each shareholder who did not so consent. If a close corporation agreement set forth in the articles is amended, the amendment shall not be effective unless it is filed as an amendment to the articles pursuant to section [1701.73](#) of the Revised Code. No corporation with respect to which a close corporation agreement is in effect shall cause to occur any of the actions described in division (I)(1)(a), (b), or (c) of this section unless the action has been authorized by the affirmative vote or written consent of the holders, then parties to the close corporation agreement, of that proportion of shares of each class that is required to terminate the close corporation agreement.





**Ohio Revised Code 1701 - General Corporation Law**

(2) A close corporation agreement that was in existence on December 31, 1993, and that did not specify on that date and that has not specified since that date the proportion of shares required to amend or terminate the close corporation agreement may be amended or terminated by the affirmative vote or written consent of the holders, then parties to the close corporation agreement, of four-fifths of the outstanding shares of each class.

(F) No close corporation agreement is invalid among the parties or in respect of the corporation on any of the following grounds:

(1) The agreement is an attempt to treat the corporation as if it were a partnership or to arrange the relationship of the parties in a manner that would be appropriate only among partners;

(2) The agreement provides for the conduct of the affairs of a corporation or relations among shareholders in any manner that would be inappropriate or unlawful under provisions of this chapter other than those set forth in division (D)(2) of this section or under other applicable law;

(3) The agreement interferes with the authority or discretion of the directors;

(4) The agreement has not been filed with the minutes as required by division (B) of this section.

(G) If a close corporation agreement provides that there shall be no board of directors, both of the following apply:

(1) The shareholders, for the purposes of any statute or rule of law relating to corporations, are deemed to be the directors and to have all of the liabilities, immunities, defenses, and indemnifications of directors with respect to any action or inaction of the corporation, except that any shareholder who is not permitted by the articles, the regulations, or the close corporation agreement to vote on or assent to an action or assent to an inaction shall not be liable as a director with respect to the action or inaction.

(2) Except to the extent that the voting rights of the shares of a class are increased, limited, or denied by the articles, the regulations, or the close corporation agreement, each outstanding share regardless of class shall entitle its holder to one vote on each matter, including any matter normally voted on by directors, that is properly submitted to the shareholders for their vote, consent, waiver, release, or other action.

(H) The existence of a close corporation agreement shall be noted conspicuously on the face or the back of every certificate for shares of the corporation and a purchaser or transferee of shares represented by a certificate on which such a notation so appears



**Ohio Revised Code 1701 - General Corporation Law**

shall be conclusively considered to have taken delivery with notice of the close corporation agreement. Any transferee of shares by gift, bequest, or inheritance and any purchaser or transferee of shares with knowledge or notice of a close corporation agreement is bound by the agreement and shall be considered to be a party to the agreement.

(I)(1) A close corporation agreement becomes invalid under any of the following circumstances:

(a) Shares of the corporation are listed on a national securities exchange.

(b) Shares of the corporation are registered under section 12(g) of the "Securities Exchange Act of 1934," 48 Stat. 892, 15 U.S.C. 781, as amended.

(c) Shares of the corporation have been included in a registration statement that has become effective pursuant to the "Securities Act of 1933," 84 Stat. 74, 15 U.S.C. 77a-77aa, and the corporation is required to file periodic reports and information pursuant to section 15(d) of the "Securities Exchange Act of 1934," 48 Stat. 892, 15 U.S.C. 77m, as amended.

(d) Shares of the corporation are transferred or issued to a person who takes delivery of the certificate for the shares other than by gift, bequest, or inheritance and without knowledge or notice of the close corporation agreement; that person delivers to the corporation a written rejection of the close corporation agreement within ninety days after the date on which that person first received notice of the existence of the close corporation agreement or within three years of the date of transfer or issuance, whichever is earlier; and the corporation does not offer in writing, within thirty days after the date on which the corporation received the written rejection, to purchase the shares from that person for the full amount paid for the shares, or, having made an offer to purchase the shares for that amount, the corporation, upon that person's acceptance of the offer, does not purchase the shares in accordance with division (I)(3) of this section.

(2) A close corporation agreement does not become invalid and the person to whom the shares are transferred or issued is not entitled to any payment from the corporation pursuant to division (I)(3) of this section if both of the following apply:

(a) Shares of the corporation are transferred or issued to a person who takes delivery of the certificate for the shares other than by gift, bequest, or inheritance and without knowledge or notice of the close corporation agreement;

(b) That person does either of the following:



**Ohio Revised Code 1701 - General Corporation Law**

(i) Fails to deliver a written rejection of the close corporation agreement to the corporation within ninety days after the date on which that person first received notice of the existence of the close corporation agreement or within three years of the date of transfer or issuance, whichever is earlier;

(ii) Fails, within thirty days after the date on which that person receives a written offer by the corporation to purchase the shares from that person for the full amount paid for the shares, to accept the offer.

(3) If shares of a corporation are transferred or issued to a person who takes delivery of the certificate for the shares other than by gift, bequest, or inheritance and without knowledge or notice of the close corporation agreement and that person accepts an offer by the corporation to purchase the shares, the corporation shall pay to that person the full amount paid for the shares within seven days after that person delivers to the corporation the certificate for the shares and proof of payment of the amount paid for the shares. If the amount paid for the shares included property other than cash, the corporation, at its option, may return the property to that person or may pay to that person cash in an amount equal to the fair market value of the property on the date of transfer or issuance of the shares, as determined in good faith by the corporation. A shareholder who transfers shares to a person who takes delivery of the certificate for the shares other than by gift, bequest, or inheritance and without knowledge or notice of the close corporation agreement is liable to the corporation, upon the corporation's written demand made upon the shareholder within ninety days after the date on which the corporation made payment for the shares, for the full amount that the corporation paid for the shares. Upon receiving payment in that amount from the shareholder, the corporation shall transfer the shares to the shareholder.

(4) In the event of the invalidity of a close corporation agreement and unless otherwise provided in the close corporation agreement, any provision contained in the close corporation agreement that would not be invalid under any other section of this chapter or under other applicable law remains valid and binding on the parties to the close corporation agreement.

Any officer of the corporation who learns of the occurrence of any event causing the invalidity of the close corporation agreement shall immediately give written notice of the invalidity to all of the shareholders.

If a close corporation agreement set forth in the articles of the corporation is terminated or becomes invalid, the officers of the corporation shall promptly sign and file the certificate of amendment prescribed by section [1701.73](#) of the Revised Code, setting forth the reason for the termination or invalidity and deleting the close corporation agreement from the articles. If the officers fail to execute and file the certificate within



## Ohio Revised Code 1701 - General Corporation Law

thirty days after the occurrence of the event giving rise to the termination or invalidity, the certificate may be signed and filed by any shareholder and shall set forth a statement that the person signing the certificate is a shareholder and is filing the certificate because of the failure of the officers to do so.

(J) A close corporation agreement, in the sound discretion of a court exercising its equity powers, is enforceable by injunction, specific performance, or other relief that the court may determine to be fair and appropriate.

(K) This section shall not be construed as prohibiting any other lawful agreement among two or more shareholders.

(L) No corporation with respect to which a close corporation agreement is in effect, shall issue shares in uncertificated form, and any provision of the articles or regulations or any resolution of the directors of such a corporation, providing for the issuance of shares in uncertificated form, shall be ineffective during any period in which a close corporation agreement is in effect. The adoption of a close corporation agreement shall act as a transfer instruction to the corporation to replace uncertificated securities with appropriate certificated securities.

(M) If the annual meeting of the shareholders is dispensed with in accordance with a provision in the close corporation agreement authorized by division (C)(12) of this section, the annual financial statements and any written statements or reports required by section [1701.38](#) of the Revised Code shall be delivered to each shareholder on or before the last date upon which the annual meeting otherwise could have been held.

(N) The amendments to this section that are effective April 4, 1985, are remedial in nature and apply to all close corporation agreements created on or after November 17, 1981. The amendments to this section that are effective December 31, 1993, are remedial in nature and, except as those amendments otherwise provide, apply to all close corporation agreements created on or after November 17, 1981.

### ***Available Versions of this Section***

- September 30, 2008 – House Bill 374 - 127th General Assembly [ [View September 30, 2008 Version](#) ]
- March 24, 2021 – Amended by Senate Bill 21 - 133rd General Assembly [ [View March 24, 2021 Version](#) ]

[Section 1701.60 | Contract, action or transaction not void or voidable.](#)

***Effective: November 22, 1986***



---

**Ohio Revised Code 1701 - General Corporation Law**

***Latest Legislation: House Bill 902 - 116th General Assembly***

***PDF: Download Authenticated PDF***

(A) Unless otherwise provided in the articles or the regulations:

(1) No contract, action, or transaction shall be void or voidable with respect to a corporation for the reason that it is between or affects the corporation and one or more of its directors or officers, or between or affects the corporation and any other person in which one or more of its directors or officers are directors, trustees, or officers, or have a financial or personal interest, or for the reason that one or more interested directors or officers participate in or vote at the meeting of the directors or a committee of the directors that authorizes such contract, action, or transaction, if in any such case any of the following apply:

(a) The material facts as to his or their relationship or interest and as to the contract, action, or transaction are disclosed or are known to the directors or the committee and the directors or committee, in good faith reasonably justified by such facts, authorizes the contract, action, or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors constitute less than a quorum of the directors or the committee;

(b) The material facts as to his or their relationship or interest and as to the contract, action, or transaction are disclosed or are known to the shareholders entitled to vote thereon and the contract, action, or transaction is specifically approved at a meeting of the shareholders held for such purpose by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of the corporation held by persons not interested in the contract, action, or transaction; or

(c) The contract, action, or transaction is fair as to the corporation as of the time it is authorized or approved by the directors, a committee of the directors, or the shareholders;

(2) Common or interested directors may be counted in determining the presence of a quorum at a meeting of the directors, or of a committee of the directors that authorizes the contract, action, or transaction;

(3) The directors, by the affirmative vote of a majority of those in office, and irrespective of any financial or personal interest of any of them, shall have authority to establish reasonable compensation, that may include pension, disability, and death benefits, for services to the corporation by directors and officers, or to delegate such authority to one or more officers or directors.



## Ohio Revised Code 1701 - General Corporation Law

(B) Nothing contained in divisions (A)(1) and (2) of this section shall limit or otherwise affect the liability of directors under section [1701.95](#) of the Revised Code.

(C) For purposes of division (A) of this section, a director is not an interested director solely because the subject of the contract, action, or transaction may involve or affect a change in control of the corporation or his continuation in office as a director of that corporation.

(D) For purposes of this section, "action" means a resolution adopted by the directors or a committee of the directors of a corporation.

### **Available Versions of this Section**

- November 22, 1986 – House Bill 902 - 116th General Assembly [ [View November 22, 1986 Version](#) ]

### [Section 1701.61 | Meetings of directors.](#)

**Effective: May 16, 2002**

**Latest Legislation: House Bill 278 - 124th General Assembly**

**PDF: [Download Authenticated PDF](#)**

Unless otherwise provided in the articles, the regulations, or the bylaws, and subject to the exceptions, applicable during an emergency as that term is defined in section [1701.01](#) of the Revised Code, for which provision is made in division (F) of section [1701.11](#) of the Revised Code:

(A) Meetings of the directors may be called by the chairperson of the board, the president, any vice-president, or any two directors.

(B) Meetings of the directors may be held at any place within or without the state and, unless the articles or the regulations prohibit participation by directors at a meeting by means of communications equipment, meetings of the directors may be held through any communications equipment if all persons participating can hear each other and participation in a meeting pursuant to this division shall constitute presence at the meeting.

(C) Notice of the place, if any, and time of each meeting of the directors shall be given to each director either by personal delivery or by mail, telegram, cablegram, overnight delivery service, or any other means of communication authorized by the director at least two days before the meeting. The notice need not specify the purposes of the meeting.



## Ohio Revised Code 1701 - General Corporation Law

(D) Notice of adjournment of a meeting need not be given if the time and place to which it is adjourned are fixed and announced at the meeting.

### ***Available Versions of this Section***

- May 16, 2002 – House Bill 278 - 124th General Assembly [ [View May 16, 2002 Version](#) ]

### [Section 1701.62 | Quorum for directors' meeting.](#)

***Effective: October 12, 2006***

***Latest Legislation: House Bill 301 - 126th General Assembly***

***PDF: Download Authenticated PDF***

Unless the articles, the regulations adopted by the shareholders, or the regulations adopted by the directors pursuant to division (A)(1) of section [1701.10](#) of the Revised Code otherwise provide, and subject to the exceptions applicable during an emergency, as that term is defined in section [1701.01](#) of the Revised Code, for which provision is made in division (F) of section [1701.11](#) of the Revised Code, a majority of the whole authorized number of directors is necessary to constitute a quorum for a meeting of the directors, except that a majority of the directors in office constitutes a quorum for filling a vacancy in the board. The act of a majority of the directors present at a meeting at which a quorum is present is the act of the board, unless the act of a greater number is required by the articles, the regulations adopted by the shareholders, the regulations adopted by the directors pursuant to division (A)(1) of section [1701.10](#) of the Revised Code, or the bylaws.

### ***Available Versions of this Section***

- October 12, 2006 – House Bill 301 - 126th General Assembly [ [View October 12, 2006 Version](#) ]

### [Section 1701.63 | Executive and other committees of directors - subcommittees.](#)

***Effective: October 12, 2006***

***Latest Legislation: House Bill 301 - 126th General Assembly***

***PDF: Download Authenticated PDF***

(A) The regulations may provide for the creation by the directors of an executive committee or any other committee of the directors, to consist of one or more directors, and may authorize the delegation to any such committee of any of the authority of the directors, however conferred, other than the authority of filling vacancies among the



## Ohio Revised Code 1701 - General Corporation Law

directors or in any committee of the directors and other than the authority to adopt, amend, or repeal regulations.

(B) The directors may appoint one or more directors as alternate members of any committee described in division (A) of this section, who may take the place of any absent member or members at any meeting of the particular committee.

(C) Each committee described in division (A) of this section shall serve at the pleasure of the directors, shall act only in the intervals between meetings of the directors, and shall be subject to the control and direction of the directors.

(D) Unless otherwise provided in the regulations or ordered by the directors, any committee described in division (A) of this section may act by a majority of its members at a meeting or by a writing or writings signed by all of its members.

(E) Unless participation by members of any committee described in division (A) of this section at a meeting by means of communications equipment is prohibited by the articles, the regulations, or an order of the directors, meetings of the particular committee may be held through any communications equipment if all persons participating can hear each other. Participation in a meeting pursuant to this division constitutes presence at the meeting.

(F) An act or authorization of an act by any committee described in division (A) of this section within the authority delegated to it shall be as effective for all purposes as the act or authorization of the directors.

(G) Unless otherwise provided in the articles, the regulations, or the resolution of the directors creating a committee described in division (A) of this section, a committee described in division (A) of this section may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and may delegate to a subcommittee any or all of the powers and authority of the committee.

### ***Available Versions of this Section***

- October 12, 2006 – House Bill 301 - 126th General Assembly [ [View October 12, 2006 Version](#) ]

[Section 1701.64 | Officers - authority and removal.](#)

***Effective: July 6, 2016***

***Latest Legislation: Senate Bill 181 - 131st General Assembly***

***PDF: Download Authenticated PDF***





## Ohio Revised Code 1701 - General Corporation Law

(A) The officers of a corporation shall consist of a president, a secretary, a treasurer, and, if desired, one or more vice-presidents and such other officers and assistant officers as may be deemed necessary. The officers shall be elected by the directors. None of the officers need be a director unless the articles or the regulations otherwise provide or the directors determine that there is to be a chairperson of the board who is to be an officer. Any two or more offices may be held by the same person, but no officer shall execute, acknowledge, or verify any instrument in more than one capacity if such instrument is required by law or by the articles, the regulations, or the bylaws to be executed, acknowledged, or verified by two or more officers. Unless the articles or the regulations otherwise provide, all officers shall be elected annually.

(B) Unless the articles or the regulations otherwise provide, and subject to the exceptions, applicable during an emergency, as that term is defined in section [1701.01](#) of the Revised Code, for which provision is made in division (F) of section [1701.11](#) of the Revised Code:

(1) All officers, as between themselves and the corporation, shall respectively have such authority and perform such duties as are determined by the directors;

(2) Any officer may be removed, with or without cause, by the directors without prejudice to the contract rights of such officer. The election or appointment of an officer for a given term, or a general provision in the articles, the regulations, or the bylaws with respect to term of office, shall not be deemed to create contract rights;

(3) The directors may fill any vacancy in any office occurring from whatever reason.

### ***Available Versions of this Section***

- October 31, 1967 – Senate Bill 75 - 107th General Assembly [ [View October 31, 1967 Version](#) ]
- July 6, 2016 – Amended by Senate Bill 181 - 131st General Assembly [ [View July 6, 2016 Version](#) ]

### ***Section 1701.641 | Fiduciary duties of officers.***

***Effective: July 6, 2016***

***Latest Legislation: Senate Bill 181 - 131st General Assembly***

***PDF: Download Authenticated PDF***

(A) Unless the articles, the regulations, or a written agreement with an officer establishes additional fiduciary duties, the only fiduciary duties of an officer are the duties to the corporation set forth in division (B) of this section.



**Ohio Revised Code 1701 - General Corporation Law**

(B) An officer shall perform the officer's duties to the corporation in good faith, in a manner the officer reasonably believes to be in or not opposed to the best interests of the corporation, and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In performing an officer's duties, an officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, that are prepared or presented by any of the following:

(1) One or more directors, officers, or employees of the corporation who the officer reasonably believes are reliable and competent in the matters prepared or presented;

(2) Counsel, public accountants, or other persons as to matters that the officer reasonably believes are within the person's professional or expert competence.

(C) For purposes of this section, both of the following apply:

(1) In any action brought against an officer, the officer shall not be found to have violated the officer's duties under division (B) of this section unless it is proved by clear and convincing evidence that the officer has not acted in good faith, in a manner the officer reasonably believes to be in or not opposed to the best interests of the corporation, or with the care that an ordinarily prudent person in a like position would use under similar circumstances.

(2) An officer shall not be considered to be acting in good faith if the officer has knowledge concerning the matter in question that would cause reliance on information, opinions, reports, or statements that are prepared or presented by any of the persons described in division (B)(1) or (2) of this section to be unwarranted.

(D) An officer shall be liable in damages for a violation of the officer's duties under division (B) of this section only if it is proved by clear and convincing evidence in a court of competent jurisdiction that the officer's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the corporation or undertaken with reckless disregard for the best interests of the corporation. This division does not apply if, and only to the extent that, at the time of an officer's act or omission that is the subject of the complaint, either of the following is true:

(1) The articles or the regulations of the corporation state by specific reference to division (D) of this section that the provisions of this division do not apply to the corporation.

(2) A written agreement between the officer and the corporation states by specific reference to division (D) of this section that the provisions of this division do not apply to the officer.



## Ohio Revised Code 1701 - General Corporation Law

(E) Nothing in this section affects the duties of an officer who acts in any capacity other than the officer's capacity as an officer. Nothing in this section affects any contractual obligations of an officer to the corporation.

### ***Available Versions of this Section***

- July 6, 2016 – Enacted by Senate Bill 181 - 131st General Assembly [ [View July 6, 2016 Version](#) ]

### [Section 1701.65 | Corporate mortgages.](#)

***Effective: October 11, 1955***

***Latest Legislation: House Bill 70 - 101st General Assembly***

***PDF: Download Authenticated PDF***

The directors may authorize any mortgage, pledge, or deed of trust of all or any of the property of the corporation of any description, or any interest therein, for the purpose of securing the payment or performance of any obligation or contract. Unless otherwise provided in the articles, no vote or consent of shareholders is necessary for such action.

### ***Available Versions of this Section***

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]

### [Section 1701.66 | Recording of railroad or public utility mortgages.](#)

***Effective: May 4, 2012***

***Latest Legislation: House Bill 48 - 129th General Assembly***

***PDF: Download Authenticated PDF***

(A) A mortgage of property of any description, or any interest in the property, made (1) by a corporation that is a railroad or a public utility as defined by sections [4907.02](#), [4905.02](#), and [4905.03](#) of the Revised Code; (2) by a corporation, domestic or foreign, organized for the purpose of constructing, acquiring, owning, or operating a railroad or public utility, as so defined, or any part of a railroad or public utility, or, as a common carrier, a trolley bus system, in whole or in part in this state; (3) by a municipal corporation pursuant to Section 12 of Article XVIII, Ohio Constitution; (4) by the state, a county, or a municipal corporation, pursuant to Chapter 165. of the Revised Code, or a port authority pursuant to section [4582.06](#) or [4582.31](#) of the Revised Code; or (5) by an electric cooperative as defined by section [4928.01](#) of the Revised Code, shall be recorded in the office of the county recorder of each county in this state in which any of



**Ohio Revised Code 1701 - General Corporation Law**

that property is situated or employed. However, a mortgage by such mortgagor that includes rolling stock or movable equipment such as cars, locomotives, or trolley buses, motor buses, or other vehicles, or machines for aerial transportation, may be filed in the office of the secretary of state, and when so filed shall have the same effect, as to the lien created by the mortgage on that rolling stock, movable equipment, or machines, as though filed in the office of the recorder of each county in which the rolling stock, movable equipment, or machines are situated or employed. In lieu of filing an original of the mortgage described in this division, a true copy of the mortgage, with an affidavit by the mortgagor, the mortgagee, or an agent of either that it is a true copy, may be filed.

(B) Any mortgage described in division (A) of this section shall be a lien on the property described in the mortgage from the respective times of the filing of the mortgage for record with the recorders of the appropriate counties; but any such mortgage covering rolling stock, movable equipment, or machines described in division (A) of this section shall be a lien on that stock or equipment or those machines from the time of the filing of the mortgage, or a true copy of the mortgage, with the secretary of state.

(C) If any mortgage by its terms creates a lien upon any property that may thereafter be acquired by the mortgagor, it shall be a lien upon all the interest of the mortgagor in that after-acquired property from the date of its acquisition, if the mortgage was or is recorded or filed as provided in this section.

(D) The secretary of state shall charge and collect, for every mortgage or true copy of the mortgage filed in the secretary of state's office under this section, a fee of ten dollars and, for each page in excess of twenty-five pages an additional fee of one dollar. The secretary of state shall endorse on the mortgage or true copy the time of its filing and shall keep a record of the filing in a book to be kept for that purpose, giving the names of all parties to the mortgage, alphabetically arranged, the date of the mortgage, and the time of its filing. The mortgage or true copy and the record of its filing shall be open to public inspection. When the mortgage is canceled, the date of cancellation shall be entered on the margin of the record of the mortgage.

(E) Mortgages of the character described in this section need not be otherwise filed or refiled as security interests under Chapter 1309. of the Revised Code.

(F) Nothing contained in this section shall make inapplicable the provisions of Chapters 4505. to 4519. of the Revised Code, relating to motor vehicles.

***Available Versions of this Section***



## Ohio Revised Code 1701 - General Corporation Law

- May 4, 2012 – House Bill 48 - 129th General Assembly [ [View May 4, 2012 Version](#) ]

### [Section 1701.67 | Using facsimile signatures.](#)

**Effective: October 11, 1955**

**Latest Legislation: House Bill 70 - 101st General Assembly**

**PDF: [Download Authenticated PDF](#)**

When any note, bond, or other evidence of indebtedness of a corporation is authenticated or countersigned by an incorporated trustee, the signature of any officer of the corporation authorized to sign any such instrument may be facsimile, engraved, stamped, or printed. Although any officer of the corporation whose manual or facsimile signature is affixed to any such instrument ceases to be such officer before the instrument is delivered, such instrument nevertheless shall be effective in all respects when delivered.

### **[Available Versions of this Section](#)**

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]

### [Section 1701.68 | Usury.](#)

**Effective: October 11, 1955**

**Latest Legislation: House Bill 70 - 101st General Assembly**

**PDF: [Download Authenticated PDF](#)**

No domestic or foreign corporation, or anyone on its behalf, shall interpose the defense or make the claim of usury in any proceeding upon or with reference to any obligation of such corporation; nor shall any corporate note, bond, or other evidence of indebtedness, mortgage, pledge, or deed of trust, be set aside, impaired, or adjudged invalid by reason of anything contained in laws prohibiting usury or regulating interest rates.

### **[Available Versions of this Section](#)**

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]

### [Section 1701.69 | Amendments to articles.](#)



---

**Ohio Revised Code 1701 - General Corporation Law**

***Effective: September 30, 2008***

***Latest Legislation: House Bill 374 - 127th General Assembly***

***PDF: Download Authenticated PDF***

(A) The articles may be amended from time to time in any respect if the articles as amended set forth all such provisions as are required in, and, except for an amendment to the articles described in division (B)(11) of this section, only such provisions as may properly be in, original articles filed at the time of adopting the amendment, and, if a change in issued shares is to be made, or if as the result of any amendment the stated capital of any class of shares is to be created, increased, reduced, or eliminated, then such provisions, not inconsistent with section [1701.30](#) of the Revised Code, as are necessary to effect such change, or to effect such creation, increase, reduction, or elimination of stated capital.

(B) Without limiting the generality of the authority to amend the articles, the articles may be amended to do any of the following:

(1) Change the name of the corporation;

(2) Change the place in this state where its principal office is to be located;

(3) Change, enlarge, or diminish its purpose or purposes;

(4) Increase or decrease the authorized number of shares of any class;

(5) Authorize shares of a new class or classes;

(6) Increase or decrease the par value of issued or unissued shares with par value;

(7) Change issued or unissued shares of any class, whether with or without par value, into the same or a different number of shares of any class with or without par value, theretofore or then authorized;

(8) Provide that, as a result of an amendment described in division (B)(6), (7), or (11) of this section, the stated capital of any class of shares shall be created, increased, reduced, or eliminated, consistent with section [1701.30](#) of the Revised Code, except that, in the case of any amendment to change the corporation into a nonprofit corporation, the stated capital of the corporation may be reduced or eliminated;

(9) Change any of the express terms of issued or unissued shares of any class or series, which change may include the discharge, adjustment, or elimination of rights to accrued undeclared cumulative dividends or distributions on the shares of such class or series;

(10) Eliminate the right of every shareholder to vote cumulatively in the election of directors or to delete a provision that eliminates that right;



---

## Ohio Revised Code 1701 - General Corporation Law

(11) Change a corporation into a nonprofit corporation;

(12) Change any provision of the articles or add any provision that may properly be included in the articles.

### ***Available Versions of this Section***

- September 30, 2008 – House Bill 374 - 127th General Assembly [ [View September 30, 2008 Version](#) ]

[Section 1701.70 | Procedure for amending articles by directors - incorporators.](#)

***Effective: September 30, 2008***

***Latest Legislation: House Bill 374 - 127th General Assembly***

***PDF: Download Authenticated PDF***

(A) If initial directors are not named in the articles, before subscriptions to shares have been received and before the incorporators have elected directors, the incorporators may adopt an amendment to the articles by a writing signed by them. If initial directors are named in the articles, or if the incorporators have elected directors and have not received subscriptions, then before subscriptions to shares have been received, the directors may adopt an amendment to the articles.

(B) The directors may adopt an amendment to the articles in the following cases:

(1) When and to the extent authorized by the articles, the directors may adopt an amendment determining, in whole or in part, the express terms, within the limits set forth in this chapter, of any class of shares before the issuance of any shares of that class, or of one or more series within a class before the issuance of shares of that series. When no shares of a series created by an amendment to the articles under division (B)(1) of this section have been issued and no option or right to acquire any share of that series is outstanding, the directors may adopt an amendment to reduce the number of shares in that series or to eliminate from the articles all references to the series and to make other appropriate changes that are required by the elimination of the series.

(2) When the corporation has issued shares or obligations convertible into shares of the corporation or has granted options to purchase any shares, and the conversion or option rights are set forth in the articles or have been approved by the same vote of shareholders as, at the time of the approval, would have been required to amend the articles to authorize the shares required for that purpose, and the corporation does not have sufficient authorized but unissued shares to satisfy those conversion or option rights, the directors may adopt an amendment to authorize the shares.



**Ohio Revised Code 1701 - General Corporation Law**

(3) Whenever shares of any class or series have been redeemed, or have been surrendered to or acquired by the corporation upon conversion, exchange, purchase, or otherwise, the directors may adopt an amendment to reduce the authorized number of shares of that class or series by the number so redeemed, surrendered, or acquired; and when all of the issued shares of a class or series have been redeemed or surrendered to or acquired by the corporation, the directors may adopt an amendment to eliminate from the articles all references to the shares of that class or series and to make other appropriate changes that are required by the elimination.

(4) When articles have been amended and any change of issued or unissued shares provided for in the amendment or amended articles has become effective, the directors may adopt an amendment to eliminate from the articles all references to the change of shares and to make any other appropriate changes that are required by the elimination; however, an amendment to articles that is so adopted by the directors shall contain a statement with respect to the authorized number and the par value, if any, of the shares of each class.

(5) After a merger or consolidation, in which the surviving or new corporation is a domestic corporation, becomes effective, the directors may adopt an amendment:

(a) To eliminate from the articles any statement or provision pertaining exclusively to the merger or consolidation, or that was required to be set forth in the agreement of merger or consolidation and that would not be required in original articles or amendments to articles filed at the time the statement or provision was adopted;

(b) To make any other appropriate changes required by that elimination.

An amendment to articles adopted by the directors under division (B)(5) of this section need not contain or continue any statement with respect to the amount of stated capital.

(6) Unless otherwise provided in the articles, the directors may adopt an amendment changing the name of the corporation.

(7) The directors may adopt an amendment changing the place in this state where the principal office of the corporation is to be located.

(8) When the directors have declared a dividend or distribution on any class of outstanding shares of the corporation to be paid in shares of the same class, the directors may adopt an amendment to proportionately increase the authorized number of shares of the class, provided that the corporation has only one class of shares outstanding or the dividend or distribution is not substantially prejudicial to the holders of any other class of the corporation's shares, and further provided that such an





## Ohio Revised Code 1701 - General Corporation Law

amendment be adopted concurrently with the amendment described in division (B)(10) of this section when the dividend or distribution is declared on outstanding shares with par value.

(9) The directors may adopt an amendment to change each issued and unissued authorized share of an outstanding class into a greater number of shares of that class and to proportionately increase the authorized number of shares of that class, provided that the corporation has only one class of shares outstanding or the change is not substantially prejudicial to the holders of any other class of the corporation's shares, and further provided that such an amendment be adopted concurrently with the amendment described in division (B)(10) of this section when the change is made to outstanding shares with par value.

(10) Concurrently with the adoption of an amendment under division (B)(8) or (9) of this section, the directors may adopt an amendment decreasing the par value of issued and unissued shares of a particular class to the extent necessary to prevent an increase in the aggregate par value of the outstanding shares of the class as a result of the dividend or distribution described in division (B)(8) of this section or the change described in division (B)(9) of this section.

(C) If a vote on the adoption of an amendment is required by division (B)(4) of section [1701.71](#) of the Revised Code, any amendment to the articles adopted pursuant to division (B) of this section that creates a class or series of shares the express terms of which provide for the convertibility of the shares into shares of another class shall also require the approval of the holders, voting as a class, of any issued and outstanding shares into which the shares may be converted.

(D) Divisions (B)(6) to (10) of this section shall not apply to a corporation with one hundred or fewer shareholders unless the corporation was created on or after May 16, 2002, or the articles of the corporation have been amended in compliance with section [1701.71](#) or [1701.73](#) of the Revised Code specifically to make those divisions applicable.

### ***Available Versions of this Section***

- September 30, 2008 – House Bill 374 - 127th General Assembly [ [View September 30, 2008 Version](#) ]

[Section 1701.71 | Shareholders may adopt amendments.](#)

***Effective: July 10, 2014***

***Latest Legislation: Senate Bill 202 - 130th General Assembly***

***PDF: Download Authenticated PDF***



**Ohio Revised Code 1701 - General Corporation Law**

(A)(1)(a) Except as otherwise provided in divisions (A)(1)(b), (c), and (d) of this section or division (A)(2) of this section, the shareholders, at a meeting held for that purpose, may adopt an amendment, including any amendment that could be adopted by the directors, by the affirmative vote of the holders of shares entitling them to exercise two-thirds of the voting power of the corporation on the proposal or, if the articles provide or permit, by the affirmative vote of a greater or lesser proportion, but not less than a majority, of such voting power, and by the affirmative vote of the holders of shares of any particular class that is required by the articles.

(b) Any amendment that would change or eliminate the classification of directors of an issuing public corporation whose directors are classified pursuant to section [1701.57](#) of the Revised Code shall be adopted by the shareholders only at a meeting expressly held for that purpose, by the affirmative votes required under division (A)(1)(a) of this section, and also by the affirmative vote of the holders of at least a majority of disinterested shares voted on the proposal determined as specified in division (C)(9) of section [1704.01](#) of the Revised Code.

(c) Any amendment that would provide that section [1701.831](#) of the Revised Code does not apply to control share acquisitions of shares of an issuing public corporation shall be adopted:

(i) Upon the recommendation by the affirmative vote of a majority of the authorized number of directors of the issuing public corporation in favor of such amendment; and

(ii) By the shareholders only at a meeting expressly held for the purpose, by the affirmative votes required under division (A)(1)(a) of this section.

(d) If, at the time an amendment to eliminate cumulative voting rights permitted by division (B)(10) of section [1701.69](#) of the Revised Code is acted upon by the shareholders, a corporation does not have issued and outstanding shares that are listed on a national securities exchange or are regularly quoted in an over-the-counter market by one or more members of a national or affiliated securities association, that amendment shall not be adopted if the votes of a sufficient number of shares are cast against the amendment that, if cumulatively voted at an election of all the directors, or all the directors of a particular class, as the case may be, would at the time the amendment is acted upon by the shareholders be sufficient to elect at least one director.

(2) Whenever under division (B) of this section the holders of shares of any particular class are entitled to vote as a class on the adoption of an amendment, the amendment, in order to be adopted, must receive the affirmative vote of the holders of at least two-thirds of the shares of that class or, if the articles provide or permit, a greater or lesser proportion, but not less than a majority, of the shares of that class. If the



**Ohio Revised Code 1701 - General Corporation Law**

proposed amendment would authorize any particular corporate action that, under any applicable provision of law or under the existing articles, could be authorized only by or pursuant to a specified vote of shareholders, the amendment, in order to be adopted, must receive the affirmative vote so specified.

(B) Regardless of limitations or restrictions in the articles on the voting rights of the shares of any class, the holders of shares of a particular class, and in the cases specified in divisions (B)(6), (7), and (8) of this section the holders of shares of every class, shall be entitled to vote as a class on the adoption of an amendment that does any of the following:

(1) Increases or decreases the par value of the issued shares of the particular class, except in the case of an amendment to the articles adopted by the directors pursuant to division (B)(10) of section [1701.70](#) of the Revised Code;

(2) Changes issued shares of the particular class, whether with or without par value, into a lesser number of shares of the same class or into the same or a different number of shares of any other class, with or without par value, previously or then authorized;

(3) Changes the express terms, or adds express terms, of the shares of the particular class in any manner substantially prejudicial to the holders of the shares;

(4) Changes the express terms of issued shares of any class senior to the particular class in any manner substantially prejudicial to the holders of shares of the particular class;

(5) Authorizes shares of another class that are convertible into, or authorizes the conversion of shares of another class into, shares of the particular class, or authorizes the directors to fix or alter conversion rights of shares of another class that are convertible into shares of the particular class; provided, however, both of the following apply:

(a) The failure to obtain the shareholders' approval only prevents the conversion of the shares until the shareholders' approval is obtained and does not otherwise affect the authorization or any other express terms of the shares;

(b) The articles may provide that no vote of the holders of common shares, as a class, is required in connection with the authorization of shares of any class that are convertible into common shares.

(6) Provides, in the case of an amendment described in division (B)(1) or (2) of this section, that the stated capital of the corporation shall be reduced or eliminated as a result of the amendment, or provides, in the case of an amendment described in division (B)(5) of this section, that the stated capital of the corporation shall be reduced



## Ohio Revised Code 1701 - General Corporation Law

or eliminated upon the exercise of such conversion rights, provided that any reduction or elimination is consistent with section [1701.30](#) of the Revised Code;

(7) Changes substantially the purposes of the corporation, or provides that a subsequent amendment to the articles may be adopted that changes substantially the purposes of the corporation;

(8) Changes a corporation into a nonprofit corporation.

(C) An amendment that changes a corporation into a nonprofit corporation shall contain a statement of purposes proper in the case of a nonprofit corporation and a statement that, after the effective date of the amendment, the corporation shall be subject to the provisions of the Revised Code relating to nonprofit corporations. In the case of a corporation formed on or after June 9, 1927, the amendment also shall provide for the cancellation of all outstanding shares and the terms and considerations, if any, for the cancellation. In the case of a corporation formed prior to June 9, 1927, the amendment may provide for the cancellation of outstanding shares, but if it does not so provide, the amendment shall contain a provision forbidding the payment of dividends or distributions on any shares after the effective date of the amendment.

### ***Available Versions of this Section***

- July 10, 2014 – Senate Bill 202 - 130th General Assembly [ [View July 10, 2014 Version](#) ]

[Section 1701.72 | Amended articles.](#)

***Effective: October 11, 1955***

***Latest Legislation: House Bill 70 - 101st General Assembly***

***PDF: Download Authenticated PDF***

(A) The incorporators, the directors, and the shareholders, in the cases where they are respectively authorized to adopt an amendment to the articles, may, in addition thereto or in lieu thereof, adopt amended articles by the same action or vote as that required to adopt the amendment.

(B) The directors may adopt amended articles to consolidate the original articles and all previously adopted amendments to the articles that are in force at the time, or the shareholders at a meeting held for such purpose may adopt such amended articles by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of the corporation on such proposal.



## Ohio Revised Code 1701 - General Corporation Law

(C) Except as provided in division (D) of this section, amended articles shall set forth all such provisions as are required in, and only such provisions as may properly be in, original articles or amendments to articles filed at the time of adopting the amended articles and shall contain a statement that they supersede the existing articles; provided, however, that amended articles adopted by the directors or the shareholders need not contain any statement with respect to initial stated capital.

(D) Where by amended articles a corporation is changed into a non-profit corporation, the amended articles shall set forth all such provisions as are required in, and may set forth such other provisions as may properly be in, original articles of a non-profit corporation filed at the time of adopting such amended articles, other than with respect to the initial trustees, and shall set forth all such further provisions as are required in an amendment to change the corporation into a non-profit corporation, together with a statement that the amended articles supersede the existing articles.

### ***Available Versions of this Section***

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]

### [Section 1701.73 | Filing and signing of certificate of amendment or amended articles.](#)

***Effective: January 30, 2014***

***Latest Legislation: House Bill 72 - 130th General Assembly***

***PDF: Download Authenticated PDF***

(A)(1) Upon the adoption of any amendment or amended articles, a certificate containing a copy of the resolution adopting the amendment or amended articles, a statement of the manner of its adoption, and, in the case of adoption of the resolution by the incorporators or directors, a statement of the basis for such adoption, shall be filed with the secretary of state, and thereupon the articles shall be amended accordingly, any change of shares provided for in the amendment or amended articles shall become effective, and the amended articles shall supersede the existing articles.

(2) Except as provided in division (A)(3) of this section, when an amendment or amended articles are adopted by the directors pursuant to section [1701.70](#) of the Revised Code, the corporation shall send notice of the amendment or amended articles, and a copy or summary of the amendment or amended articles, by mail, overnight delivery service, or any other means of communication authorized by the shareholder to whom the notice and copy or summary are sent, to each shareholder of the corporation of record as of the date on which the directors approved the amendment or amended



## Ohio Revised Code 1701 - General Corporation Law

articles. The notice shall be sent to the shareholders within twenty days after the filing of the certificate required by division (A)(1) of this section.

(3) Any corporation that files periodic reports with the United States securities and exchange commission pursuant to section 13 of the "Securities Exchange Act of 1934," 48 Stat. 881, 15 U.S.C. 78m, as amended, or section 15(d) of the "Securities Exchange Act of 1934," 48 Stat. 881, 15 U.S.C. 78o(d), as amended, may satisfy the notice to shareholders of record requirement of division (A)(2) of this section by including a copy or summary of the amendment or amended articles in a report filed in accordance with those provisions within twenty days after the filing of the certificate required by division (A)(1) of this section.

(B) When an amendment or amended articles are adopted by the incorporators, the certificate described in division (A)(1) of this section shall be signed by each of them.

(C) When an amendment or amended articles are adopted by the directors or by the shareholders, the certificate described in division (A)(1) of this section shall be signed by any authorized officer.

(D) A copy of an amendment or amended articles changing the name of a corporation or its principal office in this state, certified by the secretary of state, may be filed for record in the office of the county recorder of any county in this state, and for such recording, the county recorder shall charge and collect the same fee as provided for in division (A)(1) of section [317.32](#) of the Revised Code. The copy shall be recorded in the official records of the county recorder.

### ***Available Versions of this Section***

- January 30, 2014 – House Bill 72 - 130th General Assembly [ [View January 30, 2014 Version](#) ]

### [Section 1701.74 | Dissenting shareholders.](#)

***Effective: May 4, 2012***

***Latest Legislation: House Bill 48 - 129th General Assembly***

***PDF: Download Authenticated PDF***

(A) If an amendment does any of the following, then shareholders are entitled to relief to the extent provided in division (B) of this section:

(1) Changes issued shares of a particular class that have preference in dividends or distributions or on liquidation over shares of any other class into shares of any other class, or changes any of the express terms of issued shares of such particular class, and



**Ohio Revised Code 1701 - General Corporation Law**

the holders of the shares of such particular class are substantially prejudiced thereby and the articles do not expressly or by implication provide for or permit such amendment;

(2) Changes the express terms of issued shares of a particular class that have preference in dividends or distributions or on liquidation over shares of any other class, in such manner as to discharge without payment of, or to adjust or eliminate rights to, accrued undeclared cumulative dividends or distributions on the shares of any such class;

(3) Changes substantially the purposes of the corporation or provides that thereafter an amendment to change substantially the purposes of the corporation may be adopted;

(4) Changes the corporation into a nonprofit corporation.

(B) In the cases provided for in divisions (A)(1) and (2) of this section, dissenting holders of shares of such particular class, and, in the cases provided for in divisions (A)(3) and (4) of this section, dissenting holders of shares of any class, shall be entitled to relief under section [1701.85](#) of the Revised Code, subject to the following exceptions:

(1) If the articles of the corporation in effect at the time of the adoption of an amendment that changes substantially the purposes of the corporation expressly provide that such an amendment may be adopted, then dissenting shareholders shall not be entitled to relief under section [1701.85](#) of the Revised Code with respect to the adoption of such amendment.

(2) Division (A)(3) of this section does not apply to any corporation incorporated after December 31, 1970.

(3) No amendment that eliminates or creates cumulative voting rights as permitted by division (B)(10) of section [1701.69](#) of the Revised Code, entitles any dissenting shareholder to relief under section [1701.85](#) of the Revised Code with respect to the adoption of such amendment.

(4) No relief as a dissenting shareholder shall be available if the shares of the corporation for which the dissenting shareholder would otherwise be entitled to relief are listed on a national securities exchange as of the day immediately preceding the date of the vote and no proceedings have been commenced to delist the shares from the national securities exchange as of the time of the vote or, if division (A)(1) of this section applies and the shares to be received are listed on a national securities exchange and no proceedings are pending to delist the shares, as of the effective time of the amendment.

***Available Versions of this Section***



---

## Ohio Revised Code 1701 - General Corporation Law

- May 4, 2012 – House Bill 48 - 129th General Assembly [ [View May 4, 2012 Version](#) ]

### [Section 1701.75 | Reorganization of corporation.](#)

**Effective: October 12, 2006**

**Latest Legislation: House Bill 301 - 126th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) If an order of relief has been entered pursuant to the federal Bankruptcy Code, 11 U.S.C. 101, as amended, or if a plan of reorganization has been confirmed by the decree or order of a court of competent jurisdiction pursuant to the provisions of any other applicable statute of the United States relating to reorganization of corporations, a corporation may put into effect and carry out any decrees and orders of the court in the bankruptcy or reorganization proceeding and may take any corporate action provided or directed by such decrees and orders, without further action by its directors or shareholders. Authority may be exercised, and corporate actions may be taken, as directed by such decrees or orders, by the trustee or trustees of the corporation appointed or elected in the bankruptcy or reorganization proceedings (or a majority thereof), or if none have been appointed or elected and acting, by designated officers of the corporation, or by a representative appointed by the court, with like effect as if exercised and taken by unanimous action of the directors and shareholders of the corporation.

(B) If authorized in the manner provided in division (A) of this section, but without limiting the generality thereof, a corporation may: amend its articles in any respect; amend or repeal its regulations or adopt new regulations; name, constitute, reconstitute, classify, or reclassify its directors and appoint directors and officers in place of or in addition to some or all of the directors or officers then in office; make any lawful change in its stated capital; make a determination of the fair value to the corporation of its assets; transfer all or a part of its assets; merge; consolidate; remove or appoint a statutory agent; authorize the granting of option rights in respect of shares and other securities; authorize the issuing of notes, bonds, and other evidences of indebtedness, whether or not convertible into shares or other securities; lease its property to any corporation; dissolve; or effect any other change authorized by this chapter.

(C) If an amendment to the articles is adopted or the merger, consolidation, or dissolution of a corporation is authorized in the manner provided in division (A)(1) of this section, or if a decree or order having such a result is modified in respect of an amendment, merger, consolidation, or dissolution, then a certificate of reorganization or an amended certificate of reorganization, as the case may be, setting forth such





## Ohio Revised Code 1701 - General Corporation Law

portions of the decree or order or modification thereof as would otherwise be required to be set forth in a certificate of amendment, an agreement of merger or consolidation, or a certificate of dissolution (and, if desired, any other portions thereof) shall be filed in the office of the secretary of state and shall operate to effect the amendment, merger, consolidation, or dissolution. The certificate shall be made, subscribed, and filed as may be directed by the decrees or orders, or, in the absence of such direction, by the president or a vice-president and the secretary or an assistant secretary. The certificate shall contain a statement that provision for making the certificate has been authorized by the decree or order of the court designated in the certificate or that the decree or order has been modified by order of the court, as the case may be.

(D) If a decree or order by the court in a bankruptcy or reorganization proceeding provides for or effects an amendment to the articles or the merger, consolidation, or dissolution of a corporation, or if after the filing in the office of the secretary of state of a certificate of reorganization or an amended certificate, a decree or order of court is entered that has the effect of vacating the plan, a certified copy of the decree or order shall be filed by the corporation in the office of the secretary of state.

(E) Nonassenting or dissenting shareholders have only such rights as provided in the decree or order.

### ***Available Versions of this Section***

- October 12, 2006 – House Bill 301 - 126th General Assembly [ [View October 12, 2006 Version](#) ]

### ***[Section 1701.76 | Sale or other disposition of assets of corporation - limitations.](#)***

***Effective: May 4, 2012***

***Latest Legislation: House Bill 48 - 129th General Assembly***

***PDF: [Download Authenticated PDF](#)***

(A)(1) Provided the provisions of Chapter 1704. of the Revised Code do not prevent the transaction from being effected, a lease, sale, exchange, transfer, or other disposition of all, or substantially all, of the assets, with or without the good will, of a corporation, if not made in the usual and regular course of its business, may be made upon the terms and conditions and for the consideration, that may consist, in whole or in part, of money or other property of any description, including shares or other securities or promissory obligations of any other corporation, domestic or foreign, that may be authorized as follows:



**Ohio Revised Code 1701 - General Corporation Law**

(a) By the directors, either before or after authorization by the shareholders as required in this section; and

(b) At a meeting of the shareholders held for that purpose, by the affirmative vote of the holders of shares entitling them to exercise two-thirds of the voting power of the corporation on the proposal, or, if the articles so provide or permit, by the affirmative vote of a greater or lesser proportion, but not less than a majority, of the voting power, and by the affirmative vote of the holders of shares of any particular class that is required by the articles.

(2) At the shareholder meeting described in division (A)(1)(b) of this section or at any subsequent shareholder meeting, shareholders, by the same vote that is required to authorize the lease, sale, exchange, transfer, or other disposition of all, or substantially all, of the assets, with or without the good will, of the corporation, may grant authority to the directors to establish or amend any of the terms and conditions of the transaction, except that the shareholders shall not authorize the directors to do any of the following:

(a) Alter or change the amount or kind of shares, securities, money, property, or rights to be received in exchange for the assets;

(b) Alter or change to any material extent the amount or kind of liabilities to be assumed in exchange for the assets;

(c) Alter or change any other terms and conditions of the transaction if any of the alterations or changes, alone or in the aggregate, would materially adversely affect the shareholders or the corporation.

(3) Notice of the meeting of the shareholders described in division (A)(1)(b) of this section shall be given to all shareholders whether or not entitled to vote at the meeting and shall be accompanied by a copy or summary of the terms of the transaction.

(B) The corporation by its directors may abandon the transaction under this section, subject to the contract rights of other persons, if the power of abandonment is conferred upon the directors either by the terms of the transaction or by the same vote of shareholders and at the same meeting of shareholders as that referred to in division (A)(1)(b) of this section or at any subsequent meeting.

(C) Dissenting holders of shares of any class, whether or not entitled to vote, shall be entitled to relief under section [1701.85](#) of the Revised Code, unless both of the following apply:

(1) The shares of the corporation for which the dissenting shareholder would otherwise be entitled to relief are listed on a national securities exchange as of the day



## Ohio Revised Code 1701 - General Corporation Law

immediately preceding the date of the vote described in division (A)(1)(b) of this section.

(2) The consideration to be received by the shareholders consists of shares or shares and cash in lieu of fractional shares that, immediately following the time of the vote described in division (A)(1)(b) of this section, are listed on a national securities exchange, and no proceedings are pending to delist the shares from the national securities exchange as of the time of the vote.

(D) An action to set aside a conveyance by a corporation, on the ground that any section of the Revised Code applicable to the lease, sale, exchange, transfer, or other disposition of all, or substantially all, of the assets of that corporation has not been complied with, shall be brought within ninety days after that transaction, or the action shall be forever barred.

(E) If a resolution of dissolution is adopted pursuant to section [1701.86](#) of the Revised Code, the directors may dispose of all, or substantially all, of the corporation's assets without the necessity of a shareholders' authorization under this section.

(F) The terms and conditions of any transaction under this section shall be subject to the limitations specified in section [2307.97](#) of the Revised Code.

(G) This section does not apply to the distribution, pursuant to section [1701.33](#) of the Revised Code, to the shareholders of an issuing public corporation of shares owned by the issuing public corporation in one or more of its domestic or foreign subsidiary corporations, unless either of the following applies:

(1) The former subsidiary is a party to one or more agreements pursuant to which it is obligated to engage in an additional transaction that, if the transaction were authorized after the time at which the distribution becomes effective, would require the approval of its shareholders.

(2) Immediately prior to the time at which the distribution becomes effective, the issuing public corporation has more than one class of shares outstanding.

(H) For purposes of this section only, the assets of a corporation include the assets of any other entity that is wholly owned, directly or indirectly, by the corporation. Unless otherwise provided in the articles, this section does not apply to any lease, sale, exchange, transfer, or other disposition of all, or substantially all, of the assets of a corporation to any entity that is wholly owned, directly or indirectly, by the corporation.

### ***Available Versions of this Section***



## Ohio Revised Code 1701 - General Corporation Law

- May 4, 2012 – House Bill 48 - 129th General Assembly [ [View May 4, 2012 Version](#) ]

### [Section 1701.77 | Judicial sale of property.](#)

**Effective: October 11, 1955**

**Latest Legislation: House Bill 70 - 101st General Assembly**

**PDF: [Download Authenticated PDF](#)**

Property of any description, and any interest therein, of a corporation, domestic or foreign, may be sold under the judgment or decree of a court, as provided in the Revised Code with respect to similar property of natural persons, at public or private sale, in such manner, at such time and place, on such notice by publication or otherwise, and on such terms, as the court adjudging or decreeing such sale deems equitable and proper, but it shall not be necessary to appraise such property or to advertise the sale thereof otherwise than as the court adjudges or decrees.

### ***Available Versions of this Section***

- October 11, 1955 – House Bill 70 - 101st General Assembly [ [View October 11, 1955 Version](#) ]

### [Section 1701.78 | Merger or consolidation into domestic corporation.](#)

**Effective: April 11, 1990**

**Latest Legislation: Senate Bill 321 - 118th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) Pursuant to an agreement of merger or consolidation between the constituent corporations as provided in this section, a domestic or foreign corporation and, if so provided, one or more additional domestic or foreign corporations may be merged into a domestic surviving corporation, or a domestic corporation together with one or more additional domestic or foreign corporations may be consolidated into a new domestic corporation formed by such consolidation, provided the provisions of Chapter 1704. of the Revised Code do not prevent the merger or consolidation from being effected. If any constituent corporation is a foreign corporation, the merger or consolidation must also be permitted by the laws of each state under the laws of which any foreign constituent corporation exists.

(B) The agreement of merger or consolidation shall set forth:

(1) The state under the laws of which each constituent corporation exists;



**Ohio Revised Code 1701 - General Corporation Law**

(2) In the case of a merger, that one or more specified constituent corporations shall be merged into a specified domestic surviving corporation and, in the case of a consolidation, that the constituent corporations shall be consolidated into a new domestic corporation. The name of the surviving or new corporation may be the same as or similar to that of any constituent corporation.

(3) All statements and matters required to be set forth in an agreement of merger or consolidation by the laws of each state under the laws of which any foreign constituent corporation exists;

(4) In the case of a consolidation, the articles of the new corporation or a provision that the articles of a specified domestic constituent corporation with such amendments as may be set forth in the agreement shall be the articles of the new corporation;

(5) In the case of a consolidation, the name and address of the statutory agent upon whom any process, notice, or demand against any constituent corporation or the new corporation may be served;

(6) The terms of the merger or consolidation; the mode of carrying them into effect; and the manner and basis of converting the shares of the constituent corporations into, or substituting the shares of the constituent corporations for, shares, evidences of indebtedness, other securities, cash, rights, or any other property, or any combination of shares, evidences of indebtedness, securities, cash, rights, or any other property of the surviving corporation, of the new corporation, or of any other corporation, including the parent of any constituent corporation, or any other person. No such conversion or substitution shall be effected if there are reasonable grounds to believe that the surviving or new corporation would be rendered insolvent by the conversion or substitution.

(C) The agreement of merger or consolidation may also set forth:

(1) The effective date of the merger or consolidation, which may be on or after the date of filing the certificate;

(2) A provision authorizing the directors of one or more of the constituent corporations to abandon the proposed merger or consolidation prior to filing the certificate;

(3) In the case of a merger, any amendments to the articles of the surviving corporation or a provision that the articles of a specified domestic constituent corporation other than the surviving corporation with such amendments as may be set forth in the agreement shall be the articles of the surviving corporation;

(4) A statement of, or a statement of the method of determining, the fair value of the assets to be owned by the surviving or new corporation;



**Ohio Revised Code 1701 - General Corporation Law**

(5) The regulations of the surviving or new corporation or a provision that the regulations of a specified domestic constituent corporation with such amendments as may be set forth in the agreement shall be the regulations of the surviving or new corporation;

(6) In the case of a consolidation, the initial directors of the new corporation or a provision that all the directors of one or more specified constituent corporations shall constitute the initial directors of the new corporation, and, in the case of a merger, any changes in the directors of the surviving corporation;

(7) The parties to the agreement in addition to the constituent corporations;

(8) The stated capital of each class of shares of the surviving or new corporation to be outstanding at the time the merger or consolidation becomes effective;

(9) Any additional provision necessary or desirable with respect to the proposed merger or consolidation.

(D) To effect the merger or consolidation, the agreement shall be approved by the directors of each domestic constituent corporation, adopted by the shareholders of each domestic constituent corporation, other than the surviving corporation in the case of a merger, at a meeting of the shareholders of each such corporation held for the purpose, and approved or otherwise authorized by or on behalf of each foreign constituent corporation in accordance with the laws of the state under which it exists. In the case of a merger, the agreement shall also be adopted by the shareholders of the surviving corporation at a meeting held for the purpose, if one or more of the following conditions exist:

(1) The articles or regulations of the surviving corporation then in effect require that the agreement be adopted by the shareholders or by the holders of a particular class of shares of that corporation;

(2) The agreement conflicts with the articles or regulations of the surviving corporation then in effect, or changes the articles or regulations, or authorizes any action that, if it were being made or authorized apart from the merger, would otherwise require adoption by the shareholders or by the holders of a particular class of shares of that corporation;

(3) The merger involves the issuance or transfer by the surviving corporation to the shareholders of the other constituent corporation or corporations of such number of shares of the surviving corporation as will entitle the holders of the shares immediately after the consummation of the merger to exercise one-sixth or more of the voting power of that corporation in the election of directors;



**Ohio Revised Code 1701 - General Corporation Law**

(4) The agreement of merger makes such change in the directors of the surviving corporation as would otherwise require action by the shareholders or by the holders of a particular class of shares of that corporation.

(E) Notice of each meeting of shareholders of a domestic constituent corporation at which an agreement of merger or consolidation is to be submitted shall be given to all shareholders of that corporation, whether or not they are entitled to vote, and shall be accompanied by a copy or a summary of the material provisions of the agreement.

(F) The vote required to adopt an agreement of merger or consolidation at a meeting of the shareholders of a domestic constituent corporation is the affirmative vote of the holders of shares of that corporation entitling them to exercise at least two-thirds of the voting power of the corporation on such proposal or such different proportion as the articles may provide, but not less than a majority, and such affirmative vote of the holders of shares of any particular class as is required by the articles of that corporation. If the agreement would have an effect that, if accomplished through an amendment to the articles, would entitle the holders of shares of any particular class of a domestic constituent corporation to vote as a class on the adoption of such amendment as provided in division (B) of section [1701.71](#) of the Revised Code, the agreement must also be adopted by the affirmative vote of the holders of at least two-thirds of the shares of such class, or such different proportion as the articles may provide, but not less than a majority. However, if the agreement would have an effect that, if accomplished through an amendment to the articles, would entitle the holders of shares of any particular class of a domestic constituent corporation to vote as a class on the adoption of such amendment pursuant to division (B)(2) or (4) of section [1701.71](#) of the Revised Code solely because those shares are to be converted into or substituted for the same number of shares of a class of a different corporation that have express terms identical in all material respects to those of the class of shares so converted or substituted, the agreement need not be adopted by the affirmative vote of the holders of shares of that particular class voting as a class. If the agreement would authorize any particular corporate action that under any applicable provision of law or the articles could be authorized only by or pursuant to a specified vote of shareholders, the agreement must also be adopted by the same affirmative vote as would be required for such action.

(G) At any time prior to the filing of the certificate of merger or consolidation, the merger or consolidation may be abandoned by the directors of any of the constituent corporations if the directors are authorized to do so by the agreement or by the same vote of shareholders as is required to adopt the agreement. The agreement of merger or consolidation may contain a provision authorizing the directors of the constituent corporations to amend the agreement at any time prior to the filing of the certificate of merger or consolidation, except that, after the adoption of the agreement by the



## Ohio Revised Code 1701 - General Corporation Law

shareholders of any domestic constituent corporation, the directors shall not be authorized to amend the agreement to do any of the following:

(1) Alter or change the amount or kind of shares, evidences of indebtedness, other securities, cash, rights, or any other property to be received by shareholders of the domestic constituent corporation in conversion of or in substitution for their shares;

(2) Alter or change any term of the articles of the surviving or new domestic corporation, except for alterations or changes that could otherwise be adopted by the directors of the surviving or new domestic corporation;

(3) Alter or change any other terms and conditions of the agreement if any of the alterations or changes, alone or in the aggregate, would materially adversely affect the holders of any class or series of shares of the domestic constituent corporation.

(H) If division (D) of this section does not require adoption of the agreement of merger by the shareholders of the surviving corporation, the approval of the agreement by the directors of that corporation constitutes adoption by that corporation.

### ***Available Versions of this Section***

- April 11, 1990 – Senate Bill 321 - 118th General Assembly [ [View April 11, 1990 Version](#) ]

[Section 1701.781 | Merger or consolidation into domestic corporation - noncorporate entities.](#)

***Effective: July 1, 1994***

***Latest Legislation: Senate Bill 74 - 120th General Assembly***

***PDF: Download Authenticated PDF***

(A) If the constituent entities in a merger or consolidation include entities that are not corporations, section [1701.78](#) of the Revised Code does not apply. If the constituent entities in a merger or consolidation include entities that are not corporations, the constituent entities may be merged into a domestic surviving corporation or may be consolidated into a new domestic corporation pursuant to an agreement of merger or consolidation as provided in this section. If any constituent entity is formed or organized under the laws of any state other than this state or under any chapter of the Revised Code other than this chapter, the merger or consolidation also must be permitted by the chapter of the Revised Code under which each domestic constituent entity exists and by the laws under which each foreign constituent entity exists.

(B) The agreement of merger or consolidation shall set forth all of the following:





**Ohio Revised Code 1701 - General Corporation Law**

(1) The name and the form of entity of each constituent entity and the state under the laws of which each constituent entity exists;

(2) In the case of a merger, that one or more specified constituent entities will be merged into a specified domestic surviving corporation or, in the case of a consolidation, that the constituent entities will be consolidated into a new domestic corporation. The name of the surviving or new corporation may be the same as or similar to that of any constituent corporation or constituent limited liability company.

(3) All statements and matters required to be set forth in an agreement of merger or consolidation by the laws under which each constituent entity exists;

(4) In the case of a consolidation, the articles of the new corporation, or a provision that the articles of a specified domestic constituent corporation, with any amendments that are set forth in the agreement, shall be the articles of the new corporation;

(5) In the case of a consolidation, the name and address of the statutory agent upon whom any process, notice, or demand against any constituent entity or the new domestic corporation may be served;

(6) The terms of the merger or consolidation, the mode of carrying them into effect, and the manner and basis of converting the shares or interests of the constituent entities into, or substituting the shares or interests of the constituent entities for, shares, interests, evidences of indebtedness, other securities, cash, rights, or any other property or any combination of shares, interests, evidences of indebtedness, securities, cash, rights, or any other property of the surviving corporation, of the new corporation, or of any other entity, including the parent of any constituent entity, or any other person. No conversion or substitution shall be effected if there are reasonable grounds to believe that the surviving or new corporation would be rendered insolvent by the conversion or substitution.

(C) The agreement of merger or consolidation also may set forth any of the following:

(1) The effective date of the merger or consolidation, which date may be on or after the date of the filing of the certificate;

(2) A provision authorizing one or more of the constituent entities to abandon the proposed merger or consolidation prior to filing the certificate of merger or consolidation pursuant to section [1701.81](#) of the Revised Code by action of the directors of a constituent corporation, action of the general partners of a constituent partnership, or action of the comparable representatives of any other constituent entity;

(3) In the case of a merger, any amendments to the articles of the surviving corporation, or a provision that the articles of a specified domestic constituent



**Ohio Revised Code 1701 - General Corporation Law**

corporation other than the surviving corporation, with any amendments that are set forth in the agreement of merger, shall be the articles of the surviving corporation;

(4) A statement of, or a statement of the method of determining, the fair value of the assets to be owned by the surviving or new corporation;

(5) The regulations of the surviving or new corporation, or a provision that the regulations of a specified domestic constituent corporation with any amendments that are set forth in the agreement shall be the regulations of the surviving or new corporation;

(6) In the case of a consolidation, either the identity of the initial directors of the new corporation, or a provision stating that all of the directors of one or more specified constituent corporations shall constitute the initial directors of the new corporation, and, in the case of a merger, any changes in the directors of the surviving corporation;

(7) The parties to the agreement in addition to the constituent entities;

(8) The stated capital, if any, of each class of shares of the surviving or new corporation to be outstanding at the time the merger or consolidation becomes effective;

(9) Any additional provision necessary or desirable with respect to the proposed merger or consolidation.

(D) To effect the merger or consolidation, the agreement of merger or consolidation shall be approved by the directors of each domestic constituent corporation, adopted by the shareholders of each domestic constituent corporation, other than the surviving corporation in the case of a merger, at a meeting of the shareholders of each corporation held for the purpose, and approved or otherwise authorized by or on behalf of each other constituent entity in accordance with the laws under which it exists. In the case of a merger, the agreement also shall be adopted by the shareholders of the surviving corporation at a meeting held for the purpose, if one or more of the following conditions exist:

(1) The articles or regulations of the surviving corporation then in effect require that the agreement be adopted by the shareholders or by the holders of a particular class of shares of that corporation;

(2) The agreement conflicts with the articles or regulations of the surviving corporation then in effect, or changes the articles or regulations, or authorizes any action that, if it were being made or authorized apart from the merger, would otherwise require adoption by the shareholders or by the holders of a particular class of shares of that corporation;



**Ohio Revised Code 1701 - General Corporation Law**

(3) The merger involves the issuance or transfer by the surviving corporation to the shareholders of the other constituent corporation or corporations of the numbers of shares of the surviving corporation that will entitle the holders of the shares immediately after the consummation of the merger to exercise one-sixth or more of the voting power of that corporation in the election of directors;

(4) The agreement of merger makes a change in the directors of the surviving corporation that would otherwise require action by the shareholders or by the holders of a particular class of shares of that corporation.

(E) Notice of each meeting of shareholders of a domestic constituent corporation at which an agreement of merger or consolidation is to be submitted shall be given to all shareholders of that corporation, whether or not they are entitled to vote, and shall be accompanied by a copy or a summary of the material provisions of the agreement.

(F) The vote required to adopt an agreement of merger or consolidation under this section at a meeting of the shareholders of a domestic constituent corporation is the affirmative vote of the holders of shares of that corporation entitling them to exercise at least two-thirds of the voting power of the corporation on the proposal or the different proportion that the articles may provide, but not less than a majority, and such affirmative vote of the holders of shares of any particular class as is required by the articles of that corporation. If the agreement would have an effect that, if accomplished through an amendment to the articles, would entitle the holders of shares of any particular class of a domestic constituent corporation to vote as a class on the adoption of the amendment as provided in division (B) of section [1701.71](#) of the Revised Code, the agreement also must be adopted by the affirmative vote of the holders of at least two-thirds of the shares of that class, or the different proportion that the articles may provide, but not less than a majority. However, if the agreement would have an effect that, if accomplished through an amendment to the articles, would entitle the holders of shares of any particular class of a domestic corporation to vote as a class on the adoption of the amendment pursuant to division (B)(2) or (4) of section [1701.71](#) of the Revised Code solely because those shares are to be converted into or substituted for the same number of shares of a class of a different corporation that have express terms identical in all material respects to those of the class of shares so converted or substituted, the agreement is not required to be adopted by the affirmative vote of the holders of shares of that particular class voting as a class. If the agreement would authorize any particular corporate action that under any applicable provision of law or the articles could be authorized only by or pursuant to a specified vote of shareholders, the agreement also must be adopted by the same affirmative vote as would be required for that action.



---

## Ohio Revised Code 1701 - General Corporation Law

(G) At any time before the filing of the certificate of merger or consolidation under section [1701.81](#) of the Revised Code, the merger or consolidation may be abandoned by the directors of any constituent corporation, the general partners of any constituent partnership, or the comparable representatives of any other constituent entity if the directors, general partners, or other representatives are authorized to do so by the agreement of merger or consolidation or by the same vote of shareholders, partners, or others as is required under division (F) of this section to adopt the agreement. The agreement of merger or consolidation may contain a provision authorizing the directors of any constituent corporation, the general partners of any constituent partnership, or the comparable representatives of any other constituent entity to amend the agreement at any time before the filing of the certificate of merger or consolidation, except that, after the adoption of the agreement by the shareholders of any domestic constituent corporation, the directors shall not be authorized to amend the agreement to do any of the following:

- (1) Alter or change the amount or kind of shares, interests, evidences of indebtedness, other securities, cash, rights, or any other property to be received by the shareholders of the domestic constituent corporation in conversion of, or in substitution for, their shares;
- (2) Alter or change any term of the articles of the surviving or new domestic corporation, except for alterations or changes that could otherwise be adopted by the directors of the surviving or new domestic corporation;
- (3) Alter or change any other terms and conditions of the agreement of merger or consolidation if any of the alterations or changes, alone or in the aggregate, would materially adversely affect the holders of any class or series of shares of the domestic constituent corporation.

(H) If division (D) of this section does not require adoption of the agreement of merger by the shareholders of the surviving corporation, the approval of the agreement by the directors of that corporation constitutes adoption by that corporation.

### ***Available Versions of this Section***

- July 1, 1994 – Senate Bill 74 - 120th General Assembly [ [View July 1, 1994 Version](#) ]

[Section 1701.782 | Conversion of another entity into domestic corporation.](#)

***Effective: January 1, 2008***

***Latest Legislation: House Bill 134 - 127th General Assembly***



---

**Ohio Revised Code 1701 - General Corporation Law**

**PDF:** *Download Authenticated PDF*

(A) Subject to division (B)(2) of this section, pursuant to a written declaration of conversion as provided in this section, a domestic or foreign entity that is not a domestic corporation and is not a nonprofit corporation may be converted into a domestic corporation. The conversion also must be permitted by the chapter of the Revised Code or by the laws under which the converting entity will exist.

(B)(1) The written declaration of conversion shall set forth all of the following:

(a) The name and form of entity that is being converted, the name of the entity into which the entity will be converted, and the jurisdiction of formation of the converting entity;

(b) The articles of the converted corporation;

(c) All statements and matters required to be set forth in an instrument of conversion by the laws under which the converting entity exists;

(d) The terms of the conversion; the mode of carrying them into effect; and the manner and basis of converting the interests or shares of the converting entity into, or substituting the interests or shares in the converting entity for, interests, evidences of indebtedness, other securities, cash, rights, or any other property or any combination of interests, evidences of indebtedness, other securities, cash, rights, or any other property of the converted corporation.

(2) No conversion or substitution described in this section shall be effected if there are reasonable grounds to believe that the conversion or substitution would render the converted corporation unable to pay its obligations as they become due in the usual course of its affairs.

(C) The written declaration of conversion may set forth any of the following:

(1) The effective date of the conversion, which date may be on or after the date of the filing of the certificate of conversion pursuant to section [1701.811](#) of the Revised Code;

(2) A provision authorizing the converting entity to abandon the proposed conversion by action of authorized representatives of the converting entity taken prior to the filing of the certificate of conversion pursuant to section [1701.811](#) of the Revised Code;

(3) A statement of, or a statement of the method to be used to determine, the fair value of the assets owned by the converting entity at the time of the conversion;

(4) The regulations of the converted corporation;



## Ohio Revised Code 1701 - General Corporation Law

- (5) The identity of the directors of the converted corporation;
  - (6) The parties to the declaration of conversion in addition to the converting entity;
  - (7) The stated capital, if any, of each class of shares of the converted corporation to be outstanding at the time that the conversion becomes effective;
  - (8) Any additional provision necessary or desirable with respect to the proposed conversion or the converted entity.
- (D) At any time before the filing of the certificate of conversion pursuant to section [1701.811](#) of the Revised Code, the conversion may be abandoned by any representatives authorized to do so by the declaration of conversion, or by the same vote as was required to adopt the declaration of conversion.

### **Available Versions of this Section**

- January 1, 2008 – House Bill 134 - 127th General Assembly [ [View January 1, 2008 Version](#) ]

### [Section 1701.79 | Merger or consolidation into foreign corporation.](#)

**Effective: April 11, 1990**

**Latest Legislation: Senate Bill 321 - 118th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) Pursuant to an agreement of merger or consolidation between the constituent corporations as provided in this section, a domestic corporation and, if so provided, one or more additional domestic or foreign corporations may be merged into a foreign surviving corporation, or a domestic corporation together with one or more additional domestic or foreign corporations may be consolidated into a new foreign corporation to be formed by such consolidation in a state under the laws of which a foreign constituent corporation exists, provided the provisions of Chapter 1704. of the Revised Code do not prevent the merger or consolidation from being effected. The merger or consolidation must be permitted by the laws of each state under the laws of which any foreign constituent corporation exists.

(B) The agreement of merger or consolidation shall set forth the following:

- (1) The states under the laws of which each constituent corporation exists and, in the case of a consolidation, the state under the laws of which the new corporation is to exist;



**Ohio Revised Code 1701 - General Corporation Law**

(2) In the case of a merger, that one or more specified constituent corporations shall be merged into a specified foreign surviving corporation and, in the case of a consolidation, that the constituent corporations shall be consolidated into a new foreign corporation. The name of the surviving or new corporation may be the same as or similar to that of any constituent corporation.

(3) All additional statements and matters, other than the name and address of the statutory agent, that would be required by section [1701.78](#) of the Revised Code if the surviving or new corporation were a domestic corporation;

(4) The location of the principal office of the surviving or new corporation in the state under the laws of which the surviving corporation exists or the new corporation is to exist;

(5) All additional statements and matters required to be set forth in such an agreement of merger or consolidation by the laws of each state under the laws of which any foreign constituent corporation exists and, in the case of a consolidation, the new corporation is to exist;

(6) The consent of the surviving or the new corporation to be sued and served with process in this state and the irrevocable appointment of the secretary of state as its agent to accept service of process in any proceeding in this state to enforce against the surviving or new corporation any obligation of any domestic constituent corporation or to enforce the rights of a dissenting shareholder of any domestic constituent corporation;

(7) If it is desired that the surviving or new corporation transact business in this state as a foreign corporation, a statement to that effect, together with a statement on the appointment of a statutory agent and with respect to service of any process, notice, or demand upon such statutory agent or the secretary of state, as required when a foreign corporation applies for a license to transact business in this state.

(C) The agreement of merger or consolidation may also set forth any additional provision permitted by the laws of any state under the laws of which any constituent corporation exists, consistent with the laws of the state under the laws of which the surviving corporation exists or the new corporation is to exist.

(D) To effect the merger or consolidation, the agreement shall be approved by the directors of each domestic constituent corporation, and adopted by the shareholders of each domestic constituent corporation, in the same manner and with the same notice to and vote of shareholders or of holders of a particular class of shares as is required by section [1701.78](#) of the Revised Code. The agreement shall also be approved or



## Ohio Revised Code 1701 - General Corporation Law

otherwise authorized by or on behalf of each foreign constituent corporation in accordance with the laws of the state under which it exists.

(E) At any time prior to filing the certificate of merger or consolidation, the merger or consolidation may be abandoned by the directors of any of the constituent corporations if the directors are authorized to do so by the agreement of merger or consolidation. The agreement may contain a provision authorizing the directors of the constituent corporations to amend the agreement at any time prior to the filing of the certificate of merger or consolidation, except that, after the adoption of the agreement by the shareholders of any domestic constituent corporation, the directors shall not be authorized to amend the agreement to do any of the following:

(1) Alter or change the amount or kind of shares, evidences of indebtedness, other securities, cash, rights, or any other property to be received by shareholders of the domestic constituent corporation in conversion of or in substitution for their shares;

(2) Alter or change any term of the articles of the surviving or new foreign corporation, except for alterations or changes that otherwise could be adopted by the directors of the surviving or new foreign corporation;

(3) Alter or change any other terms and conditions of the agreement if any of the alterations or changes, alone or in the aggregate, would materially adversely affect the holders of any class or series of shares of the domestic constituent corporation.

(F) If the surviving or new corporation does not desire to be licensed to transact business in this state, the agreement shall be accompanied by the affidavits, receipts, certificates, or other evidence required by division (H) of section [1701.86](#) of the Revised Code with respect to each domestic constituent corporation and, with respect to each foreign constituent corporation licensed to transact business in this state, the affidavits, receipts, certificates, or other evidence required by division (C) or (D) of section [1703.17](#) of the Revised Code.

### **Available Versions of this Section**

- April 11, 1990 – Senate Bill 321 - 118th General Assembly [ [View April 11, 1990 Version](#) ]

[Section 1701.791 | Merging or consolidating constituent entities that are not corporations.](#)

**Effective: April 12, 2021**

**Latest Legislation: Senate Bill 276 - 133rd General Assembly**

**PDF: [Download Authenticated PDF](#)**





**Ohio Revised Code 1701 - General Corporation Law**

(A) If the constituent entities in a merger or consolidation include entities that are not corporations, the constituent entities may be merged or consolidated into a surviving or new entity that is not a domestic corporation, as provided in this section. Pursuant to an agreement of merger or consolidation between the constituent entities as provided in this section, a domestic corporation and, if so provided, one or more additional domestic or foreign entities, may be merged into a surviving entity other than a domestic corporation, or a domestic corporation together with one or more additional domestic or foreign entities may be consolidated into a new entity other than a domestic corporation, to be formed by such consolidation. The merger or consolidation must be permitted by the chapter of the Revised Code under which each domestic constituent entity exists and by the laws under which each foreign constituent entity exists.

(B) The agreement of merger or consolidation shall set forth all of the following:

(1) The name and the form of entity of each constituent entity and the state under the laws of which each constituent entity exists;

(2) In the case of a merger, that one or more specified constituent entities will be merged into a specified surviving foreign entity or surviving domestic entity other than a domestic corporation or, in the case of a consolidation, that the constituent entities will be consolidated into a new foreign entity or domestic entity other than a corporation. The name of such a surviving or new entity may be the same as or similar to that of any constituent corporation or constituent limited liability company.

(3) The terms of the merger or consolidation, the mode of carrying them into effect, and the manner and basis of converting the shares or interests of the constituent entities into, or substituting the shares or interests of the constituent entities for, shares, interests, evidences of indebtedness, other securities, cash, rights, or any other property or any combination of shares, interests, evidences of indebtedness, securities, cash, rights, or any other property of the surviving entity, of the new entity, or of any other entity, including the parent of any constituent entity, or any other person. No conversion or substitution shall be effected if there are reasonable grounds to believe that the surviving or new entity would be rendered insolvent by the conversion or substitution.

(4) If the surviving or new entity is a foreign corporation, all additional statements and matters, other than the name and address of the statutory agent, that would be required by section [1701.78](#) of the Revised Code if the surviving or new corporation were a domestic corporation;



**Ohio Revised Code 1701 - General Corporation Law**

(5) The name and the form of entity of the surviving or new entity, the state under the laws of which the surviving entity exists or the new entity is to exist, and the location of the principal office of the surviving or new entity in that state;

(6) All statements and matters required to be set forth in an agreement of merger or consolidation by the laws under which each constituent entity exists and, in the case of a consolidation, the new entity is to exist;

(7) The consent of the surviving or the new entity to be sued and served with process in this state and the irrevocable appointment of the secretary of state as its agent to accept service of process in any proceeding in this state to enforce against the surviving or new entity any obligation of any domestic constituent corporation, or to enforce the rights of a dissenting shareholder of any domestic constituent corporation;

(8) If the surviving or new entity is a foreign corporation that desires to transact business in this state as a foreign corporation, a statement to that effect, together with a statement regarding the appointment of a statutory agent and service of any process, notice, or demand upon that statutory agent or the secretary of state, as required when a foreign corporation applies for a license to transact business in this state;

(9) If the surviving or new entity is a foreign limited partnership that desires to transact business in this state as a foreign limited partnership, a statement to that effect, together with all of the information required under section [1782.49](#) of the Revised Code when a foreign limited partnership registers to transact business in this state;

(10) If the surviving or new entity is a foreign limited liability company that desires to transact business in this state as a foreign limited liability company, a statement to that effect, together with all of the information required under section [1705.54](#) or [1706.511](#) of the Revised Code when a foreign limited liability company registers to transact business in this state.

(C) The agreement of merger or consolidation also may set forth any additional provision permitted by the laws of any state under the laws of which any constituent entity exists, consistent with the laws under which the surviving entity exists or the new entity is to exist.

(D) To effect the merger or consolidation, the agreement of merger or consolidation shall be approved by the directors of each domestic constituent corporation, and adopted by the shareholders of each domestic constituent corporation, in the same manner and with the same notice to and vote of shareholders or of holders of a particular class of shares as is required by section [1701.78](#) of the Revised Code. The agreement also shall be approved or otherwise authorized by or on behalf of each other constituent entity in accordance with the laws under which it exists.



## Ohio Revised Code 1701 - General Corporation Law

(E) At any time before the filing of the certificate of merger or consolidation under section [1701.81](#) of the Revised Code, the merger or consolidation may be abandoned by the directors of any constituent corporation, the general partners of any constituent partnership, or the comparable representatives of any other constituent entity if the directors, general partners, or comparable representatives are authorized to do so by the agreement of merger or consolidation.

The agreement of merger or consolidation may contain a provision authorizing the directors of any constituent corporation, the general partners of any constituent partnership, or the comparable representatives of any other constituent entity to amend the agreement of merger or consolidation at any time before the filing of the certificate of merger or consolidation, except that, after the adoption of the agreement by the shareholders of any domestic constituent corporation, the directors shall not be authorized to amend the agreement to do any of the following:

- (1) Alter or change the amount or kind of shares, interests, evidences of indebtedness, other securities, cash, rights, or any other property to be received by shareholders of the domestic constituent corporation in conversion of, or in substitution for, their shares;
- (2) If the surviving or new entity is a foreign corporation, alter or change any term of the articles of the surviving or new foreign corporation, except for alterations or changes that could otherwise be adopted by the directors of the surviving or new foreign corporation;
- (3) If the surviving or new entity is a partnership or other entity other than a corporation, alter or change any term of the partnership agreement or comparable instrument of the surviving or new partnership or other entity, except for alterations or changes that otherwise could be adopted by the general partners or comparable representatives of the surviving or new partnership or other entity;
- (4) Alter or change any other terms and conditions of the agreement of merger or consolidation if any of the alterations or changes, alone or in the aggregate, would materially adversely affect the holders of any class or series of shares of the domestic constituent corporation.

*Last updated September 9, 2021 at 11:43 AM*

### ***Available Versions of this Section***

- July 1, 1994 – Senate Bill 74 - 120th General Assembly [ [View July 1, 1994 Version](#) ]



---

## Ohio Revised Code 1701 - General Corporation Law

- April 12, 2021 – Amended by Senate Bill 276 - 133rd General Assembly [ [View April 12, 2021 Version](#) ]

### [Section 1701.792 | Conversion of domestic corporation into another entity.](#)

**Effective: January 1, 2008**

**Latest Legislation: House Bill 134 - 127th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) Subject to division (B)(2) of this section, pursuant to a written declaration of conversion as provided in this section, a domestic corporation may be converted into a domestic or foreign entity other than a nonprofit corporation or a domestic corporation. The conversion also must be permitted by the chapter of the Revised Code or by the laws under which the converted entity will exist.

(B)(1) The written declaration of conversion shall set forth all of the following:

(a) The name and form of entity that is being converted, the name of the entity into which the entity will be converted, the form of the converted entity, and the jurisdiction of formation of the converted entity;

(b) If the converted entity is a domestic entity, the complete terms of all documents required under the applicable chapter of the Revised Code to form the converted entity;

(c) If the converted entity is a foreign entity, all of the following:

(i) The complete terms of all documents required under the law of its formation to form the converted entity;

(ii) The consent of the converted entity to be sued and served with process in this state, and the irrevocable appointment of the secretary of state as the agent of the converted entity to accept service of process in this state to enforce against the converted entity any obligation of the converting corporation or to enforce the rights of a dissenting shareholder of the converting corporation;

(iii) If the converted entity desires to transact business in this state, the information required to qualify or to be licensed under the applicable chapter of the Revised Code.

(d) All other statements and matters required to be set forth in the declaration of conversion by the applicable chapter of the Revised Code, if the converted entity is a domestic entity, or by the laws under which the converted entity will be formed, if the converted entity is a foreign entity;



**Ohio Revised Code 1701 - General Corporation Law**

(e) The terms of the conversion; the mode of carrying them into effect; and the manner and basis of converting the interests or shares of the converting corporation into, or substituting the interests or shares in the converting corporation for, interests, evidences of indebtedness, other securities, cash, rights, or any other property or any combination of interests, evidences of indebtedness, other securities, cash, rights, or any other property of the converted entity.

(2) No conversion or substitution described in this section shall be effected if there are reasonable grounds to believe that the conversion or substitution would render the converted entity unable to pay its obligations as they become due in the usual course of its affairs.

(C) The written declaration of conversion may set forth any of the following:

(1) The effective date of the conversion, which date may be on or after the date of the filing of the certificate of conversion;

(2) A provision authorizing, prior to the filing of the certificate of conversion pursuant to section [1701.811](#) of the Revised Code, the converting corporation to abandon the proposed conversion by action of the directors of the converting corporation or by the same vote as was required to adopt the declaration of conversion;

(3) A statement of, or a statement of the method to be used to determine, the fair value of the assets owned by the converting corporation at the time of the conversion;

(4) The parties to the declaration of conversion in addition to the converting entity;

(5) Any additional provision necessary or desirable with respect to the proposed conversion or the converted entity.

(D) The directors of the domestic converting corporation must approve the declaration of conversion to effect the conversion, and the declaration of conversion must be adopted by the shareholders of the domestic converting corporation, at a meeting held for the purpose.

(E) Notice of each meeting of shareholders of a domestic converting corporation at which a declaration of conversion is to be submitted shall be given to all shareholders of that corporation, whether or not they are entitled to vote, and shall be accompanied by a copy or a summary of the material provisions of the declaration of conversion.

(F) The vote required to adopt a declaration of conversion at a meeting of the shareholders of a domestic converting corporation is the affirmative vote of the holders of shares of that corporation entitling them to exercise at least two-thirds of the voting power of the corporation on the proposal or a different proportion as provided in the



## **Ohio Revised Code 1701 - General Corporation Law**

articles, but not less than a majority, or, if the conversion is to a foreign corporation, a different proportion as the articles provide for a merger or consolidation, and the affirmative vote of the holders of shares of any particular class as required by the articles of the converting corporation.

If the declaration of conversion would have an effect that, if accomplished through an amendment to the articles, would entitle the holders of shares of any particular class of a domestic converting corporation to vote as a class on the adoption of an amendment as provided in division (B) of section [1701.71](#) of the Revised Code, the declaration of conversion also must be adopted by the affirmative vote of the holders of at least two-thirds of the shares of such class, or a different proportion as the articles provide, but not less than a majority. However, if the declaration of conversion would have an effect that, if accomplished through an amendment to the articles, would entitle the holders of shares of any particular class of a domestic converting corporation to vote as a class on the adoption of an amendment pursuant to division (B)(2) or (4) of section [1701.71](#) of the Revised Code solely because those shares are to be converted into or substituted for the same number of shares of a class of a different corporation having express terms identical in all material respects to those of the class of shares so converted or substituted, the declaration of conversion does not need to be adopted by the affirmative vote of the holders of shares of that particular class voting as a class.

If the declaration of conversion would authorize any particular corporate action that under any applicable provision of law or the articles could be authorized only by or pursuant to a specified vote of shareholders, the declaration of conversion also must be adopted by the same affirmative vote as required for such action.

(G)(1) At any time before the filing of the certificate of conversion pursuant to section [1701.811](#) of the Revised Code, the conversion may be abandoned by the directors of the converting corporation, if the directors are authorized to do so by the declaration of conversion, or by the same vote of the shareholders as was required to adopt the declaration of conversion.

(2) The declaration of conversion may contain a provision authorizing the directors of the converting corporation to amend the declaration of conversion at any time before the filing of the certificate of conversion pursuant to section [1701.811](#) of the Revised Code, except that, after the adoption of the declaration of conversion by the stockholders of the converting corporation, the directors may not amend the declaration of conversion to do any of the following:

(a) Alter or change the amount or kind of interests, shares, evidences of indebtedness, other securities, cash, rights, or any other property to be received by the shareholders of the converting corporation in conversion of, or substitution for, their shares;



## Ohio Revised Code 1701 - General Corporation Law

(b) Alter or change any term of the organizational documents of the converted entity except for alterations or changes that are adopted with the vote or action of the persons, the vote or action of which would be required for the alteration or change after the conversion;

(c) Alter or change any other terms and conditions of the declaration of conversion if any of the alterations or changes, alone or in the aggregate, materially and adversely would affect the holders of any class or series of shares of the converting corporation.

### **Available Versions of this Section**

- January 1, 2008 – House Bill 134 - 127th General Assembly [ [View January 1, 2008 Version](#) ]

### [Section 1701.80 | Merger into domestic or foreign parent corporation.](#)

**Effective: May 16, 2002**

**Latest Legislation: House Bill 278 - 124th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) Pursuant to an agreement of merger between the constituent corporations as provided in this section and provided that the provisions of Chapter 1704. of the Revised Code do not prevent the merger from being effected, one or more domestic or foreign subsidiaries may be merged into a domestic or foreign parent corporation, provided that the parent owns ninety per cent or more of each class of the outstanding shares of each subsidiary, that at least one constituent corporation is a domestic corporation, and that, in the case of a domestic parent, the conditions set forth in divisions (D)(1), (2), (3), and (4) of section [1701.78](#) of the Revised Code do not exist.

(B) The agreement of merger shall set forth the designation and the number of the outstanding shares of each class of each subsidiary constituent corporation and the number of shares of each such class owned by the surviving corporation. It shall also set forth any statements and matters that are required, and may set forth any provision that is permitted, in a merger under section [1701.78](#) of the Revised Code if the surviving corporation is a domestic corporation or under section [1701.79](#) of the Revised Code if the surviving corporation is a foreign corporation.

(C)(1) To effect the merger, the agreement shall be approved by the directors of each domestic constituent corporation, but it need not be adopted by the shareholders of any domestic constituent corporation. If any constituent corporation is a foreign corporation, the agreement shall be approved or otherwise authorized by or on behalf of each



## Ohio Revised Code 1701 - General Corporation Law

foreign constituent corporation in accordance with the laws of the state under which it exists.

(2) Within twenty days after the approval of the agreement of merger by the directors of each domestic constituent corporation, the surviving corporation shall deliver or send notice of such approval and copy or summary of the agreement to each shareholder of each domestic constituent corporation, other than the surviving corporation, of record as of the date on which the directors of the surviving corporation approved the agreement by mail, overnight delivery service, or any other means of communication authorized by the shareholder to whom the notice and copy or summary are sent.

(D) The approval of the agreement of merger by the directors of a domestic constituent corporation under this section constitutes adoption by that corporation.

### ***Available Versions of this Section***

- May 16, 2002 – House Bill 278 - 124th General Assembly [ [View May 16, 2002 Version](#) ]

### [Section 1701.801 | Merging into domestic subsidiary corporation.](#)

***Effective: May 16, 2002***

***Latest Legislation: House Bill 278 - 124th General Assembly***

***PDF: Download Authenticated PDF***

(A) Pursuant to an agreement of merger between the constituent corporations as provided in this section and provided that the provisions of Chapter 1704. of the Revised Code do not prevent the merger from being effected, one or more domestic or foreign corporations may be merged into a domestic corporation, provided that the domestic surviving corporation is a subsidiary of one of the constituent corporations and that the parent constituent corporation owns ninety per cent or more of each class of the outstanding shares of the surviving subsidiary corporation.

(B) The agreement of merger shall set forth the designation and the number of the outstanding shares of each class of the surviving subsidiary corporation and the number of shares of each such class owned by the parent constituent corporation. It shall also set forth any statements and matters that are required, and may set forth any provision that is permitted, in a merger under section [1701.78](#) of the Revised Code.

(C)(1) To effect the merger, the agreement shall be approved by the directors of each domestic constituent corporation and shall be adopted by the shareholders of each domestic constituent corporation in the same manner and with the same notice to and vote of shareholders or holders of a particular class of shares as is required by section





## Ohio Revised Code 1701 - General Corporation Law

[1701.78](#) of the Revised Code, except that the agreement need not be adopted by the shareholders of the surviving subsidiary corporation. If any constituent corporation is a foreign corporation, the agreement shall be approved or otherwise authorized by or on behalf of each foreign constituent corporation in accordance with the laws of the state under which it exists.

(2) Within twenty days after the approval of the agreement of merger by the directors of the surviving subsidiary corporation, the surviving corporation shall deliver or send notice of such approval and a copy or summary of the agreement to each shareholder of the surviving corporation, other than the parent of the surviving corporation, of record as of the date on which the directors of the surviving corporation approved the agreement by mail, overnight delivery service, or any other means of communication authorized by the shareholder to whom the notice and copy or summary are sent.

(D) The approval of the agreement of merger by the directors of the surviving subsidiary corporation under this section constitutes adoption by the corporation.

### **Available Versions of this Section**

- May 16, 2002 – House Bill 278 - 124th General Assembly [ [View May 16, 2002 Version](#) ]

[Section 1701.802 | Merger converting wholly owned subsidiary into parent corporation.](#)

**Effective: October 12, 2006**

**Latest Legislation: House Bill 301 - 126th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) For purposes of this section, a holding company is a domestic corporation that, from its formation until consummation of a merger governed by this section, was at all times a direct or indirect wholly owned subsidiary of the parent corporation and whose shares are issued in that merger solely to the shareholders of the parent corporation.

(B) Pursuant to an agreement of merger between the constituent corporations as provided in this section and provided that the provisions of Chapter 1704. of the Revised Code do not prevent the merger from being effected, a direct or indirect wholly owned domestic subsidiary may be merged with or into a domestic parent corporation if all of the following apply:

(1) The parent company and the direct or indirect wholly owned subsidiary are the only constituent entities to the merger.



**Ohio Revised Code 1701 - General Corporation Law**

(2) Each share or fraction of a share of the outstanding shares of the parent corporation outstanding immediately prior to the time at which the merger becomes effective is converted in the merger into a share or fraction of a share of a holding company having express terms identical in all material respects to those that were converted in the merger.

(3) The articles and regulations of the holding company immediately following the time at which the merger becomes effective contain provisions identical in all material respects to those contained in the articles and regulations of the parent corporation immediately prior to the time at which the merger becomes effective.

(4) As a result of the merger, the parent corporation becomes a direct or indirect wholly owned subsidiary of the holding company.

(5) The directors of the parent corporation become or remain the directors of the holding company immediately following the time at which the merger becomes effective.

(C) A parent corporation, by action of its board of directors, may adopt a merger described in division (B) of this section without any vote of its shareholders. From and after the effective time of a merger adopted in this manner, all of the following apply:

(1) To the extent the restrictions of Chapter 1704. of the Revised Code applied to the parent corporation and its shareholders at the effective time of the merger, such restrictions apply to the holding company and its shareholders immediately after the effective time of the merger as though it were the parent corporation. All shares of stock of the holding company acquired in the merger, for purposes of Chapter 1704. of the Revised Code, are deemed to have been acquired at the time that the shares of stock of the parent corporation converted in the merger were acquired, and any shareholder that immediately prior to the effective time of the merger was not an interested shareholder of the parent corporation within the meaning of Chapter 1704. of the Revised Code does not solely by reason of the merger become an interested shareholder of the holding company.

(2) If the corporate name of the holding company immediately following the effective time of the merger is the same as the corporate name of the parent corporation immediately prior to the effective time of the merger, the shares of capital stock of the holding company into which the shares of capital stock of the parent corporation are converted in the merger shall be represented by the stock certificates that previously represented shares of capital stock of the parent corporation.

(3) To the extent a shareholder of the parent corporation immediately prior to the time at which the merger became effective had standing to institute or maintain litigation by



---

## Ohio Revised Code 1701 - General Corporation Law

or in the right of the parent corporation, nothing in this section shall be deemed to limit or extinguish such standing.

(D) If the agreement of merger is adopted pursuant to division (C) of this section, the secretary or assistant secretary of the parent corporation shall certify on the agreement that the agreement has been adopted pursuant to this section and that the conditions specified in division (B) of this section have been satisfied.

(E) The agreement of merger shall set forth the designation and the number of the outstanding shares of each class of the subsidiary constituent corporation and the number of shares of each such class owned by the surviving corporation. It also shall set forth any statements and matters that are required, and may set forth any provision that is permitted, in a merger under section [1701.78](#) of the Revised Code.

(F)(1) Except as otherwise provided in division (F)(2) of this section, within twenty days after the approval of the agreement of merger by the directors of each domestic constituent corporation, the surviving corporation shall deliver or send notice of such approval and a copy or summary of the agreement to each shareholder of each domestic constituent corporation, other than the surviving corporation, of record as of the date on which the directors of the surviving corporation approved the agreement. The notice and copy or summary shall be delivered or sent by mail, overnight delivery service, or any other means of communication authorized by the shareholder to whom the notice and copy or summary are sent.

(2) Any corporation that files periodic reports with the United States securities and exchange commission pursuant to section 13 of the "Securities Exchange Act of 1934," 116 Stat. 787, 15 U.S.C. 78m, as amended, or section 15(d) of the "Securities Exchange Act of 1934," 48 Stat. 881, 15 U.S.C. 78o(d), as amended, may satisfy the notice requirement of division (F)(1) of this section by including a copy of the agreement of merger in a report filed in accordance with those provisions within twenty days after the approval of the agreement of merger by the directors of the corporation.

(G) The approval of the agreement of merger by the directors of a domestic constituent corporation under this section constitutes adoption by that corporation.

### ***Available Versions of this Section***

- October 12, 2006 – House Bill 301 - 126th General Assembly [ [View October 12, 2006 Version](#) ]

[Section 1701.81 | Certificate of merger or consolidation.](#)

***Effective: January 30, 2014***



## Ohio Revised Code 1701 - General Corporation Law

### **Latest Legislation: House Bill 72 - 130th General Assembly**

**PDF:** [Download Authenticated PDF](#)

(A) Upon adoption by each constituent entity of an agreement of merger or consolidation pursuant to section [1701.78](#), [1701.781](#), [1701.79](#), [1701.791](#), [1701.80](#), [1701.801](#), or [1701.802](#) of the Revised Code, a certificate of merger or consolidation shall be filed with the secretary of state that is signed by any authorized representative of each constituent corporation, partnership, or other entity. The certificate shall be on a form prescribed by the secretary of state and shall set forth only the information required by this section.

(B)(1) The certificate of merger or consolidation shall set forth all of the following:

(a) The name and the form of entity of each constituent entity and the state under the laws of which each constituent entity exists;

(b) A statement that each constituent entity has complied with all of the laws under which it exists and that the laws permit the merger or consolidation;

(c) The name and mailing address of the person or entity that is to provide, in response to any written request made by a shareholder, partner, or other equity holder of a constituent entity, a copy of the agreement of merger or consolidation;

(d) The effective date of the merger or consolidation, which date may be on or after the date of the filing of the certificate;

(e) The signature of each representative authorized to sign the certificate on behalf of each constituent entity and the office held or the capacity in which the representative is acting;

(f) A statement that the agreement of merger or consolidation is authorized on behalf of each constituent entity and that each person who signed the certificate on behalf of each entity is authorized to do so;

(g) In the case of a merger, a statement that one or more specified constituent entities will be merged into a specified surviving entity or, in the case of a consolidation, a statement that the constituent entities will be consolidated into a new entity;

(h) In the case of a merger, if the surviving entity is a foreign entity not licensed to transact business in this state, the name and address of the statutory agent upon whom any process, notice, or demand against any constituent entity may be served;



**Ohio Revised Code 1701 - General Corporation Law**

(1) In the case of a consolidation, the name and address of the statutory agent upon whom any process, notice, or demand against any constituent entity or the new entity may be served.

(2) In the case of a consolidation into a new domestic corporation, limited liability company, or limited partnership, the articles of incorporation, the articles of organization, or the certificate of limited partnership of the new domestic entity shall be filed with the certificate of merger or consolidation.

(3) In the case of a merger into a domestic corporation, limited liability company, or limited partnership, any amendments to the articles of incorporation, articles of organization, or certificate of limited partnership of the surviving domestic entity shall be filed with the certificate of merger or consolidation.

(4) If the surviving or new entity is a foreign entity that desires to transact business in this state as a foreign corporation, limited liability company, or limited partnership, the certificate of merger or consolidation shall be accompanied by the information required by division (B)(8), (9), or (10) of section [1701.791](#) of the Revised Code.

(5) If a foreign or domestic corporation licensed to transact business in this state is a constituent entity and the surviving or new entity resulting from the merger or consolidation is not a foreign or domestic corporation that is to be licensed to transact business in this state, the certificate of merger or consolidation shall be accompanied by the affidavits, receipts, certificates, or other evidence required by division (H) of section [1701.86](#) of the Revised Code, with respect to each domestic constituent corporation, and by the affidavits, receipts, certificates, or other evidence required by division (C) or (D) of section [1703.17](#) of the Revised Code, with respect to each foreign constituent corporation licensed to transact business in this state.

(C) If any constituent entity in a merger or consolidation is organized or formed under the laws of a state other than this state or under any chapter of the Revised Code other than this chapter, there also shall be filed in the proper office all documents that are required to be filed in connection with the merger or consolidation by the laws of that state or by that chapter.

(D) Upon the filing of a certificate of merger or consolidation and other filings as described in division (C) of this section or at such later date as the certificate of merger or consolidation specifies, the merger or consolidation is effective.

(E) The secretary of state shall furnish, upon request and payment of the fee specified in division (D) of section [111.16](#) of the Revised Code, the secretary of state's certificate setting forth the name and the form of entity of each constituent entity and the states under the laws of which each constituent entity existed prior to the merger or



## Ohio Revised Code 1701 - General Corporation Law

consolidation, the name and the form of entity of the surviving or new entity and the state under the laws of which the surviving entity exists or the new entity is to exist, the date of filing of the certificate of merger or consolidation with the secretary of state, and the effective date of the merger or consolidation. The certificate of the secretary of state, or a copy of the certificate of merger or consolidation certified by the secretary of state, may be filed for record in the office of the recorder of any county in this state and, if filed, shall be recorded in the official records of that county. For that recording, the county recorder shall charge and collect the same fee as in the case of deeds.

### **Available Versions of this Section**

- January 30, 2014 – House Bill 72 - 130th General Assembly [ [View January 30, 2014 Version](#) ]

### [Section 1701.811 | Filing of certificate of conversion - effective date.](#)

**Effective: January 30, 2014**

**Latest Legislation: House Bill 72 - 130th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) Upon the adoption of a declaration of conversion pursuant to section [1701.782](#) or [1701.792](#) of the Revised Code, or at a later time as authorized by the declaration of conversion, a certificate of conversion that is signed by an authorized representative of the converting entity shall be filed with the secretary of state. The certificate shall be on a form prescribed by the secretary of state and shall set forth only the information required by this section.

(B)(1) The certificate of conversion shall set forth all of the following:

(a) The name and the form of entity of the converting entity and the state under the laws of which the converting entity exists;

(b) A statement that the converting entity has complied with all of the laws under which it exists and that the laws permit the conversion;

(c) The name and mailing address of the person or entity that is to provide a copy of the declaration of conversion in response to any written request made by a shareholder, partner, or member of the converting entity;

(d) The effective date of the conversion, which date may be on or after the date of the filing of the certificate pursuant to this section;



**Ohio Revised Code 1701 - General Corporation Law**

(e) The signature of the representative or representatives authorized to sign the certificate on behalf of the converting entity and the office held or the capacity in which the representative is acting;

(f) A statement that the declaration of conversion is authorized on behalf of the converting entity and that each person signing the certificate on behalf of the converting entity is authorized to do so;

(g) The name and the form of the converted entity and the state under the laws of which the converted entity will exist;

(h) If the converted entity is a foreign entity that will not be licensed in this state, the name and address of the statutory agent upon whom any process, notice, or demand may be served.

(2) In the case of a conversion into a new domestic corporation, limited liability company, limited partnership, or other partnership, any organizational document, including a designation of agent, that would be filed upon the creation of the new entity shall be filed with the certificate of conversion.

(3) If the converted entity is a foreign entity that desires to transact business in this state, the certificate of conversion shall be accompanied by the information required by division (B)(8), (9), or (10) of section [1701.791](#) of the Revised Code.

(4) If a foreign or domestic corporation licensed to transact business in this state is the converting entity, the certificate of conversion shall be accompanied by the affidavits, receipts, certificates, or other evidence required by division (H) of section [1701.86](#) of the Revised Code with respect to a converting domestic corporation, or by the affidavits, receipts, certificates, or other evidence required by division (C) or (D) of section [1703.17](#) of the Revised Code with respect to a foreign corporation.

(C) If the converting entity or the converted entity is organized or formed under the laws of a state other than this state or under any chapter of the Revised Code other than this chapter, all documents required to be filed in connection with the conversion by the laws of that state or that chapter shall be filed in the proper office.

(D) Upon the filing of a certificate of conversion and other filings required by division (C) of this section or at any later date that the certificate of conversion specifies, the conversion is effective, subject to the limitation that no conversion will be effective if there are reasonable grounds to believe that the conversion would render the converted entity unable to pay its obligations as they become due in the usual course of its affairs.



## Ohio Revised Code 1701 - General Corporation Law

(E) The secretary of state shall furnish, upon request and payment of the fee specified in division (K)(2) of section [111.16](#) of the Revised Code, the secretary of state's certificate setting forth all of the following:

(1) The name and form of entity of the converting entity and the state under the laws of which it existed prior to the conversion;

(2) The name and the form of entity of the converted entity and the state under the laws of which it will exist;

(3) The date of filing of the certificate of conversion with the secretary of state and the effective date of the conversion.

(F) The certificate of the secretary of state, or a copy of the certificate of conversion certified by the secretary of state, may be filed for record in the office of the recorder of any county in this state and, if filed, shall be recorded in the official records of that county. For the recording, the county recorder shall charge and collect the same fee as in the case of deeds.

### **Available Versions of this Section**

- January 30, 2014 – House Bill 72 - 130th General Assembly [ [View January 30, 2014 Version](#) ]

[Section 1701.82 | Conditions following merger or consolidation.](#)

**Effective: April 7, 2005**

**Latest Legislation: Senate Bill 80 - 125th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) When a merger or consolidation becomes effective, all of the following apply:

(1) The separate existence of each constituent entity other than the surviving entity in a merger shall cease, except that whenever a conveyance, assignment, transfer, deed, or other instrument or act is necessary to vest property or rights in the surviving or new entity, the officers, general partners, or other authorized representatives of the respective constituent entities shall execute, acknowledge, and deliver those instruments and do those acts. For these purposes, the existence of the constituent entities and the authority of their respective officers, directors, general partners, or other authorized representatives is continued notwithstanding the merger or consolidation.





**Ohio Revised Code 1701 - General Corporation Law**

(2) In the case of a consolidation, the new entity exists when the consolidation becomes effective and, if it is a domestic corporation, the articles contained in or provided for in the agreement of consolidation shall be its original articles. In the case of a merger in which the surviving entity is a domestic corporation, the articles of the domestic surviving corporation in effect immediately prior to the time the merger becomes effective shall continue as its articles after the merger except as otherwise provided in the agreement of merger.

(3) The surviving or new entity possesses all assets and property of every description, and every interest in the assets and property, wherever located, and the rights, privileges, immunities, powers, franchises, and authority, of a public as well as of a private nature, of each constituent entity, and, subject to the limitations specified in section [2307.97](#) of the Revised Code, all obligations belonging to or due to each constituent entity, all of which are vested in the surviving or new entity without further act or deed. Title to any real estate or any interest in the real estate vested in any constituent entity shall not revert or in any way be impaired by reason of such merger or consolidation.

(4) Subject to the limitations specified in section [2307.97](#) of the Revised Code, the surviving or new entity is liable for all the obligations of each constituent entity, including liability to dissenting shareholders. Any claim existing or any action or proceeding pending by or against any constituent entity may be prosecuted to judgment, with right of appeal, as if the merger or consolidation had not taken place, or the surviving or new entity may be substituted in its place.

(5) Subject to the limitations specified in section [2307.97](#) of the Revised Code, all the rights of creditors of each constituent entity are preserved unimpaired, and all liens upon the property of any constituent entity are preserved unimpaired, on only the property affected by those liens immediately prior to the effective date of the merger or consolidation. If a general partner of a constituent partnership is not a general partner of the entity surviving or the new entity resulting from the merger or consolidation, then the former general partner shall have no liability for any obligation incurred after the merger or consolidation except to the extent that a former creditor of the constituent partnership in which the former general partner was a partner extends credit to the surviving or new entity reasonably believing that the former general partner continued as a general partner of the surviving or new entity.

(B) If a general partner of a constituent partnership is not a general partner of the entity surviving or the new entity resulting from the merger or consolidation, the provisions of division (B) of section [1782.434](#) of the Revised Code shall apply.



## Ohio Revised Code 1701 - General Corporation Law

(C) In the case of a merger of a domestic constituent corporation into a foreign surviving corporation, limited liability company, or limited partnership that is not licensed or registered to transact business in this state or in the case of a consolidation of a domestic constituent corporation into a new foreign corporation, limited liability company, or limited partnership, if the surviving or new entity intends to transact business in this state and the certificate of merger or consolidation is accompanied by the information described in division (B)(4) of section [1701.81](#) of the Revised Code, then, on the effective date of the merger or consolidation, the surviving or new entity shall be considered to have complied with the requirements for procuring a license or for registering to transact business in this state as a foreign corporation, limited liability company, or limited partnership, as the case may be. In such a case, a copy of the certificate of merger or consolidation certified by the secretary of state constitutes the license certificate prescribed by the laws of this state for a foreign corporation transacting business in this state or the application for registration prescribed for a foreign limited partnership or limited liability company.

(D) Any action to set aside any merger or consolidation on the ground that any section of the Revised Code applicable to the merger or consolidation has not been complied with shall be brought within ninety days after the effective date of that merger or consolidation or be forever barred.

(E) As used in this section, "corporation" or "entity" applies to both domestic and foreign corporations and entities where the context so permits. In the case of a foreign constituent entity or a foreign new entity, this section is subject to the laws of the state under the laws of which the entity exists or in which it has property.

### ***Available Versions of this Section***

- April 7, 2005 – Senate Bill 80 - 125th General Assembly [ [View April 7, 2005 Version](#) ]

[Section 1701.821 | Legal effect of conversion - action to set aside.](#)

***Effective: October 12, 2006***

***Latest Legislation: House Bill 301 - 126th General Assembly***

***PDF: Download Authenticated PDF***

(A) Upon a conversion becoming effective, all of the following apply:

- (1) The converting entity is continued in the converted entity.
- (2) The converted entity exists, and the converting entity ceases to exist.



**Ohio Revised Code 1701 - General Corporation Law**

(3) The converted entity possesses both of the following, and both of the following continue in the converted entity without any further act or deed:

(a) Except to the extent limited by the requirements of applicable law, both of the following:

(i) All assets and property of every description of the converting entity and every interest in the assets and property of the converted entity, wherever the assets, property, and interests are located. Title to any real estate or any interest in real estate that was vested in the converting entity does not revert or in any way is impaired by reason of the conversion.

(ii) The rights, privileges, immunities, powers, franchises, and authority, whether of a public or a private nature, of the converting entity.

(b) All obligations belonging or due to the converting entity.

(4) All the rights of creditors of the converting entity are preserved unimpaired, and all liens upon the property of the converting entity are preserved unimpaired. If a general partner of a converting partnership is not a general partner of the entity resulting from the conversion, then the former general partner has no liability for any obligation incurred after the conversion except to the extent that a former creditor of the converting partnership in which the former general partner was a general partner extends credit to the converted entity reasonably believing that the former general partner continues as a general partner of the converted entity.

(B) In the case of a conversion into a foreign corporation, limited liability company, or partnership that is not licensed or registered to transact business in this state, if the converted entity intends to transact business in this state, and the certificate of conversion is accompanied by the information described in division (B)(4) of section [1701.81](#) of the Revised Code, then on the effective date of the conversion, the converted entity is considered to have complied with the requirements for procuring a license or for registration to transact business in this state as a foreign corporation, limited liability company, limited partnership, or limited liability partnership as the case may be. In such a case, a copy of the certificate of conversion certified by the secretary of state constitutes the license certificate prescribed for a foreign corporation or the application for registration prescribed for a foreign limited liability company, foreign limited partnership, or foreign limited liability partnership.

(C) Any action to set aside a conversion on the ground that any section of the Revised Code applicable to the conversion has not been complied with shall be brought within ninety days after the effective date of the conversion or is forever barred.



## Ohio Revised Code 1701 - General Corporation Law

(D) In the case of a converting or converted entity organized or existing under the laws of any state other than this state, this section is subject to the laws of the state under which that entity exists or in which it has property.

### ***Available Versions of this Section***

- October 12, 2006 – House Bill 301 - 126th General Assembly [ [View October 12, 2006 Version](#) ]

### [Section 1701.83 | Effecting a combination or majority share acquisition.](#)

***Effective: July 17, 1970***

***Latest Legislation: Senate Bill 158 - 108th General Assembly***

***PDF: Download Authenticated PDF***

(A) To effect a combination or majority share acquisition, the directors of the acquiring corporation shall authorize such transaction. If the articles or regulations of the acquiring corporation require such transaction to be authorized by its shareholders, or if such transaction involves the issuance or transfer by the acquiring corporation of such number of its shares as entitle the holders to exercise one-sixth or more of the voting power of such corporation in the election of directors immediately after the consummation of such transaction, the transaction shall also be authorized by the shareholders of the acquiring corporation at a meeting held for the purpose, by the affirmative vote of the holders of shares entitling them to exercise two-thirds of the voting power of the acquiring corporation on such proposal or such different proportion as the articles provide, but not less than a majority, and by such affirmative vote of the holders of shares of any particular class as is required by the articles of such corporation. Notice of the meeting of the shareholders shall be given to all shareholders, whether or not entitled to vote thereat. Such notice shall be accompanied by a copy or summary of the terms of proposed combination or majority share acquisition.

(B) The directors of the acquiring corporation may abandon such combination or majority share acquisition, if authorized to do so by the terms of the combination or majority share acquisition.

(C) An action to set aside any combination or majority share acquisition on the ground that any section of the Revised Code applicable thereto has not been complied with, shall be brought within ninety days after the completion of such transaction, or be forever barred.

### ***Available Versions of this Section***



## Ohio Revised Code 1701 - General Corporation Law

- July 17, 1970 – Senate Bill 158 - 108th General Assembly [ [View July 17, 1970 Version](#) ]

### [Section 1701.831 | Control share acquisitions procedures.](#)

**Effective: March 24, 2021**

**Latest Legislation: House Bill 301 - 126th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) Unless the articles, the regulations adopted by the shareholders, or the regulations adopted by the directors pursuant to division (A)(1) of section [1701.10](#) of the Revised Code of the issuing public corporation provide that this section does not apply to control share acquisitions of shares of such corporation, any control share acquisition of an issuing public corporation shall be made only with the prior authorization of the shareholders of such corporation in accordance with this section.

(B) Any person who proposes to make a control share acquisition shall deliver an acquiring person statement to the issuing public corporation at the issuing public corporation's principal executive offices. Such acquiring person statement shall set forth all of the following:

- (1) The identity of the acquiring person;
- (2) A statement that the acquiring person statement is given pursuant to this section;
- (3) The number of shares of the issuing public corporation owned, directly or indirectly, by the acquiring person;
- (4) The range of voting power, described in division (Z)(1)(a), (b), or (c) of section [1701.01](#) of the Revised Code, under which the proposed control share acquisition would, if consummated, fall;
- (5) A description in reasonable detail of the terms of the proposed control share acquisition;
- (6) Representations of the acquiring person, together with a statement in reasonable detail of the facts upon which they are based, that the proposed control share acquisition, if consummated, will not be contrary to law, and that the acquiring person has the financial capacity to make the proposed control share acquisition.

(C)(1) Within ten days after receipt of an acquiring person statement that complies with division (B) of this section, the directors of the issuing public corporation shall call a special meeting of shareholders of the issuing public corporation for the purpose of



**Ohio Revised Code 1701 - General Corporation Law**

voting on the proposed control share acquisition. Subject to division (C)(2) of this section, unless the acquiring person and the issuing public corporation agree in writing to another date, such special meeting of shareholders shall be held within fifty days after receipt by the issuing public corporation of the acquiring person statement. If the acquiring person so requests in writing at the time of delivery of the acquiring person statement, such special meetings shall be held no sooner than thirty days after receipt by the issuing public corporation of the acquiring person statement. Subject to division (C)(2) of this section, such special meeting of shareholders shall be held no later than any other special meeting of shareholders that is called, after receipt by the issuing public corporation of the acquiring person statement, in compliance with this section or section [1701.76](#), [1701.78](#), [1701.781](#), [1701.79](#), [1701.791](#), [1701.801](#), or [1701.83](#) of the Revised Code.

(2) If, in connection with a proposed control share acquisition, the acquiring person changes the percentage of the class of shares being sought, the consideration offered, or the security dealer's soliciting fee; extends the expiration date of a tender offer for the shares being sought; or otherwise changes the terms of the proposed control share acquisition, then the directors of the issuing public corporation may reschedule the special meeting of shareholders required by division (C)(1) of this section. If the proposed control share acquisition is to be made pursuant to a tender offer, then the meeting may be rescheduled to a date that is not later than the expiration date of the offer. If the proposed control share acquisition is to be made other than pursuant to a tender offer, the meeting may be rescheduled to a date that is not later than ten business days after notice of the change is first given to the shareholders.

(D) Notice of the special meeting of shareholders shall be given as promptly as reasonably practicable by the issuing public corporation to all shareholders of record as of the record date set for such meeting, whether or not entitled to vote at the meeting. The notice shall include or be accompanied by both of the following:

(1) A copy of the acquiring person statement delivered to the issuing public corporation pursuant to this section;

(2) A statement by the issuing public corporation, authorized by its directors, of its position or recommendation, or that it is taking no position or making no recommendation, with respect to the proposed control share acquisition.

(E) The acquiring person may make the proposed control share acquisition if both of the following occur:

(1) The shareholders of the issuing public corporation who hold shares as of the record date of such corporation entitling them to vote in the election of directors authorize the acquisition at the special meeting held for that purpose at which a quorum is present by



## Ohio Revised Code 1701 - General Corporation Law

an affirmative vote of a majority of the voting power of such corporation in the election of directors represented at the meeting in person or by proxy, and a majority of the portion of the voting power excluding the voting power of interested shares represented at the meeting in person or by proxy. A quorum shall be deemed to be present at the special meeting if at least a majority of the voting power of the issuing public corporation in the election of directors is represented at the meeting in person or by proxy.

(2) The acquisition is consummated, in accordance with the terms so authorized, no later than three hundred sixty days following shareholder authorization of the control share acquisition.

(F) Except as expressly provided in this section, nothing in this section shall be construed to affect or impair any right, remedy, obligation, duty, power, or authority of any acquiring person, any issuing public corporation, the directors of any acquiring person or issuing public corporation, or any other person under the laws of this or any other state or of the United States.

(G) If any application of any provision of this section is for any reason held to be illegal or invalid, the illegality or invalidity shall not affect any legal and valid provision or application of this section, and the parts and applications of this section are severable.

### **Available Versions of this Section**

- March 24, 2021 – House Bill 301 - 126th General Assembly [ [View March 24, 2021 Version](#) ]

[Section 1701.832 | State's responsibility as to tender offers.](#)

**Effective: November 21, 1997**

**Latest Legislation: House Bill 170 - 122nd General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) In enacting Amended Substitute House Bill No. 822 of the 114th general assembly, which amended sections [1701.01](#), [1701.11](#), [1701.37](#), [1701.48](#), [1707.01](#), [1707.23](#), [1707.26](#), [1707.29](#), and [1707.99](#) and enacted sections [1701.831](#) and [1707.042](#) of the Revised Code, the general assembly found and continues to find that:

(1) Existing Ohio corporate law was designed to deal with traditional methods of transfer of control of Ohio corporations. The tender offer has evolved as an alternative device to acquire control of a public corporation that has been in widespread use in the past several decades. The acquisition of significant blocks of the securities of a public company in the open market or private transactions in connection with actual or



## **Ohio Revised Code 1701 - General Corporation Law**

apparent efforts to acquire control has become more common in recent years and has further complicated the impact of tender offers upon a corporation and its shareholders. Numerous Ohio corporations have been the subject of tender offers and accumulations of significant blocks of securities.

(2) The accumulation of a large block of a corporation's voting shares, or other securities convertible into voting shares, through direct or indirect acquisition from one or more existing shareholders of the corporation has not been subject to the normal corporate approval mechanisms involved in other typical types of acquisition transactions such as mergers, consolidations, combinations, and majority share acquisitions. Such accumulations, however, can result in shifts of effective corporate control and hence, from a business and financial perspective, directly or indirectly, can result in significant changes in a variety of basic corporate circumstances identical or substantially similar to those arising as a result of the above-mentioned transactions. For instance, a change in corporate control accompanying a large accumulation of shares will very often result in a fundamental change in the ongoing business of the corporation and a concomitant fundamental change in the nature of the shareholders' investment in it. Thus the potential that such changes in corporate circumstances will occur gives rise to basic issues concerning the internal affairs of the corporation typical of those arising in mergers, consolidations, combinations, and majority share acquisitions. The form of the transaction in which such issues arise should not alter the basic corporate mechanisms by which such issues are presented and resolved.

(3) Tender offers almost always involve a change in corporate control and, therefore, give rise to these same basic issues concerning internal corporate affairs. Although tender offers in theory offer shareholders the opportunity to consider such issues in deciding whether or not to tender their shares, in practice they do not. Tender offers are coercive in the sense that shareholders are normally concerned that a majority of their fellow shareholders will tender their shares, leaving them in a minority position with one controlling shareholder. Thus, shareholders often feel compelled to tender their shares, regardless of how they feel about the corporate control issues inherent in any tender offer. The opportunity for reasoned decision-making is further hindered by the short time periods in which tender offers can be consummated, the structures of many recent tender offers, which are designed to encourage prompt tenders, and the fact that individual shareholders typically receive or obtain tender offer materials much later than institutional shareholders.

(4) It is in the public interest for shareholders to have a reasonable opportunity to express their views by voting on a proposed shift of control, an opportunity currently available under Ohio general corporation law, Chapter 1701. of the Revised Code, in transactions with similar effects. The general assembly also believes that it is in the public interest for Ohio securities laws, Chapter 1707. of the Revised Code, to provide





---

## Ohio Revised Code 1701 - General Corporation Law

evenhanded protection of offerors and shareholders from fraudulent and manipulative transactions arising in connection with control acquisitions.

(5) Initial state efforts to deal with tender offer developments have been questioned by the federal courts. The general assembly observes that responsibility for general corporate laws is the function of state legislation and that no federal law of corporations exists. The general assembly observes that securities law protection of state residents has long been recognized as an appropriate subject of state law regulation under the federal system. The general assembly acknowledges an in loco parentis responsibility to shareholders who invest in corporations created under the laws of Ohio and to shareholders generally who reside in Ohio.

(B) Sections [1701.01](#), [1701.11](#), [1701.37](#), [1701.48](#), [1707.01](#), [1707.23](#), [1707.26](#), [1707.29](#), and [1707.99](#), as amended by Amended Substitute House Bill No. 822 of the 114th general assembly, and sections [1701.831](#) and [1707.042](#), as enacted by that act, were a recognition of the state's responsibility with respect to the subject matter of the act. Nevertheless, with a view to avoiding an undue burden on interstate commerce, as expressed in recent court decisions, the amendments were designed to have the minimum impact upon interstate commerce consistent with Ohio responsibility in respect to the subject matter. Accordingly, the security law amendments made by that act to sections [1707.23](#), [1707.26](#), [1707.29](#), and [1707.99](#) and in newly enacted section [1707.042](#) of the Revised Code were limited to application to Ohio resident investors, and the corporate law amendments made by that act to sections [1701.01](#), [1701.11](#), [1701.37](#), and [1701.48](#) and in newly enacted section [1701.831](#) of the Revised Code were limited to corporations created under the laws of Ohio with the strong Ohio ties provided in the amendments. The corporate legislation does not include a requirement for Ohio resident investors because of the difficulty of ascertainment by potential acquirers and others of the residence of shareholders. The general assembly finds that corporations satisfying the jurisdictional nexus provided by the amendments may be deemed to have a substantial and significant shareholder base in the state.

(C) The general assembly confirms all of the findings of this section as enacted by Amended Substitute House Bill No. 822 of the 114th general assembly, except that the general assembly declares that, from the effective date of this amendment, November 2, 1989, and the concurrent amendment of section [1701.11](#) of the Revised Code by the addition of division (B)(9)(a)(ii) to that section, the standards of that division are permitted, as an alternative to the ties with Ohio essential to the status of a control share acquisition, to qualify for the authorized restrictions on transfer of shares. The general assembly further finds that the omission of a reference to "1701.01" immediately following the phrase "the corporate law amendments in sections" in the enactment of division (B) of this section was inadvertent.



## Ohio Revised Code 1701 - General Corporation Law

(D) The general assembly confirms all of the findings of this section as enacted by Amended Substitute House Bill No. 822 of the 114th general assembly, and as amended by Amended Substitute House Bill No. 358 of the 118th general assembly, and further finds all of the following:

(1) Although Ohio general corporation law, Chapter 1701. of the Revised Code, requires that a special meeting be held to enable shareholders of an issuing public corporation to vote on any control share acquisition, it describes meeting procedures, like other states, primarily in general terms.

(2) Where the law, or the articles of incorporation and code of regulations of the issuing public corporation, do not mandate specific meeting procedures, the directors of the corporation must define appropriate procedures consistent with their fiduciary duties as provided in section [1701.59](#) of the Revised Code. In carrying out these duties, practices and procedures have developed from experience in this state and elsewhere to ensure fair and efficient meetings. These practices and procedures include the use of a variety and number of presumptions and forms of proxy.

(3) The use of presumptions and forms of proxy reflects the fact that, in this state and other states with similar laws, efficiency and finality are necessary priorities over precision and certitude in the conduct of a meeting. It is the responsibility of the directors to utilize practices and procedures, including presumptions and forms of proxy, that are consistent with their fiduciary duties.

### ***Available Versions of this Section***

- November 21, 1997 – House Bill 170 - 122nd General Assembly [ [View November 21, 1997 Version](#) ]

### ***[Section 1701.84 | Dissenting shareholders entitled to relief.](#)***

***Effective: May 4, 2012***

***Latest Legislation: House Bill 48 - 129th General Assembly***

***PDF: [Download Authenticated PDF](#)***

(A) Except as provided in division (B) of this section, the following are entitled to relief as dissenting shareholders under section [1701.85](#) of the Revised Code:

(1) Shareholders of a domestic corporation that is being merged or consolidated into a surviving or new entity, domestic or foreign, pursuant to section [1701.78](#), [1701.781](#), [1701.79](#), [1701.791](#), or [1701.801](#) of the Revised Code;



**Ohio Revised Code 1701 - General Corporation Law**

(2) In the case of a merger into a domestic corporation, shareholders of the surviving corporation who under section [1701.78](#) or [1701.781](#) of the Revised Code are entitled to vote on the adoption of an agreement of merger, but only as to the shares so entitling them to vote;

(3) Shareholders, other than the parent corporation, of a domestic subsidiary corporation that is being merged into the domestic or foreign parent corporation pursuant to section [1701.80](#) of the Revised Code;

(4) In the case of a combination or a majority share acquisition, shareholders of the acquiring corporation who under section [1701.83](#) of the Revised Code are entitled to vote on such transaction, but only as to the shares so entitling them to vote;

(5) Shareholders of a domestic subsidiary corporation into which one or more domestic or foreign corporations are being merged pursuant to section [1701.801](#) of the Revised Code;

(6) Shareholders of a domestic corporation that is being converted pursuant to section [1701.792](#) of the Revised Code.

(B) All of the following shareholders shall not be entitled to relief as dissenting shareholders under section [1701.85](#) of the Revised Code:

(1) Shareholders described in division (A)(1) or (6) of this section, if both of the following apply:

(a) The shares of the corporation for which the dissenting shareholder would otherwise be entitled to relief under division (A)(1) or (6) of this section are listed on a national securities exchange as of the day immediately preceding the date on which the vote on the proposal is taken at the meeting of the shareholders.

(b) The consideration to be received by the shareholders consists of shares or shares and cash in lieu of fractional shares that, immediately following the effective time of a merger, consolidation, or conversion, as applicable, are listed on a national securities exchange and for which no proceedings are pending to delist the shares from the national securities exchange as of the effective time of the merger, consolidation, or conversion.

(2) Shareholders described in division (A)(2) of this section, if the shares so entitling them to vote are listed on a national securities exchange both as of the day immediately preceding the date on which the vote on the proposal is taken at the meeting of the shareholders and immediately following the effective time of the merger and there are no proceedings pending to delist the shares from the national securities exchange as of the effective time of the merger;



## Ohio Revised Code 1701 - General Corporation Law

(3) The shareholders described in division (A)(4) of this section, if the shares so entitling them to vote are listed on a national securities exchange both as of the day immediately preceding the date on which the vote on the proposal is taken at the meeting of the shareholders and immediately following the effective time of the combination or majority share acquisition, and there are no proceedings pending to delist the shares from the national securities exchange as of the effective time of the combination or majority share acquisition.

### **Available Versions of this Section**

- May 4, 2012 – House Bill 48 - 129th General Assembly [ [View May 4, 2012 Version](#) ]

[Section 1701.85 | Dissenting shareholders - compliance with section - fair cash value of shares.](#)

**Effective: May 4, 2012**

**Latest Legislation: House Bill 48 - 129th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A)(1) A shareholder of a domestic corporation is entitled to relief as a dissenting shareholder in respect of the proposals described in sections [1701.74](#), [1701.76](#), and [1701.84](#) of the Revised Code, only in compliance with this section.

(2) If the proposal must be submitted to the shareholders of the corporation involved, the dissenting shareholder shall be a record holder of the shares of the corporation as to which the dissenting shareholder seeks relief as of the date fixed for the determination of shareholders entitled to notice of a meeting of the shareholders at which the proposal is to be submitted, and such shares shall not have been voted in favor of the proposal.

(3) Not later than twenty days before the date of the meeting at which the proposal will be submitted to the shareholders, the corporation may notify the corporation's shareholders that relief under this section is available. The notice shall include or be accompanied by all of the following:

(a) A copy of this section;

(b) A statement that the proposal can give rise to rights under this section if the proposal is approved by the required vote of the shareholders;

(c) A statement that the shareholder will be eligible as a dissenting shareholder under this section only if the shareholder delivers to the corporation a written demand with



**Ohio Revised Code 1701 - General Corporation Law**

the information provided for in division (A)(4) of this section before the vote on the proposal will be taken at the meeting of the shareholders and the shareholder does not vote in favor of the proposal.

(4) If the corporation delivers notice to its shareholders as provided in division (A)(3) of this section, a shareholder electing to be eligible as a dissenting shareholder under this section shall deliver to the corporation before the vote on the proposal is taken a written demand for payment of the fair cash value of the shares as to which the shareholder seeks relief. The demand for payment shall include the shareholder's address, the number and class of such shares, and the amount claimed by the shareholder as the fair cash value of the shares.

(5) If the corporation does not notify the corporation's shareholders pursuant to division (A)(3) of this section, not later than ten days after the date on which the vote on the proposal was taken at the meeting of the shareholders, the dissenting shareholder shall deliver to the corporation a written demand for payment to the dissenting shareholder of the fair cash value of the shares as to which the dissenting shareholder seeks relief, which demand shall state the dissenting shareholder's address, the number and class of such shares, and the amount claimed by the dissenting shareholder as the fair cash value of the shares.

(6) If a signatory, designated and approved by the dissenting shareholder, executes the demand, then at any time after receiving the demand, the corporation may make a written request that the dissenting shareholder provide evidence of the signatory's authority. The shareholder shall provide the evidence within a reasonable time but not sooner than twenty days after the dissenting shareholder has received the corporation's written request for evidence.

(7) The dissenting shareholder entitled to relief under division (A)(3) of section [1701.84](#) of the Revised Code in the case of a merger pursuant to section [1701.80](#) of the Revised Code and a dissenting shareholder entitled to relief under division (A)(5) of section [1701.84](#) of the Revised Code in the case of a merger pursuant to section [1701.801](#) of the Revised Code shall be a record holder of the shares of the corporation as to which the dissenting shareholder seeks relief as of the date on which the agreement of merger was adopted by the directors of that corporation. Within twenty days after the dissenting shareholder has been sent the notice provided in section [1701.80](#) or [1701.801](#) of the Revised Code, the dissenting shareholder shall deliver to the corporation a written demand for payment with the same information as that provided for in division (A)(4) of this section.

(8) In the case of a merger or consolidation, a demand served on the constituent corporation involved constitutes service on the surviving or the new entity, whether the



**Ohio Revised Code 1701 - General Corporation Law**

demand is served before, on, or after the effective date of the merger or consolidation. In the case of a conversion, a demand served on the converting corporation constitutes service on the converted entity, whether the demand is served before, on, or after the effective date of the conversion.

(9) If the corporation sends to the dissenting shareholder, at the address specified in the dissenting shareholder's demand, a request for the certificates representing the shares as to which the dissenting shareholder seeks relief, the dissenting shareholder, within fifteen days from the date of the sending of such request, shall deliver to the corporation the certificates requested so that the corporation may endorse on them a legend to the effect that demand for the fair cash value of such shares has been made. The corporation promptly shall return the endorsed certificates to the dissenting shareholder. A dissenting shareholder's failure to deliver the certificates terminates the dissenting shareholder's rights as a dissenting shareholder, at the option of the corporation, exercised by written notice sent to the dissenting shareholder within twenty days after the lapse of the fifteen-day period, unless a court for good cause shown otherwise directs. If shares represented by a certificate on which such a legend has been endorsed are transferred, each new certificate issued for them shall bear a similar legend, together with the name of the original dissenting holder of the shares. Upon receiving a demand for payment from a dissenting shareholder who is the record holder of uncertificated securities, the corporation shall make an appropriate notation of the demand for payment in its shareholder records. If uncertificated shares for which payment has been demanded are to be transferred, any new certificate issued for the shares shall bear the legend required for certificated securities as provided in this paragraph. A transferee of the shares so endorsed, or of uncertificated securities where such notation has been made, acquires only the rights in the corporation as the original dissenting holder of such shares had immediately after the service of a demand for payment of the fair cash value of the shares. A request under this paragraph by the corporation is not an admission by the corporation that the shareholder is entitled to relief under this section.

(B) Unless the corporation and the dissenting shareholder have come to an agreement on the fair cash value per share of the shares as to which the dissenting shareholder seeks relief, the dissenting shareholder or the corporation, which in case of a merger or consolidation may be the surviving or new entity, or in the case of a conversion may be the converted entity, within three months after the service of the demand by the dissenting shareholder, may file a complaint in the court of common pleas of the county in which the principal office of the corporation that issued the shares is located or was located when the proposal was adopted by the shareholders of the corporation, or, if the proposal was not required to be submitted to the shareholders, was approved by the directors. Other dissenting shareholders, within that three-month period, may join



**Ohio Revised Code 1701 - General Corporation Law**

as plaintiffs or may be joined as defendants in any such proceeding, and any two or more such proceedings may be consolidated. The complaint shall contain a brief statement of the facts, including the vote and the facts entitling the dissenting shareholder to the relief demanded. No answer to a complaint is required. Upon the filing of a complaint, the court, on motion of the petitioner, shall enter an order fixing a date for a hearing on the complaint and requiring that a copy of the complaint and a notice of the filing and of the date for hearing be given to the respondent or defendant in the manner in which summons is required to be served or substituted service is required to be made in other cases. On the day fixed for the hearing on the complaint or any adjournment of it, the court shall determine from the complaint and from evidence submitted by either party whether the dissenting shareholder is entitled to be paid the fair cash value of any shares and, if so, the number and class of such shares. If the court finds that the dissenting shareholder is so entitled, the court may appoint one or more persons as appraisers to receive evidence and to recommend a decision on the amount of the fair cash value. The appraisers have power and authority specified in the order of their appointment. The court thereupon shall make a finding as to the fair cash value of a share and shall render judgment against the corporation for the payment of it, with interest at a rate and from a date as the court considers equitable. The costs of the proceeding, including reasonable compensation to the appraisers to be fixed by the court, shall be assessed or apportioned as the court considers equitable. The proceeding is a special proceeding and final orders in it may be vacated, modified, or reversed on appeal pursuant to the Rules of Appellate Procedure and, to the extent not in conflict with those rules, Chapter 2505. of the Revised Code. If, during the pendency of any proceeding instituted under this section, a suit or proceeding is or has been instituted to enjoin or otherwise to prevent the carrying out of the action as to which the shareholder has dissented, the proceeding instituted under this section shall be stayed until the final determination of the other suit or proceeding. Unless any provision in division (D) of this section is applicable, the fair cash value of the shares that is agreed upon by the parties or fixed under this section shall be paid within thirty days after the date of final determination of such value under this division, the effective date of the amendment to the articles, or the consummation of the other action involved, whichever occurs last. Upon the occurrence of the last such event, payment shall be made immediately to a holder of uncertificated securities entitled to payment. In the case of holders of shares represented by certificates, payment shall be made only upon and simultaneously with the surrender to the corporation of the certificates representing the shares for which the payment is made.

(C)(1) If the proposal was required to be submitted to the shareholders of the corporation, fair cash value as to those shareholders shall be determined as of the day prior to the day on which the vote by the shareholders was taken and, in the case of a merger pursuant to section [1701.80](#) or [1701.801](#) of the Revised Code, fair cash value as



## Ohio Revised Code 1701 - General Corporation Law

to shareholders of a constituent subsidiary corporation shall be determined as of the day before the adoption of the agreement of merger by the directors of the particular subsidiary corporation. The fair cash value of a share for the purposes of this section is the amount that a willing seller who is under no compulsion to sell would be willing to accept and that a willing buyer who is under no compulsion to purchase would be willing to pay, but in no event shall the fair cash value of a share exceed the amount specified in the demand of the particular shareholder. In computing fair cash value, both of the following shall be excluded:

(a) Any appreciation or depreciation in market value resulting from the proposal submitted to the directors or to the shareholders;

(b) Any premium associated with control of the corporation, or any discount for lack of marketability or minority status.

(2) For the purposes of this section, the fair cash value of a share that was listed on a national securities exchange at any of the following times shall be the closing sale price on the national securities exchange as of the applicable date provided in division (C)(1) of this section:

(a) Immediately before the effective time of a merger or consolidation;

(b) Immediately before the filing of an amendment to the articles of incorporation as described in division (A) of section [1701.74](#) of the Revised Code;

(c) Immediately before the time of the vote described in division (A)(1)(b) of section [1701.76](#) of the Revised Code.

(D)(1) The right and obligation of a dissenting shareholder to receive fair cash value and to sell such shares as to which the dissenting shareholder seeks relief, and the right and obligation of the corporation to purchase such shares and to pay the fair cash value of them terminates if any of the following applies:

(a) The dissenting shareholder has not complied with this section, unless the corporation by its directors waives such failure;

(b) The corporation abandons the action involved or is finally enjoined or prevented from carrying it out, or the shareholders rescind their adoption of the action involved;

(c) The dissenting shareholder withdraws the dissenting shareholder's demand, with the consent of the corporation by its directors;

(d) The corporation and the dissenting shareholder have not come to an agreement as to the fair cash value per share, and neither the shareholder nor the corporation has





## Ohio Revised Code 1701 - General Corporation Law

filed or joined in a complaint under division (B) of this section within the period provided in that division.

(2) For purposes of division (D)(1) of this section, if the merger, consolidation, or conversion has become effective and the surviving, new, or converted entity is not a corporation, action required to be taken by the directors of the corporation shall be taken by the partners of a surviving, new, or converted partnership or the comparable representatives of any other surviving, new, or converted entity.

(E) From the time of the dissenting shareholder's giving of the demand until either the termination of the rights and obligations arising from it or the purchase of the shares by the corporation, all other rights accruing from such shares, including voting and dividend or distribution rights, are suspended. If during the suspension, any dividend or distribution is paid in money upon shares of such class or any dividend, distribution, or interest is paid in money upon any securities issued in extinguishment of or in substitution for such shares, an amount equal to the dividend, distribution, or interest which, except for the suspension, would have been payable upon such shares or securities, shall be paid to the holder of record as a credit upon the fair cash value of the shares. If the right to receive fair cash value is terminated other than by the purchase of the shares by the corporation, all rights of the holder shall be restored and all distributions which, except for the suspension, would have been made shall be made to the holder of record of the shares at the time of termination.

### ***Available Versions of this Section***

- May 4, 2012 – House Bill 48 - 129th General Assembly [ [View May 4, 2012 Version](#) ]

### ***[Section 1701.86 | Voluntary dissolution.](#)***

***Effective: September 29, 2013***

***Latest Legislation: House Bill 59 - 130th General Assembly***

***PDF: [Download Authenticated PDF](#)***

(A) A corporation may be dissolved voluntarily in the manner provided in this section, provided the provisions of Chapter 1704. of the Revised Code do not prevent the dissolution from being effected.

(B) A resolution of dissolution for a corporation shall set forth that the corporation elects to be dissolved. The resolution also may include any of the following:

(1) The date on which the certificate of dissolution is to be filed or the conditions or events that will result in the filing of the certificate;



**Ohio Revised Code 1701 - General Corporation Law**

(2) Authorization for the officers or directors to abandon the proposed dissolution before the filing of the certificate of dissolution;

(3) Any additional provision considered necessary with respect to the proposed dissolution and winding up.

(C) If an initial stated capital is not set forth in the articles then before the corporation begins business, or if an initial stated capital is set forth in the articles then before subscriptions to shares shall have been received in the amount of that initial stated capital, the incorporators or a majority of them may adopt, by a writing signed by each of them, a resolution of dissolution.

(D) The directors may adopt a resolution of dissolution in any of the following cases:

(1) When the corporation has been adjudged bankrupt or has made a general assignment for the benefit of creditors;

(2) By leave of the court, when a receiver has been appointed in a general creditors' suit or in any suit in which the affairs of the corporation are to be wound up;

(3) When substantially all of the assets have been sold at judicial sale or otherwise;

(4) When the articles have been canceled for failure to file annual franchise or excise tax returns or for failure to pay franchise or excise taxes and the corporation has not been reinstated or does not desire to be reinstated;

(5) When the period of existence of the corporation specified in its articles has expired.

(E) The shareholders at a meeting held for such purpose may adopt a resolution of dissolution by the affirmative vote of the holders of shares entitling them to exercise two-thirds of the voting power of the corporation on such proposal or, if the articles provide or permit, by the affirmative vote of a greater or lesser proportion, though not less than a majority, of such voting power, and by such affirmative vote of the holders of shares of any particular class as is required by the articles. Notice of the meeting of the shareholders shall be given to all the shareholders whether or not entitled to vote at it.

(F) Upon the adoption of a resolution of dissolution, a certificate shall be prepared, on a form prescribed by the secretary of state, setting forth all of the following:

(1) The name of the corporation;

(2) A statement that a resolution of dissolution has been adopted;



**Ohio Revised Code 1701 - General Corporation Law**

(3) A statement of the manner of adoption of such resolution, and, in the case of its adoption by the incorporators or directors, a statement of the basis for such adoption;

(4) The place in this state where its principal office is or is to be located;

(5) The internet address of each domain name held or maintained by or on behalf of the corporation;

(6) The name and address of its statutory agent;

(7) The date of dissolution, if other than the filing date. The date of dissolution shall not be more than ninety days after the filing of the certificate of dissolution.

(G) When the resolution of dissolution is adopted by the incorporators, the certificate shall be signed by not less than a majority of them. In all other cases, the certificate shall be signed by any authorized officer, unless the officer fails to execute and file such certificate within thirty days after the date upon which such certificate is to be filed. In that latter event, the certificate of dissolution may be signed by any three shareholders or, if there are less than three shareholders, all of the shareholders and shall set forth a statement that the persons signing the certificate are shareholders and are filing the certificate because of the failure of the officers to do so.

(H) Except as otherwise provided in division (I) of this section, a certificate of dissolution, filed with the secretary of state, shall be accompanied by all of the following:

(1) An affidavit of one or more of the persons executing the certificate of dissolution or of an officer of the corporation containing a statement of the counties, if any, in this state in which the corporation has personal property or a statement that the corporation is of a type required to pay personal property taxes to state authorities only;

(2) A certificate or other evidence from the department of taxation showing that the corporation has paid all taxes administered by and required to be paid to the tax commissioner that are or will be due from the corporation on the date of the dissolution, or that the department has received an adequate guarantee for the payment of all such taxes;

(3) A certificate or other evidence showing the payment of all personal property taxes accruing up to the date of dissolution or showing that such payment has been adequately guaranteed, or an affidavit of one or more of the persons executing the certificate of dissolution or of an officer of the corporation containing a statement that the corporation is not required to pay or the department of taxation has not assessed any tax for which such a certificate or other evidence is not provided;



## Ohio Revised Code 1701 - General Corporation Law

(4) A receipt, certificate, or other evidence from the director of job and family services showing that all contributions due from the corporation as an employer have been paid, or that such payment has been adequately guaranteed, or that the corporation is not subject to such contributions;

(5) A receipt, certificate, or other evidence from the bureau of workers' compensation showing that all premiums due from the corporation as an employer have been paid, or that such payment has been adequately guaranteed, or that the corporation is not subject to such premium payments.

(I) In lieu of the receipt, certificate, or other evidence described in division (H)(3), (4), or (5) of this section, an affidavit of one or more persons executing the certificate of dissolution or of an officer of the corporation containing a statement of the date upon which the particular department, agency, or authority was advised in writing of the scheduled effective date of the dissolution and was advised in writing of the acknowledgment by the corporation of the applicability of the provisions of section [1701.95](#) of the Revised Code.

(J) Upon the filing of a certificate of dissolution and such accompanying documents or on a later date specified in the certificate that is not more than ninety days after the filing, the corporation shall be dissolved.

### **Available Versions of this Section**

- September 29, 2013 – Amended by House Bill 59 - 130th General Assembly [ [View September 29, 2013 Version](#) ]

### [Section 1701.87 | Notice of dissolution to creditors and claimants against corporation.](#)

**Effective: May 4, 2012**

**Latest Legislation: House Bill 48 - 129th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) A corporation shall give notice of a dissolution by certified or registered mail, return receipt requested, to each known creditor and to each person that has a claim against the corporation, including claims that are conditional, unmatured, or contingent upon the occurrence or nonoccurrence of future events.

(B) The notice shall state all of the following:

(1) That all claims shall be presented in writing and shall identify the claimant and contain sufficient information to reasonably inform the corporation of the substance of the claim;



**Ohio Revised Code 1701 - General Corporation Law**

- (2) The mailing address to which the person must send the claim;
  - (3) The deadline, which shall be not less than sixty days after the date the notice is given, by which the corporation must receive the claim;
  - (4) That the claim will be barred if the corporation does not receive the claim by the deadline;
  - (5) That the corporation may make distributions to other creditors or claimants, including distributions to shareholders of the corporation, without further notice to the claimant.
- (C) Giving any notice or making any offer under this chapter shall not revive any claim then barred or constitute acknowledgment by the corporation that any person to whom the corporation sent notice under this section is a proper claimant and shall not operate as a waiver of any defense or counterclaim.
- (D) A claim is barred if a claimant that was given written notice under division (A) of this section does not deliver the claim to the dissolved corporation by the deadline stated in the notice.
- (E) The corporation shall post the notice described in division (B) of this section on any web site the corporation maintains in the corporation's name and shall provide a copy of the notice to the secretary of state to be posted on the web site maintained by the secretary of state in accordance with division (F) of this section.
- (F)(1) Except as provided in division (F)(2) of this section, the secretary of state shall make both of the following available to the public in a format that is searchable, viewable, and accessible through the internet:
- (a) A list of all domestic corporations that have filed a certificate of dissolution or have had their articles canceled;
  - (b) For each dissolved corporation on the list described in division (F)(1)(a) of this section, a copy of both the certificate of dissolution and the notice delivered under division (B) of this section.
- (2) After the materials relating to any dissolved or canceled corporation have been posted for five years, the secretary of state may remove from the web site the information that the secretary posted pursuant to division (F)(1) of this section that relates to that corporation.
- (G) If the certificate of dissolution is filed five years or less after the effective date of this amendment, the corporation shall publish the notice described in division (B) of this



## Ohio Revised Code 1701 - General Corporation Law

section at least once a week for two successive weeks, in a newspaper published and of general circulation in the county in which the principal office of the corporation was to be or is located.

### **Available Versions of this Section**

- May 4, 2012 – House Bill 48 - 129th General Assembly [ [View May 4, 2012 Version](#) ]

[Section 1701.88 | Winding up or obtaining reinstatement - powers and duties of directors.](#)

**Effective: May 4, 2012**

**Latest Legislation: House Bill 48 - 129th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) When a corporation is dissolved voluntarily, when the articles of a corporation have been canceled, or when the period of existence of the corporation specified in its articles has expired, the corporation shall cease to carry on business and shall do only such acts as are required to wind up its affairs, or to obtain reinstatement of the articles in accordance with section [1701.07](#), [1701.921](#), [1785.06](#), or [5733.22](#) of the Revised Code, or are permitted upon reinstatement by division (C) of section [1701.922](#) of the Revised Code, and for such purposes it shall continue as a corporation for a period of five years from the dissolution, expiration, or cancellation. A court acting pursuant to section [1701.89](#) of the Revised Code may extend the five-year period allowed under this division.

(B) The voluntary dissolution of a corporation, cancellation of the articles of a corporation, expiration of the period of existence of a corporation, appointment of a receiver to wind up the affairs of the corporation, or other action to dissolve a corporation under this chapter shall not eliminate or impair any remedy available to or against the corporation or its directors, officers, or shareholders for any right or claim existing, or liability incurred, prior to the dissolution, if either of the following brings such an action:

(1) The corporation within the time limits otherwise permitted by law;

(2) Any other person before five years after the date of the dissolution or within the time limits otherwise required by section [1701.881](#) of the Revised Code or any other provision of law, whichever is less.

(C) Any claim existing or action or proceeding pending by or against the corporation or which would have accrued against it may be prosecuted to judgment, with right of



**Ohio Revised Code 1701 - General Corporation Law**

appeal as in other cases, but any proceeding, execution, or process, or the satisfaction or performance of any order, judgment, or decree, may be stayed as provided in section [1701.89](#) of the Revised Code. Any action, suit, or proceeding begun by or against the corporation within the time limits established in division (B) of this section shall not abate, and the corporation shall, solely for the purpose of such action, suit, or proceeding, be continued as a body corporate beyond the five-year period and until any judgments, orders, or decrees are fully executed, without the necessity for any court order required under division (A) of this section.

(D) The directors of the corporation and their successors shall act as a board of directors in accordance with the articles and regulations until the affairs of the corporation are completely wound up. Subject to the orders of courts of this state having jurisdiction over the corporation acting pursuant to section [1701.89](#) of the Revised Code, the directors shall proceed as speedily as is practicable to a complete winding up of the affairs of the corporation. For that purpose, the directors may exercise all the authority of the corporation. Without limiting the generality of such authority, they may do all of the following:

- (1) Fill vacancies;
- (2) Elect officers;
- (3) Appoint agents, liquidators, or other entities or persons to carry out the winding up of the corporation's business;
- (4) Carry out contracts of the corporation;
- (5) Make new contracts;
- (6) Borrow money;
- (7) Mortgage or pledge the property of the corporation as security;
- (8) Sell its assets at public or private sale;
- (9) Make conveyances in the corporate name;
- (10) Lease real estate for any term, including ninety-nine years renewable forever;
- (11) Settle or compromise claims in favor of or against the corporation;
- (12) Employ one or more persons as liquidators to wind up the affairs of the corporation with such authority as the directors see fit to grant;



---

**Ohio Revised Code 1701 - General Corporation Law**

(13) Cause the title to any of the assets of the corporation to be conveyed to such liquidators for that purpose;

(14) Apply assets to the payment of obligations;

(15) Distribute the remainder of the assets either in cash or in kind among the shareholders according to their respective rights and interests after paying or adequately providing for the payment of all known obligations of the corporation under section [1701.882](#) of the Revised Code and for claims that have not been made known to the corporation or that have not arisen but that, based on facts known to the corporation, are likely to arise or to become known to the corporation within five years after the date of dissolution or such longer period of time as the directors or a court acting under section [1701.89](#) of the Revised Code may determine, not to exceed ten years after the date of dissolution;

(16) Perform all other acts necessary or expedient to the winding up of the affairs of the corporation.

Division (E) of section [1701.76](#) of the Revised Code applies to the disposition of a voluntarily dissolved corporation's assets by its directors.

(E) At any time during the winding up of its affairs, the corporation by its directors may make application to have the winding up continued under supervision of the court, as provided in section [1701.89](#) of the Revised Code.

(F) If any property right of a corporation is discovered after the winding up of the corporation, any member or members of the board of directors that wound up the affairs of the corporation, or a receiver appointed by the court, may enforce the property right, collect and divide the assets discovered among the persons entitled to those assets, and prosecute actions or proceedings in the corporate name of the corporation. Any assets collected under this division shall be distributed and disposed of in accordance with any applicable court order or, in the absence of a court order, in accordance with this section.

(G) In the event a receiver is appointed to wind up the affairs of the corporation, or an action is commenced under section [1701.91](#) of the Revised Code to dissolve the corporation, the five-year period specified in divisions (A) and (B)(2) of this section shall not commence until:

(1) The effective date of dissolution under division (J) of section [1701.86](#) of the Revised Code, if a certificate of dissolution is filed under that section; or

(2) The date of filing of a certified copy of an order of dissolution in the office of the secretary of state under division (D) of section [1701.91](#) of the Revised Code.





---

## Ohio Revised Code 1701 - General Corporation Law

### ***Available Versions of this Section***

- May 4, 2012 – House Bill 48 - 129th General Assembly [ [View May 4, 2012 Version](#) ]

### [Section 1701.881 | Notice of rejection of claim; offer of security.](#)

***Effective: May 4, 2012***

***Latest Legislation: House Bill 48 - 129th General Assembly***

***PDF: Download Authenticated PDF***

(A) A corporation that has given notice under division (A) of section [1701.87](#) of the Revised Code may reject, in whole or in part, any matured claim made by a claimant by sending notice of the rejection by certified or registered mail, return receipt requested, to the claimant within ninety days after receipt of the claim and at least thirty days before the expiration of the five-year period specified in division (A) of section [1701.88](#) of the Revised Code. A notice sent pursuant to this section shall include or be accompanied by a copy of this division and of section [1701.89](#) of the Revised Code. A claim against a corporation is barred if a claimant whose claim is rejected by the corporation does not commence an action to enforce the claim within thirty days after the corporation mails the rejection notice.

(B) A corporation that has given notice under division (A) of section [1701.87](#) of the Revised Code may offer security to any claimant whose claim is contingent, conditional, or unmatured as the corporation determines is sufficient to provide compensation to the claimant if the claim matures. The corporation shall send the corporation's offer to the claimant by certified or registered mail, return receipt requested, within ninety days after receipt of the claim and at least thirty days before the expiration of the five-year period specified in division (A) of section [1701.88](#) of the Revised Code. A notice sent pursuant to this section shall include or be accompanied by a copy of this division and of section [1701.89](#) of the Revised Code. If the claimant offered the security does not deliver to the corporation a written notice rejecting the offer within thirty days after the corporation mails the offer for security, the claimant shall be deemed to have accepted the security as the sole source from which to satisfy claimant's claim against the corporation.

(C) A corporation that has given notice under division (A) of section [1701.87](#) of the Revised Code may file an application with the court having jurisdiction under section [1701.89](#) of the Revised Code for a determination of the amount and form of insurance or other security that satisfies both of the following requirements:



## Ohio Revised Code 1701 - General Corporation Law

(1) The insurance or other security will be sufficient to provide compensation to any claimant who has rejected the offer for security made pursuant to this section.

(2) The insurance or other security will be reasonably likely to be sufficient to provide compensation for claims that have not been made known to the corporation or that have not arisen but that, based on the facts known to the corporation, are likely to arise or to become known to the corporation within five years after the date of dissolution or such longer period of time as the directors or a court acting under section [1701.89](#) of the Revised Code may determine, not to exceed ten years after the date of dissolution.

### **Available Versions of this Section**

- May 4, 2012 – House Bill 48 - 129th General Assembly [ [View May 4, 2012 Version](#) ]

### [Section 1701.882 | Satisfaction of obligations; payments.](#)

**Effective: May 4, 2012**

**Latest Legislation: House Bill 48 - 129th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) A dissolved corporation shall do all of the following:

(1) Pay the claims made and not rejected under division (A) of section [1701.881](#) of the Revised Code;

(2) Post the security offered and not rejected under division (B) of section [1701.881](#) of the Revised Code;

(3) Post security ordered by the court in any proceeding under division (C) of section [1701.881](#) of the Revised Code;

(4) Make any payment required by a court acting under section [1701.89](#) of the Revised Code;

(5) Pay or make provision by insurance or otherwise for all other claims that are mature, known, and uncontested or that have been finally determined to be owing by the corporation and any other claims described in division (C)(2) of section [1701.881](#) of the Revised Code.

(B) A corporation shall pay in full any claims and liabilities or provide for those payments in full by insurance or otherwise if the corporation has sufficient assets. If the corporation does not have sufficient assets, a corporation shall pay claims and liabilities



## Ohio Revised Code 1701 - General Corporation Law

or provide for those payments by insurance or otherwise in order of their priority. Among claims of equal priority, the corporation shall apportion those payments to the extent of funds legally available for the payment of those claims. Any remaining assets shall be distributed to the shareholders of the corporation according to their respective rights and preferences.

(C) In the absence of fraud, the judgment of the board of directors of the dissolved corporation as to the provision the corporation made for the payment of all claims under division (A)(5) of this section shall be conclusive.

### ***Available Versions of this Section***

- May 4, 2012 – House Bill 48 - 129th General Assembly [ [View May 4, 2012 Version](#) ]

### [Section 1701.883 | Liability of shareholder of dissolved corporation.](#)

***Effective: May 4, 2012***

***Latest Legislation: House Bill 48 - 129th General Assembly***

***PDF: Download Authenticated PDF***

(A) The dissolution of a corporation shall not affect the limited liability of a shareholder with respect to transactions occurring or acts or omissions done or omitted in the name of or by the corporation.

(B) A shareholder who receives a distribution of assets from a dissolved corporation shall not be liable for any claim against the corporation in an amount in excess of the amount of shareholder's pro rata share of the claim or the amount distributed to the shareholder, whichever is less. The aggregate liability of any shareholder for claims against a dissolved corporation shall not exceed the amount distributed to that stockholder after the dissolution.

(C) A shareholder of a dissolved corporation, the assets of which were distributed pursuant to this chapter, may be liable for a claim against the corporation only if an action on that claim is commenced before expiration of the period specified in division (B)(2) of section [1701.88](#) of the Revised Code.

### ***Available Versions of this Section***

- May 4, 2012 – House Bill 48 - 129th General Assembly [ [View May 4, 2012 Version](#) ]



---

## Ohio Revised Code 1701 - General Corporation Law

[Section 1701.89 | Jurisdiction of court over winding up of affairs of voluntarily dissolved corporation.](#)

**Effective: May 4, 2012**

**Latest Legislation: House Bill 48 - 129th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) Without limiting the generality of its authority, the court of common pleas of the county in this state in which the principal office of a voluntarily dissolved corporation is located, in which the principal office was to be located, or in which the principal office of a corporation whose articles have been canceled or whose period of existence has expired is located, upon the complaint of the corporation, a majority of the directors, or a creditor or claimant, and upon such notice to all the directors and such other persons interested as the court considers proper, at any time may order and adjudge in respect of all of the following matters:

(1) Any proceedings or actions under division (C) of section [1701.881](#) of the Revised Code;

(2) The presentation and proof of all claims and demands against the corporation and of all rights, interests, or liens in or on any of its property including property described in division (F) of section [1701.88](#) of the Revised Code; the fixing of the time within which and the manner in which such proof shall be made and the person to whom such presentation shall be made; and the barring from participation in any distribution of assets of all persons failing to make and present proofs as required by the order of the court;

(3) The stay of the prosecution of any proceeding against the corporation or involving any of its property, and the requirement that the parties to it present and prove their claims, demands, rights, interests, or liens at the time and in the manner required of creditors or others; or the grant of leave to bring or maintain an independent proceeding to enforce liens;

(4) The settlement or determination of all claims of every nature against the corporation or any of its property; the determination of the assets required to be retained or insurance to be obtained to pay or provide for the payment of such claims or any claim; the determination of the assets available for distribution among shareholders; and the making of new parties to the proceeding so far as the court considers proper for the determination of all matters;

(5) The determination of the rights of holders of shares of all classes in and to the assets of the corporation;



**Ohio Revised Code 1701 - General Corporation Law**

(6) The presentation and filing of intermediate and final accounts of the directors or of the liquidators and hearings on them; the allowance, disallowance, or settlement of such accounts; and the discharge of the directors, the liquidators, or any of them from their duties and liabilities;

(7) The appointment of a special master commissioner or guardian ad litem to hear and determine any such matters with such authority as the court considers proper. The applicant in the proceeding shall pay the reasonable fees and expenses of the special master commissioner or guardian ad litem, including all reasonable expert witness fees, unless otherwise ordered by the court.

(8) The filling of any vacancies in the number of directors or liquidators when the directors are unable to act on the vacancies for want of a quorum or for any other reason;

(9) The appointment of a receiver, in accordance with the usages of a court in equitable matters, to wind up the affairs of the corporation, to take custody of any of its property, or for any other purpose;

(10) The issuance or entry of any injunction or any other order which the court considers proper in the administration of the trust involved in the winding up of the affairs of the corporation and the giving of notice of it;

(11) The allowance and payment of compensation to the directors or any of them or to any person rendering services beneficial to the corporation or to those interested in it;

(12) The entry of a judgment or decree which, if it so provides, may operate as the deed or other instrument ordered to be executed, or the appointment of a master or guardian ad litem to execute such deed or instrument in the name of the corporation with the same effect as if executed by an authorized officer pursuant to authority conferred by the directors or the shareholders of the corporation, whenever there is no officer or agent competent to execute such deed or instrument, whenever the corporation or its officers do not perform or comply with a judgment or decree of court, or whenever the court considers it proper.

(B) A judicial proceeding under this section concerning the winding up of the affairs of a corporation is a special proceeding, and final orders in the proceeding may be vacated, modified, or reversed on appeal pursuant to the Rules of Appellate Procedure and, to the extent not in conflict with those rules, Chapter 2505. of the Revised Code.

***Available Versions of this Section***



## Ohio Revised Code 1701 - General Corporation Law

- May 4, 2012 – House Bill 48 - 129th General Assembly [ [View May 4, 2012 Version](#) ]

### [Section 1701.90 | Receiver for winding up affairs of corporation.](#)

**Effective: May 4, 2012**

**Latest Legislation: House Bill 48 - 129th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) Whenever, after a corporation is dissolved voluntarily or the articles of a corporation have been cancelled or the period of existence of a corporation has expired, a receiver is appointed to wind up the affairs of the corporation, all the claims, demands, rights, interests, or liens of creditors, claimants, and shareholders shall be determined as of the day on which the receiver was appointed unless those claims, demands, rights, interests, or liens have already been determined under section [1701.881](#) of the Revised Code. Unless it is otherwise ordered, such appointment vests in the receiver and the receiver's successors the right to the immediate possession of all the property of the corporation, which shall, if so ordered, execute and deliver conveyances of such property to the receiver or the receiver's nominee.

(B) Any officer, director, shareholder, or other person, whether a resident of the state or a non-resident and however interested, may be appointed as receiver.

(C) Unless otherwise ordered, the receiver shall have all the authority vested in the directors and officers of the corporation, shall exercise such authority subject to such orders as are made by the court, and may be required to qualify by giving bond to the state in such amount as the court fixes, with surety to the satisfaction of the clerk of the court, conditioned for the faithful discharge of the receiver's duties and for a due accounting for all money or property received by the receiver.

### ***Available Versions of this Section***

- May 4, 2012 – House Bill 48 - 129th General Assembly [ [View May 4, 2012 Version](#) ]

### [Section 1701.91 | Judicial dissolution.](#)

**Effective: May 4, 2012**

**Latest Legislation: House Bill 48 - 129th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) A corporation may be dissolved judicially and its affairs wound up:



**Ohio Revised Code 1701 - General Corporation Law**

(1) By an order of the supreme court or of a court of appeals in an action in quo warranto brought as provided by sections [2733.02](#) to [2733.39](#) of the Revised Code, in which event the court may order the affairs of the corporation to be wound up by its directors as in the case of voluntary dissolution, or by proceedings in, and under the order of, the court of common pleas of the county in this state in which the corporation has its principal office;

(2) By an order of the court of common pleas of the county in this state in which such corporation has its principal office, in an action brought by holders of shares entitled to dissolve the corporation voluntarily, when it is established that any of the following are true:

(a) That its articles have been canceled or its period of existence has expired;

(b) That the corporation is insolvent or is unable to afford reasonable security to those who may deal with it and that it is necessary in order to protect the creditors of the corporation that the corporation be judicially dissolved;

(c) That the objects of the corporation have wholly failed or are entirely abandoned or that their accomplishment is impracticable;

(3) By an order of the court of common pleas of the county in this state in which the corporation has its principal office, in an action brought by the holders of shares entitling them to exercise at least two-thirds of the voting power of the corporation on such proposal when it is established that it is beneficial to the shareholders that the corporation be judicially dissolved, or the holders of such lesser proportion as are entitled by the articles to dissolve the corporation voluntarily;

(4) By an order of the court of common pleas of the county in this state in which the corporation has its principal office, in an action brought by one-half of the directors when there is an even number of directors or by the holders of shares entitling them to exercise at least two-thirds of the voting power, when it is established that the corporation has an even number of directors who are deadlocked in the management of the corporate affairs and the shareholders are unable to break the deadlock, or when it is established that the corporation has an uneven number of directors and that the shareholders are deadlocked in voting power and unable to agree upon or vote for the election of directors as successors to directors whose terms normally would expire upon the election of their successors. Under these circumstances, dissolution of the corporation shall not be denied on the ground that the corporation is solvent or on the ground that the business of the corporation has been or could be conducted at a profit.

(5) By an order of the court of common pleas of the county in which the corporation, whether for profit or nonprofit, has its principal office, in an action brought by the



**Ohio Revised Code 1701 - General Corporation Law**

prosecuting attorney of the county, when it is found that the corporation was organized or systematically used to further criminal purposes, or as a subterfuge to engage in prostitution, gambling, loan sharking, drug abuse, illegal drug distribution, counterfeiting, obscenity, extortion, corruption of law enforcement officers or other public officers, officials, or any employees, or any other criminal activity.

(B) A complaint for judicial dissolution shall be verified by any of the complainants and shall set forth facts showing that the case is one of those specified in this section. Unless the complainants set forth in the complaint that they are unable to annex a list of shareholders, a schedule shall be annexed to the complaint setting forth the name of each shareholder, his address if it is known or the fact that it is not known, the number of shares owned by him, and any balance unpaid on his shares .

(C) Upon the filing of a complaint for judicial dissolution, the court with which it is filed shall have power to issue injunctions, to appoint a receiver with such authority and duties as the court from time to time may direct, to take such other proceedings as may be necessary to protect the property or the rights of the complainants or of the persons interested, and to carry on the business of the corporation until a full hearing can be had. Upon or after the filing of a complaint for judicial dissolution, the court, by injunction or order, may stay the prosecution of any proceeding against the corporation or involving any of its property and require the parties to the proceeding to present and prove their claims, demands, rights, interests, or liens, at the time and in the manner required of creditors or others. The court may refer the complaint to a special master commissioner.

(D) After a hearing had upon such notice as the court may direct to be given to all parties to the proceeding and to any other parties in interest designated by the court, a final order based either upon the evidence, or upon the report of the special master commissioner if one has been appointed, shall be made dissolving the corporation or dismissing the complaint. An order or judgment for the judicial dissolution of a corporation shall contain a concise statement of the proceedings leading up to the order or judgment; the name of the corporation; the place in this state where its principal office is located; the names and addresses of its directors and officers; the name and address of a statutory agent; and, if desired, such other provisions with respect to the judicial dissolution and winding up as are considered necessary or desirable. A certified copy of such order forthwith shall be filed in the office of the secretary of state, whereupon the corporation shall be dissolved. To the extent consistent with orders entered in such proceeding, the effect of such judicial dissolution shall be the same as in the case of voluntary dissolution, and the provisions of sections [1701.87](#), [1701.88](#), [1701.89](#), and [1701.90](#) of the Revised Code relating to the required notice a corporation shall give of a dissolution and the authority and duties of directors during the winding up of the affairs of a corporation dissolved voluntarily, with respect to the jurisdiction of





## Ohio Revised Code 1701 - General Corporation Law

courts over the winding up of the affairs of a corporation, and with respect to receivers for winding up the affairs of a corporation shall be applicable to corporations judicially dissolved.

(E) A judicial proceeding under this section concerning the judicial dissolution of a corporation is a special proceeding, and final orders in it may be vacated, modified, or reversed on appeal pursuant to the Rules of Appellate Procedure or the Rules of Practice of the Supreme Court, whichever are applicable, and, to the extent not in conflict with those rules, Chapter 2505. of the Revised Code.

### ***Available Versions of this Section***

- May 4, 2012 – House Bill 48 - 129th General Assembly [ [View May 4, 2012 Version](#) ]

[Section 1701.911 | Provisional director - appointment, duties, qualifications.](#)

***Effective: May 4, 2012***

***Latest Legislation: House Bill 48 - 129th General Assembly***

***PDF: Download Authenticated PDF***

(A) Upon the complaint of not less than one-fourth of the directors of a corporation or upon the complaint of the holders of shares entitling them to exercise not less than one-fifth of the voting power of a corporation in the election of directors, the court of common pleas of the county in which the corporation maintains its principal office may order the appointment of a provisional director for that corporation if the articles or regulations of the corporation expressly provide for such an appointment. No appointment shall be made until a hearing is held by the court. Notice of the hearing shall be given to each director and the secretary of the corporation in any manner that the court may direct. If directed by the court, the notice also shall be given to each of the shareholders. The complainants shall establish at the hearing that, because of irreconcilable differences among the existing directors or because there are no directors and the shareholders are unable to elect any directors, the continued operation of the corporation has been substantially impeded or made impossible.

(B) A provisional director shall have the same rights and duties as other directors and shall serve until removed by the appointing court or by the holders of shares entitling them to exercise a majority of the voting power of the corporation in the election of directors, or until the provisional director's earlier resignation or death. If the provisional director dies or resigns, the court, pursuant to divisions (A) and (C) of this section, may appoint a replacement provisional director, upon its own motion and without the filing of a complaint for the appointment of a provisional director. If the appointing court finds



## Ohio Revised Code 1701 - General Corporation Law

that the irreconcilable differences no longer exist, it shall order the removal of the provisional director.

(C) No person shall be appointed as a provisional director unless the person is generally conversant with corporate affairs, has no legal or equitable interest in the shares or obligations of the corporation of which the person is to be appointed a director, and is not indebted to such corporation. The compensation of a provisional director shall be determined by agreement with the corporation for which the provisional director is serving, subject to the approval of the appointing court, except that the appointing court may fix the provisional director's compensation in the absence of agreement or in the event of disagreement between the provisional director and the corporation.

(D) A proceeding concerning the appointment of a provisional director of a corporation is a special proceeding, and final orders issued in the proceeding may be vacated, modified, or reversed on appeal pursuant to the Rules of Appellate Procedure and, to the extent not in conflict with those rules, Chapter 2505. of the Revised Code.

### **Available Versions of this Section**

- May 4, 2012 – House Bill 48 - 129th General Assembly [ [View May 4, 2012 Version](#) ]

[Section 1701.92 | Certified copies as evidence of incorporation, articles and proceedings.](#)

**Effective: October 12, 2006**

**Latest Legislation: House Bill 301 - 126th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) A copy of the articles or amended articles filed in the office of the secretary of state, certified by the secretary of state, shall be conclusive evidence, except as against the state, that the corporation has been incorporated under the laws of this state. A copy duly certified by the secretary of state of any certificate of amendment or other certificate filed in the secretary of state's office shall be prima-facie evidence of the amendment or of the facts stated in any such certificate and of the observance and performance of all antecedent conditions necessary to the action which such certificate purports to evidence.

(B) A copy of amended articles filed in the office of the secretary of state, certified by the secretary of state, shall be accepted in this state and other jurisdictions in lieu of the original articles, amendments thereto, and prior amended articles.



## Ohio Revised Code 1701 - General Corporation Law

(C) The original or a copy of the record of minutes of the proceedings of the incorporators of a corporation, or of the proceedings or meetings of the shareholders or any class of shareholders, or of the directors, or of any committee thereof, including any written consent, waiver, release, or agreement entered in the record of minutes, or the original or a copy of a statement that no specified proceeding was had or that no specified consent, waiver, release, or agreement exists, shall, when certified to be true by the secretary or an assistant secretary of a corporation, be received in the courts as prima-facie evidence of the facts stated therein. Every meeting referred to in the certified original or copy shall be deemed duly called and held, all motions and resolutions adopted and proceedings had at such meeting shall be deemed duly adopted and had, and all elections of directors and all elections or appointments of officers chosen at such meeting shall be deemed valid, until the contrary is proved. Whenever a person who is not a shareholder of a corporation has acted in good faith in reliance upon any certified original or copy, it is conclusive in the person's favor.

(D) A certificate issued by the secretary of state confirming that a corporation is in good standing, as defined in division (E) of this section, is, for seven days after the date on the certificate, conclusive evidence of both of the following:

(1) The authority of a domestic corporation has not been limited as described in section [1701.88](#) or [1701.91](#) of the Revised Code, provided that both of the following apply:

(a) The person relying on the certificate had no knowledge that the corporation's articles had been canceled.

(b) The certificate is not presented as evidence against the state.

(2) The license authorizing a foreign corporation to transact business in this state has not expired, been cancelled, or been surrendered.

(E) For purposes of division (D) of this section, "good standing" means that the authority of the corporation to carry on business is not limited by section [1701.88](#) of the Revised Code.

### ***Available Versions of this Section***

- October 12, 2006 – House Bill 301 - 126th General Assembly [ [View October 12, 2006 Version](#) ]

[Section 1701.921 | Persons performing services to corporation or shareholders.](#)

***Effective: October 12, 2006***

***Latest Legislation: House Bill 301 - 126th General Assembly***



---

## Ohio Revised Code 1701 - General Corporation Law

**PDF:** [Download Authenticated PDF](#)

(A) Absent an express agreement to the contrary, a person providing goods to or performing services for a domestic or foreign corporation owes no duty to, incurs no liability or obligation to, and is not in privity with the shareholders or creditors of the corporation by reason of providing goods to or performing services for the corporation.

(B) Absent an express agreement to the contrary, a person providing goods to or performing services for a shareholder or group of shareholders of a domestic or foreign corporation owes no duty to, incurs no liability or obligation to, and is not in privity with the corporation, any other shareholders of the corporation, or the creditors of the corporation by reason of providing goods to or performing services for the shareholder or group of shareholders.

### ***Available Versions of this Section***

- October 12, 2006 – House Bill 301 - 126th General Assembly [ [View October 12, 2006 Version](#) ]

[Section 1701.922 | Restoring rights, privileges and franchises upon reinstatement.](#)

**Effective: September 29, 2013**

**Latest Legislation: House Bill 59 - 130th General Assembly**

**PDF:** [Download Authenticated PDF](#)

(A) Except as otherwise provided in this division, upon reinstatement of a corporation's or professional association's articles of incorporation in accordance with section [1701.07](#), [1785.06](#), [5703.93](#), or [5733.22](#) of the Revised Code, the rights, privileges, and franchises, including all real or personal property rights and credits and all contract and other rights, of the corporation or association existing at the time its articles of incorporation were canceled shall be fully vested in the corporation or association as if the articles had not been canceled, and the corporation or association shall again be entitled to exercise the rights, privileges, and franchises authorized by its articles of incorporation. The name of a corporation whose articles have been canceled shall be reserved for a period of one year after the date of cancellation. If the reinstatement is not made within one year after the date of the cancellation of its articles of incorporation and it appears that a corporate name, limited liability company name, limited liability partnership name, limited partnership name, or trade name has been filed, the name of which is not distinguishable upon the record as provided in section [1701.05](#) of the Revised Code, the secretary of state shall require the applicant for reinstatement, as a condition prerequisite to such reinstatement, to amend its articles by changing its name.



---

**Ohio Revised Code 1701 - General Corporation Law**

(B) Upon reinstatement of a corporation's or association's articles in accordance with section [1701.07](#), [1785.06](#), [5703.93](#), or [5733.22](#) of the Revised Code, both of the following apply to the exercise of or an attempt to exercise any rights, privileges, or franchises, including entering into or performing any contracts, on behalf of the corporation or association by an officer, agent, or employee of the corporation or association, after cancellation and prior to reinstatement of the articles of incorporation:

(1) The exercise of or an attempt to exercise any rights, privileges, or franchises on behalf of the corporation or association by the officer, agent, or employee of the corporation or association has the same force and effect that the exercise of or an attempt to exercise the right, privilege, or franchise would have had if the corporation's or association's articles had not been canceled, if both of the following apply:

(a) The exercise of or an attempt to exercise the right, privilege, or franchise was within the scope of the corporation's or association's articles of incorporation that existed prior to cancellation;

(b) The officer, agent, or employee had no knowledge that the corporation's or association's articles of incorporation had been canceled.

(2) The corporation or association is liable exclusively for the exercise of or an attempt to exercise any rights, privileges, or franchises on behalf of the corporation or association by an officer, agent, or employee of the corporation or association, if the conditions set forth in divisions (B)(1)(a) and (b) of this section are met.

(C) Upon reinstatement of a corporation's or association's articles of incorporation in accordance with section [1701.07](#), [1785.06](#), [5703.93](#), or [5733.22](#) of the Revised Code, the exercise of or an attempt to exercise any rights, privileges, or franchises on behalf of the corporation or association by an officer, agent, or employee of the corporation or association, after cancellation and prior to reinstatement of the articles of incorporation, does not constitute a failure to comply with division (A) of section [1701.88](#) or a violation of section [1701.97](#) of the Revised Code, if the conditions set forth in divisions (B)(1)(a) and (b) of this section are met.

(D) This section is remedial in nature and is to be construed liberally to accomplish the purpose of providing full reinstatement of a corporation's or association's articles of incorporation retroactive, in accordance with this section, to the time of the cancellation of the articles.

***Available Versions of this Section***



## Ohio Revised Code 1701 - General Corporation Law

- September 29, 2013 – House Bill 59 - 130th General Assembly [ [View September 29, 2013 Version](#) ]

### [Section 1701.93 | False statement or entry.](#)

**Effective: May 16, 2002**

**Latest Legislation: House Bill 278 - 124th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) No officer, director, employee, or agent of a corporation shall, either alone or with another or others, with intent to deceive:

(1) Make, issue, deliver, publish, or send by mail or by any other means of communication any prospectus, report, circular, certificate, statement, balance sheet, exhibit, or document, respecting the shares, assets, liabilities, capital, business, dividends or distributions, earnings, or accounts of a corporation, that is false in any material respect, knowing the statement to be false;

(2) Having charge of any books, minutes, records, or accounts of a corporation, make in them any entry that is false in any material respect, knowing the entry to be false, or remove, erase, alter, or cancel any entry in them, knowing that the entries resulting from them will be false.

(B) Whoever violates this section shall be personally liable, jointly and severally, with all other persons participating with the offender in any act of that type, to any person for any damage actually suffered and proximately resulting from the act.

(C) No action to enforce a liability under this section shall be brought after four years from the time of the act complained of.

(D) Remedies under this section are not exclusive of other remedies at common law or under other statutes.

### **Available Versions of this Section**

- May 16, 2002 – House Bill 278 - 124th General Assembly [ [View May 16, 2002 Version](#) ]

### [Section 1701.94 | Forfeiture by corporation for failure to comply with certain requirements.](#)

**Effective: March 24, 2021**

**Latest Legislation: Senate Bill 21 - 133rd General Assembly**



---

## Ohio Revised Code 1701 - General Corporation Law

**PDF:** *Download Authenticated PDF*

(A) Every corporation that fails to:

(1) Keep the books of account, minutes of proceedings, or records of shareholders as required by section [1701.37](#) of the Revised Code;

(2) Comply with division (C) of section [1701.11](#) of the Revised Code with respect to mailing a copy of an amendment to, or copy of new, regulations;

(3) Perform the obligation imposed on it by division (C) of section [1701.25](#) of the Revised Code;

(4) Send to any shareholder making written request therefor, within the period provided for in division (C) of section [1701.38](#) of the Revised Code, a copy of any financial statement, written statement, or report, as applicable, referred to in that section;

(5) Lay before the shareholders or make available in the manner provided for in division (D) of section [1701.38](#) of the Revised Code at a proper meeting of shareholders, upon request of any shareholder at such meeting, such financial statement, written statement, or report, as applicable;

(6) Produce at a meeting of shareholders, upon request of any shareholder at such meeting, the list or lists of shareholders required by section [1701.37](#) of the Revised Code; shall be subject to a forfeiture of one hundred dollars and in cases under paragraphs (1), (2), (3), and (4) to a further forfeiture of ten dollars for every day that such failure continues, beginning, in cases under paragraphs (1) or (2), with the fifth day after written request by a shareholder that the corporation comply with said respective paragraphs, and in cases under paragraphs (3) and (4) beginning with the day following the day on which the corporation becomes delinquent in complying with said paragraph, which amount shall be paid to every shareholder making such request. The right of a shareholder to enforce any such forfeiture is in addition to all other remedies.

(B) If any officer charged with one of the duties specified in division (A) of this section fails to perform such duty after written request by any shareholder, the officer shall be subject to a forfeiture of one hundred dollars, and to the further forfeiture of ten dollars for every day that such default continues, beginning in cases under paragraphs (1), (2), (3), and (4) of division (A) on the same respective days as are provided for in division (A), which amount shall be paid to each shareholder making such request. The right of each shareholder to enforce any such forfeiture is in addition to all other remedies.

(C) The court in which an action is brought to enforce any forfeiture under this section may reduce, remit, or suspend such forfeiture on such terms as it deems reasonable



## Ohio Revised Code 1701 - General Corporation Law

when it appears that the failure was excusable or that the imposition of the full forfeiture would be unreasonable or unjust.

### **Available Versions of this Section**

- May 16, 2002 – House Bill 278 - 124th General Assembly [ [View May 16, 2002 Version](#) ]
- March 24, 2021 – Amended by Senate Bill 21 - 133rd General Assembly [ [View March 24, 2021 Version](#) ]

[Section 1701.95 | Liability for unlawful loans, dividends, distribution of assets.](#)

**Effective: July 6, 2001**

**Latest Legislation: Senate Bill 108 - 124th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A)(1) In addition to any other liabilities imposed by law upon directors of a corporation and except as provided in division (B) of this section, directors shall be jointly and severally liable to the corporation as provided in division (A)(2) of this section if they vote for or assent to any of the following:

(a) The payment of a dividend or distribution, the making of a distribution of assets to shareholders, or the purchase or redemption of the corporation's own shares, contrary in any such case to law or the articles;

(b) A distribution of assets to shareholders during the winding up of the affairs of the corporation, on dissolution or otherwise, without the payment of all known obligations of the corporation or without making adequate provision for their payment;

(c) The making of a loan, other than in the usual course of business, to an officer, director, or shareholder of the corporation, other than in either of the following cases:

(i) In the case of a savings and loan association or of a corporation engaged in banking or in the making of loans generally;

(ii) At the time of the making of the loan, a majority of the disinterested directors of the corporation voted for the loan and, taking into account the terms and provisions of the loan and other relevant factors, determined that the making of the loan could reasonably be expected to benefit the corporation.

(2)(a) In cases under division (A)(1)(a) of this section, directors shall be jointly and severally liable up to the amount of the dividend, distribution, or other payment, in





**Ohio Revised Code 1701 - General Corporation Law**

excess of the amount that could have been paid or distributed without violation of law or the articles but not in excess of the amount that would inure to the benefit of the creditors of the corporation if it was insolvent at the time of the payment or distribution or there was reasonable ground to believe that by that action it would be rendered insolvent, plus the amount that was paid or distributed to holders of shares of any class in violation of the rights of holders of shares of any other class.

(b) In cases under division (A)(1)(b) of this section, directors shall be jointly and severally liable to the extent that the obligations of the corporation that are not otherwise barred by statute are not paid or for the payment of which adequate provision has not been made.

(c) In cases under division (A)(1)(c) of this section, directors shall be jointly and severally liable for the amount of the loan with interest on it at the rate specified in section [1343.03](#) of the Revised Code until the amount has been paid.

(B)(1) A director is not liable under division (A)(1)(a) or (b) of this section if, in determining the amount available for any dividend, purchase, redemption, or distribution to shareholders, the director in good faith relied on a financial statement of the corporation prepared by an officer or employee of the corporation in charge of its accounts or certified by a public accountant or firm of public accountants, the director in good faith considered the assets to be of their book value, or the director followed what the director believed to be sound accounting and business practice.

(2) A director is not liable under division (A)(1)(c) of this section for making any loan to, or guaranteeing any loan to or other obligation of, an employee stock ownership plan, as defined in section 4975(e)(7) of the Internal Revenue Code.

(C) A director who is present at a meeting of the directors or a committee of the directors at which action on any matter is authorized or taken and who has not voted for or against the action shall be presumed to have voted for the action unless that director's written dissent from the action is filed, either during the meeting or within a reasonable time after the adjournment of the meeting, with the person acting as secretary of the meeting or with the secretary of the corporation.

(D) A shareholder who knowingly receives any dividend, distribution, or payment made contrary to law or the articles shall be liable to the corporation for the amount received by that shareholder that is in excess of the amount that could have been paid or distributed without violation of law or the articles.

(E) A director against whom a claim is asserted under or pursuant to this section and who is held liable on the claim shall be entitled to contribution, on equitable principles, from other directors who also are liable. In addition, any director against whom a claim



## Ohio Revised Code 1701 - General Corporation Law

is asserted under or pursuant to this section or who is held liable shall have a right of contribution from the shareholders who knowingly received any dividend, distribution, or payment made contrary to law or the articles, and those shareholders as among themselves also shall be entitled to contribution in proportion to the amounts received by them respectively.

(F) No action shall be brought by or on behalf of a corporation upon any cause of action arising under division (A)(1)(a) or (b) of this section at any time after two years from the day on which the violation occurs.

(G) Nothing contained in this section shall preclude a creditor whose claim is unpaid from exercising the rights that that creditor otherwise would have by law to enforce that creditor's claim against assets of the corporation paid or distributed to shareholders.

(H) The failure of a corporation to observe corporate formalities relating to meetings of directors or shareholders in connection with the management of the corporation's affairs shall not be considered a factor tending to establish that the shareholders have personal liability for corporate obligations.

### **Available Versions of this Section**

- July 6, 2001 – Senate Bill 108 - 124th General Assembly [ [View July 6, 2001 Version](#) ]

### [Section 1701.96 | Benefit corporations.](#)

**Effective: March 24, 2021**

**Latest Legislation: Senate Bill 21 - 133rd General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) A benefit corporation owes no duty to a person who is a beneficiary of a beneficial purpose of the benefit corporation based solely on the status of that person as a beneficiary.

(B) A benefit corporation is not liable in monetary damages for any failure to seek, achieve, or comply with any beneficial purpose of the benefit corporation set forth in the articles of the corporation.

(C) An action to require a benefit corporation to comply with a beneficial purpose set forth in its articles may be brought only by the benefit corporation or in a derivative action on behalf of the benefit corporation by any of the following:

(1) A director of the corporation;



## Ohio Revised Code 1701 - General Corporation Law

(2) Persons who, in the aggregate, hold twenty-five per cent of all shares outstanding and entitled to vote at a meeting of the shareholders, unless the articles, the regulations adopted by the shareholders, or the regulations adopted by the directors pursuant to division (A)(1) of section [1701.10](#) of the Revised Code prescribe a smaller proportion;

(3) If the benefit corporation has issued and has outstanding shares listed on a national securities exchange or regularly quoted in an over-the-counter market by one or more members of a national or affiliated securities association, persons who, in the aggregate, hold shares of at least two million dollars in market value;

(4) Any other person that the articles or regulations authorize to bring such an action.

(D) The provisions of divisions (B) and (C) of this section do not alter the obligation of a benefit corporation to comply with all laws otherwise applicable to a domestic corporation or contracts by which the benefit corporation is bound, and divisions (B) and (C) of this section shall not limit or restrict the imposition of any remedy available under such otherwise applicable laws or contracts.

### **Available Versions of this Section**

- March 24, 2021 – Enacted by Senate Bill 21 - 133rd General Assembly [ [View March 24, 2021 Version](#) ]

### [Section 1701.97 | Exercise of expired powers.](#)

**Effective: July 1, 1994**

**Latest Legislation: Senate Bill 74 - 120th General Assembly**

**PDF: [Download Authenticated PDF](#)**

No person shall exercise or attempt to exercise any rights, privileges, immunities, powers, franchises, or authority under the articles of a domestic corporation after such articles have been canceled or after such corporation has been dissolved or after the period of existence of the corporation specified in its articles has expired, except such acts as are incident to the winding up of the affairs of such corporation, or are required to obtain reinstatement of the articles in accordance with section [1701.07](#), [1701.921](#), [1785.06](#), or [5733.22](#) of the Revised Code, or are permitted upon reinstatement by division (C) of section [1701.922](#) of the Revised Code.

### **Available Versions of this Section**



## Ohio Revised Code 1701 - General Corporation Law

- July 1, 1994 – Senate Bill 74 - 120th General Assembly [ [View July 1, 1994 Version](#) ]

### [Section 1701.98 | Applicability of chapter.](#)

**Effective: January 9, 1961**

**Latest Legislation: House Bill 1 - 104th General Assembly**

**PDF: [Download Authenticated PDF](#)**

(A) Except as provided in sections [1701.01](#) to [1701.98](#), inclusive, of the Revised Code, the provisions of said sections shall apply only to domestic corporations, and except as otherwise provided in this section, the provisions of said sections shall apply to all domestic corporations, whether formed under said sections or under previous laws of this state.

(B) Special provisions in the Revised Code for the organization, conduct, or government of designated classes of corporations shall govern to the exclusion of sections [1701.01](#) to [1701.98](#), inclusive, of the Revised Code, on the same subject, except where it clearly appears that a special provision is cumulative, in which case it and the provisions of said sections on the same subject shall apply.

(C) A corporation created before September 1, 1851, which (1) has expressly elected to be governed by the laws passed since that date, (2) subsequent to that date has taken such action under laws then in effect as to make it subject, as a matter of law, to the Constitution of 1851 and laws passed thereunder, or (3) subsequent to October 1, 1955, takes any action under sections [1701.01](#) to [1701.98](#), inclusive, of the Revised Code, or any of them, which but for said sections it would not be authorized to take, shall be deemed to be a corporation exercising its corporate privileges under the Constitution of this state and the laws passed in pursuance thereof, and not otherwise.

(D) A corporation created before September 1, 1851, and actually carrying on its activities in this state, and which prior to October 11, 1955, has not taken action described in division (C) of this section, may accept the provisions of sections [1701.01](#) to [1701.98](#), inclusive, of the Revised Code, at a meeting of shareholders held for such purpose, by a resolution to that effect adopted by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of the corporation on such proposal, and by filing in the office of the secretary of state a copy of said resolution certified by the president or a vice-president and the secretary or an assistant secretary of the corporation, for which filing the secretary of state shall charge and collect a fee of five dollars. Thereafter said corporation shall be deemed to exercise its corporate privileges under the Constitution of this state and the laws passed in pursuance thereof, and not otherwise.



## Ohio Revised Code 1701 - General Corporation Law

(E) Except as provided in divisions (C) and (D) of this section, a corporation created before September 1, 1851, shall be governed by the laws in force on that date as modified since that date.

### ***Available Versions of this Section***

- January 9, 1961 – House Bill 1 - 104th General Assembly [ [View January 9, 1961 Version](#) ]

### ***Section 1701.99 | Penalty.***

***Effective: January 1, 1974***

***Latest Legislation: House Bill 511 - 109th General Assembly***

***PDF: Download Authenticated PDF***

Whoever violates section [1701.97](#) of the Revised Code shall be fined not less than one hundred nor more than one thousand dollars.

### ***Available Versions of this Section***

- January 1, 1974 – House Bill 511 - 109th General Assembly [ [View January 1, 1974 Version](#) ]