

**As Reported by the Senate Government Oversight and Reform  
Committee**

**132nd General Assembly**

**Regular Session  
2017-2018**

**Sub. S. B. No. 179**

**Senator LaRose**

**Cosponsor: Senator Hackett, Coley, Brown**

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**A BILL**

To amend sections 1701.86, 1702.27, 1702.30, 1  
1702.33, 1702.38, 1702.521, 1702.53, 1702.55,  
2 1705.06, 1705.14, 1705.43, 1705.44, 1705.46,  
3 1705.48, and 1745.05 and to enact sections  
4 111.35, 1702.341, 1702.531, 1705.431, and  
5 1705.441 of the Revised Code to automatically  
6 dissolve a limited liability company under  
7 certain circumstances, to authorize the  
8 Secretary of State to implement an electronic  
9 notification system to alert a person if a  
10 business name containing a specific word has  
11 been registered, to specify procedures for  
12 continuing a limited liability company whose  
13 last remaining member ceases to be a member, to  
14 modify the law governing dissolved limited  
15 liability companies, to allow a dissolving  
16 corporation to provide to the Secretary of State  
17 a specified affidavit instead of a certificate  
18 from the Department of Taxation showing that the  
19 corporation has paid all required taxes, to  
20 modify the law governing nonprofit corporations,  
21 and to allow a religious organization to choose  
22

to be considered an unincorporated nonprofit 23  
association. 24

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 1701.86, 1702.27, 1702.30, 25  
1702.33, 1702.38, 1702.521, 1702.53, 1702.55, 1705.06, 1705.14, 26  
1705.43, 1705.44, 1705.46, 1705.48, and 1745.05 be amended and 27  
sections 111.35, 1702.341, 1702.531, 1705.431, and 1705.441 of 28  
the Revised Code be enacted to read as follows: 29

**Sec. 111.35.** The secretary of state may implement an 30  
electronic notification system under which any person may 31  
request to be notified if a business name containing a specific 32  
word or words has been registered. For purposes of this section, 33  
"person" has the same meaning as in section 1701.01 of the 34  
Revised Code. 35

**Sec. 1701.86.** (A) A corporation may be dissolved 36  
voluntarily in the manner provided in this section, provided the 37  
provisions of Chapter 1704. of the Revised Code do not prevent 38  
the dissolution from being effected. 39

(B) A resolution of dissolution for a corporation shall 40  
set forth that the corporation elects to be dissolved. The 41  
resolution also may include any of the following: 42

(1) The date on which the certificate of dissolution is to 43  
be filed or the conditions or events that will result in the 44  
filing of the certificate; 45

(2) Authorization for the officers or directors to abandon 46  
the proposed dissolution before the filing of the certificate of 47

dissolution;	48
(3) Any additional provision considered necessary with respect to the proposed dissolution and winding up.	49 50
(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.	51 52 53 54 55 56 57
(D) The directors may adopt a resolution of dissolution in any of the following cases:	58 59
(1) When the corporation has been adjudged bankrupt or has made a general assignment for the benefit of creditors;	60 61
(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;	62 63 64
(3) When substantially all of the assets have been sold at judicial sale or otherwise;	65 66
(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;	67 68 69 70
(5) When the period of existence of the corporation specified in its articles has expired.	71 72
(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	73 74 75

the voting power of the corporation on such proposal or, if the 76  
articles provide or permit, by the affirmative vote of a greater 77  
or lesser proportion, though not less than a majority, of such 78  
voting power, and by such affirmative vote of the holders of 79  
shares of any particular class as is required by the articles. 80  
Notice of the meeting of the shareholders shall be given to all 81  
the shareholders whether or not entitled to vote at it. 82

(F) Upon the adoption of a resolution of dissolution, a 83  
certificate shall be prepared, on a form prescribed by the 84  
secretary of state, setting forth all of the following: 85

(1) The name of the corporation; 86

(2) A statement that a resolution of dissolution has been 87  
adopted; 88

(3) A statement of the manner of adoption of such 89  
resolution, and, in the case of its adoption by the 90  
incorporators or directors, a statement of the basis for such 91  
adoption; 92

(4) The place in this state where its principal office is 93  
or is to be located; 94

(5) The internet address of each domain name held or 95  
maintained by or on behalf of the corporation; 96

(6) The name and address of its statutory agent; 97

(7) The date of dissolution, if other than the filing 98  
date. The date of dissolution shall not be more than ninety days 99  
after the filing of the certificate of dissolution. 100

(G) When the resolution of dissolution is adopted by the 101  
incorporators, the certificate shall be signed by not less than 102  
a majority of them. In all other cases, the certificate shall be 103

signed by any authorized officer, unless the officer fails to 104  
execute and file such certificate within thirty days after the 105  
date upon which such certificate is to be filed. In that latter 106  
event, the certificate of dissolution may be signed by any three 107  
shareholders or, if there are less than three shareholders, all 108  
of the shareholders and shall set forth a statement that the 109  
persons signing the certificate are shareholders and are filing 110  
the certificate because of the failure of the officers to do so. 111

(H) Except as otherwise provided in division (I) of this 112  
section, a certificate of dissolution, filed with the secretary 113  
of state, shall be accompanied by all of the following: 114

(1) An affidavit of one or more of the persons executing 115  
the certificate of dissolution or of an officer of the 116  
corporation containing a statement of the counties, if any, in 117  
this state in which the corporation has personal property or a 118  
statement that the corporation is of a type required to pay 119  
personal property taxes to state authorities only; 120

(2) A certificate or other evidence from the department of 121  
taxation showing that the corporation has paid all taxes 122  
administered by and required to be paid to the tax commissioner 123  
that are or will be due from the corporation on the date of the 124  
dissolution, ~~or that the department has received an adequate~~ 125  
~~guarantee for the payment of all such taxes~~ an affidavit of one 126  
or more of the persons executing the certificate of dissolution 127  
or of an officer of the corporation containing a statement that 128  
the corporation is not required to pay or the department of 129  
taxation has not assessed any tax for which such a certificate 130  
or other evidence is not provided; 131

(3) A certificate or other evidence showing the payment of 132  
all personal property taxes accruing up to the date of 133

dissolution or showing that such payment has been adequately 134  
guaranteed, or an affidavit of one or more of the persons 135  
executing the certificate of dissolution or of an officer of the 136  
corporation containing a statement that the corporation is not 137  
required to pay or the department of taxation has not assessed 138  
any tax for which such a certificate or other evidence is not 139  
provided; 140

(4) A receipt, certificate, or other evidence from the 141  
director of job and family services showing that all 142  
contributions due from the corporation as an employer have been 143  
paid, or that such payment has been adequately guaranteed, or 144  
that the corporation is not subject to such contributions; 145

(5) A receipt, certificate, or other evidence from the 146  
bureau of workers' compensation showing that all premiums due 147  
from the corporation as an employer have been paid, or that such 148  
payment has been adequately guaranteed, or that the corporation 149  
is not subject to such premium payments. 150

(I) In lieu of the receipt, certificate, or other evidence 151  
described in division (H) (2), (3), (4), or (5) of this section, 152  
a certificate of dissolution may be accompanied by an affidavit 153  
of one or more persons executing the certificate of dissolution 154  
or of an officer of the corporation containing a statement of 155  
the date upon which the particular department, agency, or 156  
authority was advised in writing of the scheduled effective date 157  
of the dissolution and was advised in writing of the 158  
acknowledgment by the corporation of the applicability of the 159  
provisions of section 1701.95 of the Revised Code. 160

(J) Upon the filing of a certificate of dissolution and 161  
such accompanying documents or on a later date specified in the 162  
certificate that is not more than ninety days after the filing, 163

the corporation shall be dissolved. 164

**Sec. 1702.27.** (A) Except as provided in division (B) of 165  
this section and section 1702.521 of the Revised Code: 166

(1) The number of directors as fixed by the articles or 167  
the regulations shall be not less than three or, if not so 168  
fixed, the number shall be three, except that if there are only 169  
one or two members of the corporation, the number of directors 170  
may be less than three but not less than the number of members. 171

(2) (a) Subject to division (A) (2) (c) of this section, 172  
unless the articles or the regulations fix the number of 173  
directors or provide the manner in which that number may be 174  
fixed or changed by the voting members, the number may be fixed 175  
or changed at a meeting of the voting members called for the 176  
purpose of electing directors, if a quorum is present, by the 177  
affirmative vote of a majority of the voting members present in 178  
person, by the use of authorized communications equipment, by 179  
mail, or, if permitted, by proxy. 180

(b) For purposes of division (A) (2) (a) of this section, 181  
participation by a voting member in a meeting through the use of 182  
any of the means of communication described in that division 183  
constitutes presence in person of that voting member at the 184  
meeting for purposes of determining a quorum. 185

(c) No reduction in the number of directors shall of 186  
itself have the effect of shortening the term of any incumbent 187  
director. 188

(3) The ~~director~~ directors shall be natural persons, shall 189  
be at least eighteen years of age, and shall have the 190  
qualifications, if any, that are stated in the articles or the 191  
regulations. 192

(4) The articles or the regulations may provide that 193  
persons occupying certain positions within or without the 194  
corporation shall be ex officio directors, but, unless otherwise 195  
provided in the articles or the regulations, such ex officio 196  
directors shall not be considered for quorum purposes and shall 197  
have no vote. 198

(B) The court of common pleas of the county in which the 199  
corporation maintains its principal office may, pursuant to 200  
division (A) of section 1702.521 of the Revised Code, order the 201  
appointment of a provisional director for the corporation 202  
without regard to the number or qualifications of directors 203  
stated in the articles or regulations of the corporation. 204

**Sec. 1702.30.** (A) Except where the law, the articles, or 205  
the regulations require that action be otherwise authorized or 206  
taken, all of the authority of a corporation shall be exercised 207  
by or under the direction of its directors. For their own 208  
government, the directors may adopt bylaws that are not 209  
inconsistent with the articles or the regulations. 210

(B) A director shall perform the director's duties ~~of as a~~ 211  
director, including the duties as a member of any committee of 212  
the directors upon which the director may serve, in good faith, 213  
in a manner the director reasonably believes to be in or not 214  
opposed to the best interests of the corporation, and with the 215  
care that an ordinarily prudent person in a like position would 216  
use under similar circumstances. A director serving on a 217  
committee of directors is acting as a director. 218

(C) In performing the director's duties ~~of a director~~, a 219  
director is entitled to rely on information, opinions, reports, 220  
or statements, including financial statements and other 221  
financial data, that are prepared or presented by any of the 222

following:	223
(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;	224 225 226
(2) Counsel, public accountants, or other persons as to matters that the director reasonably believes are within the person's professional or expert competence;	227 228 229
(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.	230 231 232 233 234
(D) For purposes of division (B) of this section, <u>all of the following apply:</u>	235 236
(1) A director shall not be found to have <del>failed to perform</del> <u>violated</u> the director's duties <del>in accordance with that under division (B) of this section,</del> unless it is proved, by clear and convincing evidence, <del>in an action brought against the director</del> 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. <del>Such an, in any action includes, but is not limited to, an action that involves brought against a director, including an action involving or affects</del> <u>affecting any</u> of the following:	237 238 239 240 241 242 243 244 245 246 247 248
(a) A change or potential change in control of the corporation;	249 250
(b) A termination or potential termination of the	251

director's service to the corporation as a director; 252

(c) The director's service in any other position or 253  
relationship with the corporation. 254

(2) A director shall not be considered to be acting in 255  
good faith if the director has knowledge concerning the matter 256  
in question that would cause reliance on information, opinions, 257  
reports, or statements that are prepared or presented by the 258  
persons described in divisions (C) (1) to (3) of this section, to 259  
be unwarranted. 260

(3) ~~The provisions of this division do not limit~~ Division 261  
(D) of this section does not limit relief available under 262  
section 1702.301 of the Revised Code. 263

~~(E) (1) Subject to divisions (E) (2) and (3) of this~~ 264  
~~section, a~~ A director is liable in damages for any ~~act~~ action 265  
that the director takes or fails to take as a director only if 266  
it is proved~~7~~ by clear and convincing evidence~~7~~ in a court ~~with~~ 267  
of competent jurisdiction that the director's act or omission ~~of~~ 268  
~~the director~~ was ~~one~~ undertaken with ~~a~~ deliberate intent to 269  
cause injury to the corporation or ~~was one undertaken with a~~ 270  
reckless disregard for the best interests of the corporation. 271

~~(2) Division (E) (1) of this section~~ This division does not 272  
affect the liability of a director under section 1702.55 of the 273  
Revised Code. 274

~~(3) Subject to division (E) (2) of this section,~~ This 275  
division ~~(E) (1) of this section~~ does not apply if, and only to 276  
the extent that, at the time of ~~an~~ a director's act or omission 277  
~~of a director~~ that is the subject of the complaint, the articles 278  
or the regulations of the corporation state~~7~~ by specific 279  
reference to ~~that~~ this division~~7~~ that its provisions do not 280

apply to the corporation. 281

(F) For purposes of this section, a director, in 282  
determining what ~~a~~the director reasonably believes to be in or 283  
not opposed to the best interests of the corporation, ~~a director~~ 284  
shall consider the purposes of the corporation and, in the 285  
director's discretion, may consider any of the following: 286

(1) The interests of the corporation's employees, 287  
suppliers, creditors, and customers ~~of the corporation;~~ 288

(2) The economy of this state and of the nation; 289

(3) Community and societal considerations; 290

(4) The long-term and short-term ~~best~~ interests of the 291  
corporation, including, ~~but not limited to,~~ the possibility that 292  
those interests may be best served by the continued independence 293  
of the corporation. 294

(G) A director is not a trustee with respect to the 295  
corporation or with respect to any property held or administered 296  
by the corporation, including property that may be subject to 297  
restrictions imposed by the donor or transferor of the property. 298

(H) Divisions (D) and, (E), and (G) of this section do 299  
not affect the duties of a director who acts in any capacity 300  
other than in the capacity as a director. 301

**Sec. 1702.33.** (A) The regulations may provide for the 302  
creation by the directors of an executive committee or any other 303  
committee of the directors, to consist of one or more directors, 304  
and may authorize the delegation to any such committee of any of 305  
the authority of the directors, however conferred. 306

(B) The directors may appoint one or more directors as 307  
alternate members of any committee described in division (A) of 308

this section, who may take the place of any absent member or 309  
members at any meeting of the particular committee. 310

(C) Each committee described in division (A) of this 311  
section shall serve at the pleasure of the directors, shall act 312  
only in the intervals between meetings of the directors, and 313  
shall be subject to the control and direction of the directors. 314

(D) Unless otherwise provided in the regulations or 315  
ordered by the directors, any committee described in division 316  
(A) of this section may act by a majority of its members at a 317  
meeting or by a writing or writings signed by all of its 318  
members. 319

(E) Meetings of committees described in division (A) of 320  
this section may be held by any means of authorized 321  
communications equipment, unless participation by members of the 322  
committee at a meeting by means of authorized communications 323  
equipment is prohibited by the articles, the regulations, or an 324  
order of the directors. Participation in a meeting pursuant to 325  
this division constitutes presence at the meeting. 326

(F) An act or authorization of an act by any committee 327  
described in division (A) of this section within the authority 328  
delegated to it shall be as effective for all purposes as the 329  
act or authorization of the directors. 330

(G) Unless otherwise provided in the articles, the 331  
regulations, or the resolution of the directors creating a 332  
committee under division (A) of this section, the committee may 333  
create one or more subcommittees consisting of one or more 334  
members of the committee and may delegate to a subcommittee any 335  
or all of the powers and authority of the committee. 336

Sec. 1702.341. (A) Unless a corporation's articles or 337

regulations or a written agreement with an officer of the 338  
corporation establishes additional fiduciary duties, an 339  
officer's only fiduciary duties to the corporation are to 340  
perform the officer's duties to the corporation in good faith, 341  
in a manner the officer reasonably believes to be in or not 342  
opposed to the best interests of the corporation, and with the 343  
care that an ordinarily prudent person in a like position would 344  
use under similar circumstances. In performing the officer's 345  
duties, an officer is entitled to rely on information, opinions, 346  
reports, or statements, including financial statements and other 347  
financial data, that are prepared or presented by any of the 348  
following: 349

(1) One or more directors, officers, or employees of the 350  
corporation whom the officer reasonably believes are reliable 351  
and competent in the matters prepared or presented; 352

(2) Counsel, public accountants, or other persons as to 353  
matters that the officer reasonably believes are within the 354  
person's professional or expert competence. 355

(B) In any action brought against an officer, the officer 356  
shall not be found to have violated the officer's duties under 357  
division (A) of this section unless it is proved by clear and 358  
convincing evidence that the officer has not acted in good 359  
faith, in a manner the officer reasonably believes to be in or 360  
not opposed to the best interests of the corporation, or with 361  
the care that an ordinarily prudent person in a like position 362  
would use under similar circumstances. An officer shall not be 363  
considered to be acting in good faith if the officer has 364  
knowledge concerning the matter in question that would cause 365  
reliance on information, opinions, reports, or statements that 366  
are prepared or presented by any of the persons described in 367

division (A) (1) or (2) of this section to be unwarranted. 368

(C) An officer is liable in damages for a violation of the 369  
officer's duties under division (A) of this section only if it 370  
is proved by clear and convincing evidence in a court of 371  
competent jurisdiction that the officer's act or omission was 372  
undertaken with deliberate intent to cause injury to the 373  
corporation or with reckless disregard for the best interests of 374  
the corporation. This division does not apply if, and only to 375  
the extent that, at the time of an officer's act or omission 376  
that is the subject of the complaint, the corporation's articles 377  
or regulations or a written agreement between the officer and 378  
the corporation state by specific reference to this division 379  
that this division does not apply to the officer. 380

(D) An officer is not a trustee with respect to the 381  
corporation or with respect to any property held or administered 382  
by the corporation, including property that may be subject to 383  
restrictions imposed by the donor or transferor of the property. 384

(E) This section does not affect the duties of an officer 385  
who acts in any capacity other than that of an officer and does 386  
not affect an officer's contractual obligations to the 387  
corporation. 388

**Sec. 1702.38.** (A) The articles may be amended from time to 389  
time in any respect if the articles as amended set forth all the 390  
provisions that are required in, and only those provisions that 391  
may properly be in, original articles filed at the time of 392  
adopting the amendment, other than with respect to the initial 393  
directors, except that a public benefit corporation shall not 394  
amend its articles in such manner that it will cease to be a 395  
public benefit corporation. 396

(B) Without limiting the generality of the authority	397
described in division (A) of this section, the articles may be	398
amended to:	399
(1) Change the name of the corporation;	400
(2) Change the place in this state where its principal	401
office is to be located;	402
(3) Change, enlarge, or diminish its purpose or purposes;	403
(4) Change any provision of the articles or add any	404
provision that may properly be included in the articles.	405
(C) (1) <u>If initial directors are not named in the articles,</u>	406
<u>then at any time before a meeting of voting members and before</u>	407
<u>the incorporators have elected directors, the incorporators or a</u>	408
<u>majority of them may adopt an amendment at a meeting.</u>	409
(2) The voting members present in person, by use of	410
authorized communications equipment, by mail, or, if permitted,	411
by proxy at a meeting held for that purpose, may adopt an	412
amendment by the affirmative vote of a majority of the voting	413
members present if a quorum is present or, if the articles or	414
the regulations provide or permit, by the affirmative vote of a	415
greater or lesser proportion or number of the voting members,	416
and by the affirmative vote of the voting members of any	417
particular class that is required by the articles or the	418
regulations.	419
<del>(2)</del> (3) For purposes of <del>division</del> <u>divisions</u> (C) (1) <u>and (2)</u>	420
of this section, participation by a voting member at a meeting	421
through the use of any of the means of communication described	422
in that division constitutes presence in person of that voting	423
member at the meeting for purposes of determining a quorum.	424

(D) In addition to or in lieu of adopting an amendment to 425  
the articles, the voting members may adopt amended articles by 426  
the same action or vote as that required to adopt the amendment. 427

(E) The directors may adopt amended articles to 428  
consolidate the original articles and all previously adopted 429  
amendments to the articles that are in force at the time, or the 430  
voting members at a meeting held for that purpose may adopt the 431  
amended articles by the same vote as that required to adopt an 432  
amendment. 433

(F) Amended articles shall set forth all the provisions 434  
that are required in, and only the provisions that may properly 435  
be in, original articles filed at the time of adopting the 436  
amended articles, other than with respect to the initial 437  
directors, and shall contain a statement that they supersede the 438  
existing articles. 439

(G) Upon the adoption of any amendment or amended 440  
articles, a certificate containing a copy of the resolution 441  
adopting the amendment or amended articles, a statement of the 442  
manner of its adoption, and, in the case of adoption of the 443  
resolution by the directors, a statement of the basis for such 444  
adoption, shall be filed with the secretary of state, and upon 445  
that filing the articles shall be amended accordingly, and the 446  
amended articles shall supersede the existing articles. The 447  
certificate shall be signed by any authorized officer of the 448  
corporation. 449

(H) A copy of an amendment or amended articles changing 450  
the name of a corporation or its principal office in this state, 451  
certified by the secretary of state, may be filed for record in 452  
the office of the county recorder of any county in this state, 453  
and for that recording the county recorder shall charge and 454

collect the same fee as provided for in division (A) (1) of 455  
section 317.32 of the Revised Code. That copy shall be recorded 456  
in the official records of the county recorder. 457

**Sec. 1702.521.** (A) Upon the complaint of not less than 458  
one-fourth of the directors of the corporation or upon the 459  
complaint of not less than one-fourth of the voting members of 460  
the corporation, the court of common pleas of the county in 461  
which the corporation maintains its principal office may order 462  
the appointment of a provisional director for that corporation 463  
if the articles or regulations of the corporation expressly 464  
provide for such an appointment. No appointment shall be made 465  
until a hearing is held by the court. Notice of the hearing 466  
shall be given to each director and the secretary of the 467  
corporation in any manner that the court directs. The 468  
complainants shall establish at the hearing that, because of 469  
irreconcilable differences among the existing directors or 470  
because there are no directors and the voting members are unable 471  
to elect any directors, the continued operation of the 472  
corporation has been substantially impeded or made impossible. 473

(B) A provisional director shall have the same rights and 474  
duties as other directors and shall serve until removed by the 475  
appointing court or by the members of the corporation entitled 476  
to exercise a majority of the voting power of the corporation in 477  
the election of directors or until the provisional director's 478  
earlier resignation or death. If the provisional director dies 479  
or resigns, the court, pursuant to division (A) of this section, 480  
may appoint a replacement provisional director, upon its own 481  
motion and without the filing of a complaint for the appointment 482  
of a provisional director. If the appointing court finds that 483  
the irreconcilable differences no longer exist, it shall order 484  
the removal of the provisional director. 485

(C) No person shall be appointed as a provisional director 486  
unless the person is generally conversant with corporate 487  
affairs, has no legal or equitable interest in the obligations 488  
of the corporation of which the person is to be appointed a 489  
director, and is not indebted to such corporation. The 490  
compensation of a provisional director shall be determined by 491  
agreement with the corporation for which the provisional 492  
director is serving, subject to the approval of the appointing 493  
court, except that the appointing court may fix the provisional 494  
director's compensation in the absence of agreement or in the 495  
event of disagreement between the provisional director and the 496  
corporation. 497

(D) A proceeding concerning the appointment of a 498  
provisional director of a corporation is a special proceeding, 499  
and final orders issued in the proceeding may be vacated, 500  
modified, or reversed on appeal pursuant to the Rules of 501  
Appellate Procedure and, to the extent not in conflict with 502  
those rules, Chapter 2505. of the Revised Code. 503

**Sec. 1702.53.** (A) A copy of the articles or amended 504  
articles filed in the office of the secretary of state, 505  
certified by the secretary of state, shall be conclusive 506  
evidence, except as against the state, that the corporation has 507  
been incorporated under the laws of this state; and a copy duly 508  
certified by the secretary of state of any certificate of 509  
amendment or other certificate filed in the secretary of state's 510  
office shall be prima-facie evidence of such amendment or of the 511  
facts stated in any such certificate, and of the observance and 512  
performance of all antecedent conditions necessary to the action 513  
which such certificate purports to evidence. 514

(B) A copy of amended articles filed in the office of the 515

secretary of state, certified by the secretary of state, shall 516  
be accepted in this state and other jurisdictions in lieu of the 517  
original articles, amendments thereto, and prior amended 518  
articles. 519

(C) The original or a copy of the record of minutes of the 520  
proceedings of the incorporators of a corporation, or of the 521  
proceedings or meetings of the members or any class of members, 522  
or of the directors, or of any committee thereof, including any 523  
written consent, waiver, release, or agreement entered in such 524  
record or minutes, or the original or a copy of a statement that 525  
no specified proceeding was had or that no specified consent, 526  
waiver, release, or agreement exists, shall, when certified to 527  
be true by the secretary or an assistant secretary of a 528  
corporation, be received in the courts as prima-facie evidence 529  
of the facts stated therein. Every meeting referred to in such 530  
certified original or copy shall be deemed duly called and held, 531  
and all motions and resolutions adopted and proceedings had at 532  
such meeting shall be deemed duly adopted and had, and all 533  
elections of directors and all elections or appointments of 534  
officers chosen at such meeting shall be deemed valid, until the 535  
contrary is proved; and whenever a person who is not a member of 536  
a corporation has acted in good faith in reliance upon any such 537  
certified original or copy, it is conclusive in the person's 538  
favor. 539

(D) (1) A certificate issued by the secretary of state 540  
confirming that a corporation is in good standing is, for a 541  
period of seven days after the date on the certificate, 542  
conclusive evidence that both of the following are true: 543

(a) The authority of a domestic corporation has not been 544  
limited as described in section 1702.49 of the Revised Code, 545

provided that the person relying on the certificate had no 546  
knowledge that the corporation's articles had been canceled and 547  
provided that the certificate is not presented as evidence 548  
against the state. 549

(b) The license authorizing a foreign corporation to 550  
transact business in this state has not expired, been canceled, 551  
or been surrendered. 552

(2) As used in division (D) (1) of this section, "in good 553  
standing" means that the authority of the corporation to carry 554  
on business is not limited by section 1702.49 of the Revised 555  
Code. 556

**Sec. 1702.531.** (A) Absent an express agreement to the 557  
contrary, a person providing goods to or performing services for 558  
a domestic or foreign corporation owes no duty to, incurs no 559  
liability or obligation to, and is not in privity with the 560  
members or creditors of the corporation by reason of providing 561  
goods to or performing services for the corporation. 562

(B) Absent an express agreement to the contrary, a person 563  
providing goods to or performing services for a member or group 564  
of members of a domestic or foreign corporation owes no duty to, 565  
incurs no liability or obligation to, and is not in privity with 566  
the corporation, any other members of the corporation, or the 567  
corporation's creditors by reason of providing goods to or 568  
performing services for the member or group of members. 569

**Sec. 1702.55.** (A) The members, the directors, and the 570  
officers of a corporation shall not be personally liable for any 571  
obligation of the corporation. 572

(B) In addition to any other liabilities imposed by law 573  
upon a corporation's directors ~~who~~ and except as otherwise 574

provided in division (D) of this section, directors are jointly 575  
and severally liable to the corporation as provided in division 576  
(C) of this section if they vote for or assent to any of the 577  
following: 578

(1) A distribution of assets to members contrary to law or 579  
the articles; 580

(2) A distribution of assets to persons other than 581  
creditors during the winding up of the affairs of the 582  
corporation, on dissolution or otherwise, without the payment of 583  
all known obligations of the corporation, or without making 584  
adequate provision therefor; 585

(3) The making of loans, other than in the usual conduct 586  
of its affairs or in accordance with provisions therefor in the 587  
articles, to an officer, or director, ~~or member~~ of the 588  
corporation; ~~shall be jointly and severally liable to, unless,~~ 589  
when the corporation makes the loan, a majority of the 590  
corporation's disinterested directors vote to make the loan and, 591  
taking into account the terms and provisions of the loan and 592  
other relevant factors, determine that making the loan 593  
reasonably may be expected to benefit the corporation. 594

(C) Directors who are jointly and severally liable to the 595  
corporation under division (B) of this section are liable as 596  
follows:—~~in~~ 597

(1) In cases under division (B) (1) of this section, up to 598  
the amount of such distribution in excess of the amount that 599  
could have been distributed without violation of law or the 600  
articles, but not in excess of the amount that would inure to 601  
the benefit of the creditors of the corporation if it was 602  
insolvent at the time of the distribution or there was 603

reasonable ground to believe that by such action it would be 604  
rendered insolvent, or to the benefit of the members other than 605  
members of the class in respect of which the distribution was 606  
made; ~~and in~~ 607

(2) In cases under division (B) (2) of this section, to the 608  
extent that such obligations (not otherwise barred by statute) 609  
are not paid, or for the payment of which adequate provision has 610  
not been made; ~~and in~~ 611

(3) In cases under division (B) (3) of this section, for 612  
the amount of the loan with interest thereon at the rate 613  
specified in section 1343.03 of six per cent per annum the 614  
Revised Code until such amount has been paid, ~~except that a~~. 615

(D) A director shall not be liable under division (B) (1) 616  
or (2) of this section if in determining the amount available 617  
for any such distribution, the director in good faith relied on 618  
a financial statement of the corporation prepared by an officer 619  
or employee of the corporation in charge of its accounts or 620  
certified by a public accountant or firm of public accountants, 621  
or in good faith the director considered the assets to be of 622  
their book value, or the director followed what the director 623  
believed to be sound accounting and business practice. 624

~~(C)~~ (E) A director who is present at a meeting of the 625  
directors or a committee thereof at which action on any matter 626  
is authorized or taken and who has not voted for or against such 627  
action shall be presumed to have voted for the action unless the 628  
director's written dissent therefrom is filed either during the 629  
meeting or within a reasonable time after the adjournment 630  
thereof, with the person acting as secretary of the meeting or 631  
with the secretary of the corporation. 632

~~(D)~~ (F) A member who knowingly receives any distribution 633  
made contrary to law or the articles shall be liable to the 634  
corporation for the amount received by the member that is in 635  
excess of the amount that could have been distributed without 636  
violation of law or the articles. 637

~~(E)~~ (G) A director against whom a claim is asserted under 638  
or pursuant to this section and who is held liable thereon shall 639  
be entitled to contribution, on equitable principles, from other 640  
directors who also are liable; and in addition, any director 641  
against whom a claim is asserted under or pursuant to this 642  
section or who is held liable shall have a right of contribution 643  
from the members who knowingly received any distribution made 644  
contrary to law or the articles, and such members as among 645  
themselves shall also be entitled to contribution in proportion 646  
to the amounts received by them respectively. 647

~~(F)~~ (H) The fact that a loan is made in violation of this 648  
section does not affect the borrower's liability on the loan. 649

(I) No action shall be brought by or on behalf of a 650  
corporation upon any cause of action arising under division (B) 651  
(1) or (2) of this section at any time after two years from the 652  
day on which the violation occurs. 653

~~(G)~~ (J) Nothing contained in this section shall preclude 654  
any creditor whose claim is unpaid from exercising such rights 655  
as the creditor otherwise would have by law to enforce the 656  
creditor's claim against assets of the corporation distributed 657  
to members or other persons. 658

**Sec. 1705.06.** (A) Each limited liability company shall 659  
maintain continuously in this state an agent for service of 660  
process on the company. The agent shall be one of the following: 661

(1) A natural person who is a resident of this state; 662

(2) A domestic or foreign corporation, nonprofit 663  
corporation, limited liability company, partnership, limited 664  
partnership, limited liability partnership, limited partnership 665  
association, professional association, business trust, or 666  
unincorporated nonprofit association that has a business address 667  
in this state. If the agent is an entity other than a domestic 668  
corporation, the agent shall meet the requirements of Title XVII 669  
of the Revised Code for an entity of the agent's type to 670  
transact business or exercise privileges in this state. 671

(B) (1) The secretary of state shall not accept original 672  
articles of organization of a limited liability company for 673  
filing unless the articles are accompanied by both of the 674  
following: 675

(a) A written appointment of an agent as described in 676  
division (A) of this section that is signed by an authorized 677  
member, manager, or other representative of the limited 678  
liability company; 679

(b) A written acceptance of the appointment that is signed 680  
by the designated agent on a form prescribed by the secretary of 681  
state. 682

(2) In cases not covered by division (B) (1) of this 683  
section, the limited liability company shall appoint the agent 684  
described in division (A) of this section and shall file with 685  
the secretary of state, on a form prescribed by the secretary of 686  
state, a written appointment of that agent that is signed as 687  
described in division (K) of this section and a written 688  
acceptance of the appointment that is signed by the designated 689  
agent. 690

(3) For purposes of divisions (B) (1) and (2) of this section, the filed written acceptance of an agent's appointment shall be a signed original document or a photocopy, facsimile, or similar reproduction of a signed original document.

(C) The written appointment of an agent described in division (A) of this section shall set forth the name of the agent and the agent's address in this state, including the street and number or other particular description of that address. It otherwise shall be in the form that the secretary of state prescribes. The secretary of state shall keep a record of the names of limited liability companies and the names and addresses of their agents.

(D) If any agent described in division (A) of this section dies, resigns, or moves outside of this state, the limited liability company shall appoint forthwith another agent and file with the secretary of state, on a form prescribed by the secretary of state, a written appointment of the agent and acceptance of appointment as described in division (B) (2) of this section.

(E) If the agent described in division (A) of this section changes the agent's address from the address stated in the records of the secretary of state, the agent or the limited liability company shall file forthwith 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 described in division (A) of this section may resign by filing with the secretary of state, on a form prescribed by the secretary of state, a written notice of resignation that is signed by the agent and by mailing a copy of that notice to the limited liability company at the current or

last known address of its principal office. The notice shall be 721  
mailed to the company on or prior to the date that the notice is 722  
filed with the secretary of state and shall set forth the name 723  
of the company, the name and current address of the agent, the 724  
current or last known address, including the street and number 725  
or other particular description, of the company's principal 726  
office, a statement of the resignation of the agent, and a 727  
statement that a copy of the notice has been sent to the company 728  
within the time and in the manner specified in this division. 729  
The authority of the resigning agent terminates thirty days 730  
after the filing of the notice with the secretary of state. 731

(G) A limited liability company may revoke the appointment 732  
of its agent described in division (A) of this section by filing 733  
with the secretary of state, on a form prescribed by the 734  
secretary of state, a written appointment of another agent and 735  
an acceptance of appointment in the manner described in division 736  
(B) (2) of this section and a statement indicating that the 737  
appointment of the former agent is revoked. 738

(H) (1) Any legal process, notice, or demand required or 739  
permitted by law to be served upon a limited liability company 740  
may be served upon the company as follows: 741

(a) If the agent described in division (A) of this section 742  
is a natural person, by delivering a copy of the process, 743  
notice, or demand to the agent; 744

(b) If the agent is not a natural person, by delivering a 745  
copy of the process, notice, or demand to the address of the 746  
agent in this state as contained in the records of the secretary 747  
of state. 748

(2) If the agent described in division (A) of this section 749

cannot be found or no longer has the address that is stated in 750  
the records of the secretary of state or the limited liability 751  
company has failed to maintain an agent as required by this 752  
section and if the party or the agent or representative of the 753  
party that desires service of the process, notice, or demand 754  
files with the secretary of state an affidavit that states that 755  
one of those circumstances exists and states the most recent 756  
address of the company that the party who desires service has 757  
been able to ascertain after a diligent search, then the service 758  
of the process, notice, or demand upon the secretary of state as 759  
the agent of the company may be initiated by delivering to the 760  
secretary of state four copies of the process, notice, or demand 761  
accompanied by a fee of five dollars. The secretary of state 762  
shall give forthwith notice of that delivery to the company at 763  
either its principal office as shown upon the secretary of 764  
state's records or at any different address specified in the 765  
affidavit of the party desiring service and shall forward to the 766  
company at either address by certified mail, return receipt 767  
requested, a copy of the process, notice, or demand. Service 768  
upon the company is made when the secretary of state gives the 769  
notice and forwards the process, notice, or demand as set forth 770  
in division (H) (2) of this section. 771

(I) The secretary of state shall keep a record of each 772  
process, notice, and demand that pertains to a limited liability 773  
company and that is delivered to the secretary of state's office 774  
under this section or another law of this state that authorizes 775  
service upon the secretary of state in connection with a limited 776  
liability company. In that record, the secretary of state shall 777  
record the time of each delivery of that type and the secretary 778  
of state's subsequent action with respect to the process, 779  
notice, or demand. 780

(J) This section does not limit or affect the right to 781  
serve any process, notice, or demand upon a limited liability 782  
company in any other manner permitted by law. 783

(K) The written appointment of an agent or a written 784  
statement filed by the company with the secretary of state shall 785  
be signed by an authorized member, manager, or other 786  
representative of the company. 787

(L) (1) Upon the failure of a limited liability company to 788  
maintain an agent, or upon the failure of a limited liability 789  
company or agent to file a statement of change of address of an 790  
agent, the secretary of state shall give notice thereof by 791  
ordinary or electronic mail to the company at the address 792  
provided to the secretary of state. Unless the default is cured 793  
within thirty days after the mailing or transmission of the 794  
notice or within any further period of time that the secretary 795  
of state grants, upon expiration of that period of time, the 796  
articles of organization shall be canceled without further 797  
notice or action by the secretary of state. The secretary of 798  
state shall make a notation of the cancellation on the secretary 799  
of state's records. 800

(2) Subject to division (L) (3) of this section, a limited 801  
liability company whose articles of organization have been 802  
canceled under division (L) (1) of this section shall be 803  
reinstated if the limited liability company does both of the 804  
following: 805

(a) Files, on a form prescribed by the secretary of state, 806  
an application for reinstatement and the required appointment of 807  
an agent or statement of change of address of an agent, as 808  
applicable; 809

(b) Pays the filing fee specified in division (O) of 810  
section 111.16 of the Revised Code. 811

(3) The secretary of state shall reserve the name of a 812  
limited liability company whose articles of organization have 813  
been canceled under division (L) (1) of this section for a period 814  
of one year after the date of cancellation. If the limited 815  
liability company applies for reinstatement under division (L) 816  
(2) of this section more than one year after that date and 817  
section 1705.05 of the Revised Code prohibits the secretary of 818  
state from reinstating the limited liability company under its 819  
previous name, then the limited liability company shall change 820  
its name by amending its articles of organization before it may 821  
be reinstated under division (L) (2) of this section. 822

(4) Upon reinstatement of a limited liability company's 823  
articles of organization under division (L) (2) of this section, 824  
all of the following apply: 825

(a) The limited liability company's rights, privileges, 826  
and franchises existing at the time its articles of organization 827  
were canceled, including all real or personal property rights 828  
and credits and all contract and other rights, shall be fully 829  
vested in the limited liability company as if the articles of 830  
organization had not been canceled, and the limited liability 831  
company again shall be entitled to exercise those rights, 832  
privileges, and franchises. 833

(b) If a manager, member, officer, agent, or employee of 834  
the limited liability company exercised or attempted to exercise 835  
any rights, privileges, or franchises on behalf of the limited 836  
liability company while the limited liability company's articles 837  
of organization were canceled, the person had no knowledge of 838  
the cancellation, and the action was within the scope of the 839

limited liability company's articles of organization that 840  
existed immediately before the cancellation, then both of the 841  
following apply: 842

(i) The action has the same force and effect that it would 843  
have had if the limited liability company's articles of 844  
organization had not been canceled. 845

(ii) The limited liability company shall be exclusively 846  
liable for the action. 847

(5) Divisions (L) (2) to (4) of this section are remedial 848  
in nature and are to be construed liberally to accomplish the 849  
purpose of providing full reinstatement of a limited liability 850  
company's articles of organization, retroactive to the time of 851  
the cancellation of the articles of organization. 852

**Sec. 1705.14.** (A) A person becomes a member at the time 853  
that a limited liability company is formed or at any later time 854  
that is specified in the records of the company for becoming a 855  
member. 856

(B) After the filing of the articles of organization of a 857  
limited liability company, a person may be admitted as an 858  
additional member in ~~either~~any of the following ways: 859

(1) If ~~he~~the person acquires an interest directly from 860  
the limited liability company, upon compliance with the 861  
operating agreement or, if the operating agreement does not so 862  
provide, upon the written consent of all of the members; 863

(2) If ~~he~~the person is an assignee of the interest of a 864  
member who has the power as provided in writing in the operating 865  
agreement to grant the assignee the right to become a member, 866  
upon the exercise of that power and compliance with any 867  
conditions limiting the grant or exercise of the power; 868

(3) In accordance with division (A) (6) (b) of section 869  
1705.43 of the Revised Code. 870

**Sec. 1705.43.** (A) A limited liability company organized 871  
under this chapter shall be dissolved ~~upon the occurrence of~~ if 872  
any of the following ~~events are true:~~ 873

(1) The ~~expiration of the~~ period, if any, fixed by the 874  
operating agreement or articles of organization for the duration 875  
of the company ~~has expired.~~ 876

(2) One or more events specified in writing in the 877  
operating agreement as causing the dissolution of the company ~~have~~ 878  
occurred. 879

(3) ~~The unanimous written agreement of all~~ All members 880  
have given unanimous written consent to dissolve the company ~~has~~. 881

(4) Except as provided in this division (C) and division 882  
(A) (6) of this section, the withdrawal of a member of the 883  
company, ~~unless the business of the~~ has withdrawn. The 884  
withdrawal of a member of the company shall not result in the 885  
dissolution of the company, except as otherwise provided in the 886  
operating agreement, if any of the following apply: 887

(a) The company is continued by the consent of all of the 888  
remaining members ~~or under~~. 889

(b) The company is continued under a right to continue the 890  
company that is stated in writing in the operating agreement ~~has~~. 891

(c) The company was formed on or after December 3, 1999. 892

(d) The company was formed before December 3, 1999, and 893  
its articles or operating agreement were amended to specify that 894  
the withdrawal of a member does not cause the dissolution of the 895  
company. 896

<u>(5) Upon entry of a A decree of judicial dissolution has</u>	897
<u>been entered under section 1705.47 of the Revised Code.</u>	898
<u>(6) All members of the company have ceased to be members,</u>	899
<u>as described in section 1705.15 of the Revised Code. This</u>	900
<u>division does not apply to a company if one of the following</u>	901
<u>applies:</u>	902
<u>(a) The operating agreement provides for a substitute</u>	903
<u>member to be admitted as of the date the last remaining member</u>	904
<u>ceased to be a member of the company.</u>	905
<u>(b) The operating agreement does not provide for a</u>	906
<u>substitute member to be admitted as of the date the last</u>	907
<u>remaining member ceased to be a member of the company, but the</u>	908
<u>legal representative or successor of the last remaining member</u>	909
<u>admits a substitute member to the company in writing not later</u>	910
<u>than the ninetieth day after the last remaining member ceased to</u>	911
<u>be a member of the company. The substitute member shall be</u>	912
<u>deemed to have been admitted as of the date the last remaining</u>	913
<u>member ceased to be a member of the company.</u>	914
<u>(B) (1) Following the occurrence of any of the events of</u>	915
<u>dissolution specified in this section, the limited liability</u>	916
<u>company shall deliver to the secretary of state for filing a</u>	917
<u>certificate of dissolution on a form that is prescribed by the</u>	918
<u>secretary of state and that includes all of the following:</u>	919
<u>(a) The name of the company;</u>	920
<u>(b) The location of the company's current or future</u>	921
<u>principal office in this state;</u>	922
<u>(c) The internet address of each domain name held or</u>	923
<u>maintained by or on behalf of the company;</u>	924

- (d) The name and address of the company's statutory agent; 925
- (e) The effective date of ~~its~~ the company's dissolution. 926
- For purposes of this chapter, the company's date of dissolution 927  
shall be considered the date specified on the certificate of 928  
dissolution. A company for which a receiver has been appointed 929  
to wind up its affairs or that is the subject of an application 930  
filed under section 1705.47 of the Revised Code is not 931  
considered to be dissolved before the date of dissolution. 932
- (2) The secretary of state shall make available to the 933  
public on the secretary of state's official web site, in a 934  
searchable format, a list of all domestic limited liability 935  
companies that have filed certificates of dissolution and, for 936  
each such company, a copy of the certificate and a copy of the 937  
notice of dissolution described in section 1705.431 of the 938  
Revised Code. The secretary of state shall make that information 939  
available concerning each dissolved company for a period of at 940  
least five years after the date the certificate of dissolution 941  
is filed and may remove the information after that period 942  
expires. 943
- (C) ~~If the company was formed on or after the effective~~ 944  
~~date of this amendment, or the company was formed prior to the~~ 945  
~~effective date of this amendment and its articles or operating~~ 946  
~~agreement are amended to specifically state that this division~~ 947  
~~applies to the company, the withdrawal of a member of the~~ 948  
~~company shall not cause the dissolution of the company except as~~ 949  
~~may be provided in the operating agreement. When a limited~~ 950  
~~liability company is dissolved as described in this section, all~~ 951  
~~of the following shall apply:~~ 952
- (1) Except as otherwise provided in division (A) (1) of 953  
section 1705.45 of the Revised Code, the company shall cease to 954

carry on business and shall take only the actions necessary to 955  
wind up its affairs. 956

(2) Except as otherwise provided in division (C) (4) of 957  
this section and except as otherwise ordered by a court acting 958  
pursuant to section 1705.44 of the Revised Code, the company 959  
shall continue as a limited liability company for a period of 960  
five years after the date the certificate of dissolution is 961  
filed for the purpose of winding up its affairs. 962

(3) The company shall give notice of its dissolution in 963  
accordance with section 1705.431 of the Revised Code. 964

(4) The dissolution of the company shall not eliminate or 965  
impair any remedy available to or against the company or its 966  
members or managers for any right or claim existing, or any 967  
liability incurred, before the dissolution, so long as the 968  
company brings an action not later than the applicable deadline 969  
prescribed by law, so long as the person who is sent a notice 970  
under section 1705.431 of the Revised Code submits a claim not 971  
later than the deadline specified in that section, and so long 972  
as any other person brings an action not later than five years 973  
after the date the certificate of dissolution is filed. Any 974  
existing claim, any claim that would have accrued, and any 975  
pending action or proceeding by or against the company may be 976  
prosecuted to judgment, with a right of appeal as in other 977  
cases, except that a court may stay any proceeding, execution, 978  
or process or the satisfaction or performance of any order, 979  
judgment, or decree as provided in section 1705.44 of the 980  
Revised Code. Any action, suit, or proceeding begun by or 981  
against the company in accordance with this division shall not 982  
abate, and the company shall be continued as a limited liability 983  
company for that sole purpose until any judgments, orders, or 984

decrees are fully executed. 985

(5) If any property right of the company is discovered 986  
after the winding up of the company's affairs is complete, any 987  
member, manager, or liquidating trustee that wound up the 988  
affairs of the company or a receiver appointed by the 989  
appropriate court, as determined under section 1705.44 of the 990  
Revised Code, may enforce the property right, collect and divide 991  
the assets discovered among the persons entitled to those 992  
assets, and prosecute any necessary actions or proceedings in 993  
the name of the company. The assets shall be distributed and 994  
disposed of in accordance with any applicable court order or, in 995  
the absence of a court order, in accordance with section 1705.46 996  
of the Revised Code. 997

Sec. 1705.431. (A) Not later than the ninetieth day before 998  
the end of the five-year period after the date the certificate 999  
of dissolution is filed, a limited liability company that is 1000  
dissolved as described in section 1705.43 of the Revised Code 1001  
shall give notice of the dissolution by certified or registered 1002  
mail, return receipt requested, to each known creditor and to 1003  
each known person that has a claim against the company, 1004  
including a claim that is conditional, unmatured, or contingent 1005  
on the occurrence or nonoccurrence of future events. The company 1006  
also shall post the notice on any web site the company maintains 1007  
in its own name and shall file a copy of the notice with the 1008  
secretary of state. The notice shall include all of the 1009  
following: 1010

(1) A statement that all claims against the company must 1011  
be presented in writing, identify the claimant, and contain 1012  
sufficient information to reasonably inform the company of the 1013  
substance of the claim; 1014

(2) The mailing address to which a claimant must send the claim; 1015  
1016

(3) The deadline by which the company must receive the claim, which shall be at least sixty days after the company gives the notice; 1017  
1018  
1019

(4) A statement that a claim will be barred if the company does not receive the claim not later than the deadline specified in the notice; 1020  
1021  
1022

(5) A statement that the company may make distributions to other creditors or claimants, including distributions to members of the company, without further notice. 1023  
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(B) (1) A claim asserted by a claimant that was given notice of a limited liability company's dissolution under this section is barred unless the claimant delivers the claim to the company not later than the deadline specified in the notice. 1026  
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(2) A limited liability company that gives notice of its dissolution in accordance with this section may reject, in whole or in part, any matured claim by sending notice of the rejection to the claimant by certified or registered mail, return receipt requested, not later than the ninetieth day after the company receives the claim and not later than the thirtieth day before the end of the five-year period after the date of dissolution. The notice of rejection shall include a copy of division (B) of this section and a copy of section 1705.44 of the Revised Code. 1030  
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(3) A claim asserted by a claimant that receives a notice of rejection under division (B) (2) of this section is barred unless the claimant commences an action to enforce the claim not later than the thirtieth day after the company mails the notice of rejection to the claimant. 1039  
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(C) (1) A limited liability company that gives notice of 1044  
its dissolution under this section may offer to any claimant 1045  
whose claim is contingent, conditional, or unmatured such 1046  
security as the company determines is sufficient to provide 1047  
compensation to the claimant if the claim matures. The company 1048  
shall send the offer of security to the claimant by certified or 1049  
registered mail, return receipt requested, not later than the 1050  
ninetieth day after the company receives any such claim from the 1051  
claimant and not later than the thirtieth day before the end of 1052  
the five-year period after the date the certificate of 1053  
dissolution is filed. The offer of security shall include a copy 1054  
of division (C) of this section and a copy of section 1705.44 of 1055  
the Revised Code. 1056

(2) If, not later than the thirtieth day after the company 1057  
mails an offer of security under division (C) (1) of this section 1058  
to a claimant, the claimant does not deliver to the company a 1059  
written notice rejecting the offer, the claimant shall be deemed 1060  
to have accepted the security as the sole source from which to 1061  
satisfy the claimant's claim against the company. 1062

(D) A limited liability company that gives notice of its 1063  
dissolution under this section may apply to the appropriate 1064  
court, as determined under section 1705.44 of the Revised Code, 1065  
for a determination of the amount and form of insurance or other 1066  
security to which both of the following apply: 1067

(1) It will be sufficient to provide compensation to any 1068  
claimant that has rejected an offer of security made under this 1069  
section. 1070

(2) It is reasonably likely to be sufficient to provide 1071  
compensation for claims that have not been made known to the 1072  
company or that have not arisen but that, based on the facts 1073

known to the company, are likely to arise or to become known to 1074  
the company within five years after the date the certificate of 1075  
dissolution is filed or within a longer period not to exceed ten 1076  
years after that date, as determined by the company's members or 1077  
managers or by the court. 1078

(E) A limited liability company's act of giving notice of 1079  
dissolution or making an offer of security under this section 1080  
does not revive any claim then barred, constitute acknowledgment 1081  
by the company that any person to whom the company gave notice 1082  
of dissolution is a proper claimant, or operate as a waiver of 1083  
any defense or counterclaim. 1084

**Sec. 1705.44.** (A) Except as otherwise provided in the 1085  
operating agreement, the members of a dissolved limited 1086  
liability company who have not wrongfully dissolved the company, 1087  
a liquidating trustee selected by those members, or, if the 1088  
management of the company has not been reserved to its members, 1089  
its managers may wind up the affairs of the company. ~~Upon~~ 1090  
~~application of any member of a dissolved limited liability~~ 1091  
~~company or his legal representative or assignee, the court of~~ 1092  
~~common pleas may wind up the affairs of the company or may cause~~ 1093  
~~its affairs to be wound up by a liquidating trustee appointed by~~ 1094  
~~the court. Subject to division (A) (1) of section 1705.45 of the~~ 1095  
~~Revised Code, the persons winding up the affairs of the company~~ 1096  
~~promptly shall proceed to complete the winding up of the company~~ 1097  
~~as speedily as is practicable and not later than five years~~ 1098  
~~after the date the certificate of dissolution is filed, except~~ 1099  
~~as otherwise provided in division (C) (4) of section 1705.43 of~~ 1100  
~~the Revised Code and except as otherwise ordered by a court in~~ 1101  
~~accordance with this section.~~ 1102

(B) The court of common pleas of the county in which the 1103

principal office of a dissolved limited liability company is or 1104  
was to be located shall have authority over the winding up of 1105  
the company's affairs as provided in this section and may order 1106  
and adjudge with respect to any of the following matters: 1107

(1) A request by the company that the court wind up the 1108  
company's affairs or appoint a liquidating trustee to wind up 1109  
the company's affairs. Any of the following persons may request 1110  
the court to do so: 1111

(a) Any member of the company or the member's legal 1112  
representative or assignee; 1113

(b) A majority of the company's managers, if management of 1114  
the company is not reserved to members; 1115

(c) A creditor or claimant, including a creditor or 1116  
claimant who is a member or manager of the company. 1117

If the court grants the request, the court shall provide 1118  
such notice of the court's decision as the court considers 1119  
proper to all of the company's members and managers and any 1120  
other interested persons. 1121

(2) An application made under division (D) of section 1122  
1705.431 of the Revised Code for a determination concerning 1123  
insurance or security; 1124

(3) The presentation and proof of all claims and demands 1125  
against the company and of all rights, interests, or liens in or 1126  
on any of its property, including property described in division 1127  
(C) (5) of section 1705.43 of the Revised Code. The court may fix 1128  
the time within which and the manner in which that proof must be 1129  
made and the person to whom the presentation must be made, and 1130  
may bar any person who fails to make and present proofs as 1131  
required by the court from participating in any distribution of 1132

assets. 1133

(4) The stay of the prosecution of any proceeding against the company or involving any property and the requirement that the parties to the proceeding 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; 1134  
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(5) The settlement or determination of all claims of every nature against the company 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 those claims or any claim, the determination of the assets available for distribution among members, and the making of new parties to the proceeding so far as the court considers proper for the determination of all matters; 1140  
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(6) The determination of the rights of members in, and the assets of, the company; 1148  
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(7) The presentation and filing of intermediate and final accounts of the company's members, managers, or liquidating trustee and hearings on them, the allowance, disallowance, or settlement of those accounts, and the discharge of the members, managers, or liquidating trustee from their duties and liabilities; 1150  
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(8) The appointment of a special master commissioner or guardian ad litem to hear and determine any matters 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 the court orders otherwise. 1156  
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(9) The filling of any vacancies among the company's managers or in the position of liquidating trustee when the members are unable to fill the vacancies because they lack a quorum or for any other reason; 1162  
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(10) The appointment of a receiver, in accordance with the usages of a court in equitable matters, to wind up the affairs of the company, to take custody of any of its property, or for any other purpose, as described in section 1705.441 of the Revised Code; 1166  
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(11) The issuance or entry of any injunction or other order the court considers proper in the administration of the trust involved in winding up the company's affairs and giving notice of the winding up of affairs; 1171  
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(12) The allowance and payment of compensation to the company's members, managers, or liquidating trustee or to any person rendering services beneficial to the company or to those interested in the company; 1175  
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(13) The entry of a judgment or decree to operate as a deed or other instrument ordered to be executed or the appointment of a master commissioner or guardian ad litem to execute that deed or instrument in the name of the company with the same effect as if it were executed by an authorized member or manager, if there is no agent competent to execute that deed or instrument, if the company or its members or managers do not perform or comply with a judgment or decree of the court, or if the court considers it proper. 1179  
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(C) A judicial proceeding under this section concerning the winding up of the affairs of a limited liability company is a special proceeding, and final orders of the proceeding may be 1188  
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vacated, modified, or reversed on appeal pursuant to the rules 1191  
of appellate procedure and, to the extent not in conflict with 1192  
those rules, pursuant to Chapter 2505. of the Revised Code. 1193

**Sec. 1705.441.** (A) After a limited liability company is 1194  
dissolved, the appropriate court, as determined under section 1195  
1705.44 of the Revised Code, may appoint any member, manager, or 1196  
other person, regardless of whether the person is a resident of 1197  
this state and regardless of the person's interest in the 1198  
company, as a receiver to wind up the company's affairs. 1199

(B) If a receiver is appointed to wind up the company's 1200  
affairs, all of the creditors', claimants', and members' claims, 1201  
demands, rights, interests, or liens shall be determined as of 1202  
the day on which the receiver was appointed, unless those 1203  
claims, demands, rights, interests, or liens have already been 1204  
determined under section 1705.431 of the Revised Code. Unless 1205  
the court orders otherwise, the appointment vests in the 1206  
receiver and the receiver's successors the right to immediate 1207  
possession of all of the company's property. The company shall, 1208  
if so ordered, execute and deliver conveyances of its property 1209  
to the receiver or to the receiver's nominee. 1210

(C) Unless the court orders otherwise, the receiver shall 1211  
have all of the authority vested in the company's members or of 1212  
its managers, if management is not reserved to the company's 1213  
members. The receiver shall exercise that authority subject to 1214  
the court's orders and may be required to qualify by giving bond 1215  
to the state in an amount fixed by the court, with surety to the 1216  
satisfaction of the clerk of the court, conditioned on the 1217  
faithful discharge of the receiver's duties and on a due 1218  
accounting for all money or property received by the receiver. 1219

**Sec. 1705.46.** (A) Upon the winding up of a limited 1220

liability company and the liquidation of its assets, the assets 1221  
shall be distributed in the following order: 1222

(1) To the extent permitted by law, to members who are 1223  
creditors and other creditors in satisfaction of liabilities of 1224  
the company other than liabilities for distributions to members; 1225

(2) Except as otherwise provided in the operating 1226  
agreement, to members and former members in satisfaction of 1227  
liabilities for distributions to members; 1228

(3) Except as otherwise provided in the operating 1229  
agreement, to members as follows: 1230

(a) First, for the return of their contributions; 1231

(b) Second, with respect to their membership interests. 1232

(B) A limited liability company that is winding up its 1233  
affairs and liquidating its assets shall pay in full any claims 1234  
and liabilities or make reasonable provision ~~to pay all claims~~ 1235  
~~and obligations, including all contingent, conditional, or~~ 1236  
~~unmatured claims and obligations that are known to the company~~ 1237  
~~and all claims and obligations that are known to the company but~~ 1238  
~~with respect to which the claimant or obligee is unknown. If~~ 1239  
~~there are for those payments in full by insurance or otherwise~~ 1240  
if the company has sufficient assets, the claims and obligations 1241  
~~shall be paid in full or any provision to pay them shall be made~~ 1242  
~~in full. If there are insufficient~~ the company does not have 1243  
sufficient assets, the company shall pay claims and obligations 1244  
~~shall be paid or provided for liabilities, or provide for those~~ 1245  
payments by insurance or otherwise, according to their priority, 1246  
~~and. Among claims and obligations~~ liabilities of equal 1247  
priority, the company shall be paid ratably apportion those 1248  
payments to the extent of the assets ~~funds~~ legally available for 1249

their payment. ~~Unless otherwise provided in the operating agreement, any~~ Any remaining assets shall be distributed as provided in division (A) of this section.

(C) A dissolved limited liability company shall do all of the following:

(1) Pay the claims made and not rejected under division (B) of section 1705.431 of the Revised Code;

(2) Post the security offered and not rejected under division (C) of section 1705.431 of the Revised Code;

(3) Post any security ordered by a court under division (D) of section 1705.431 of the Revised Code;

(4) Make any payment required by a court acting under section 1705.44 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 company and any other claims described in division (D) (2) of section 1705.431 of the Revised Code. In the absence of fraud, the judgment of the company's members or, if management is not reserved to the members, the company's managers as to the provision the company makes for the payment of all claims under this division shall be conclusive.

**Sec. 1705.48.** Except as otherwise provided by this chapter or any other provision of the Revised Code, including, but not limited to, sections 3734.908, 5739.33, 5743.57, 5747.07, and 5753.02 of the Revised Code, all of the following apply:

(A) The debts, obligations, and liabilities of a limited liability company, whether arising in contract, tort, or

otherwise, are solely the debts, obligations, and liabilities of 1278  
the limited liability company. 1279

(B) No member, manager, or officer of a limited liability 1280  
company is personally liable to satisfy any judgment, decree, or 1281  
order of a court for, or is personally liable to satisfy in any 1282  
other manner, a debt, obligation, or liability of the company 1283  
solely by reason of being a member, manager, or officer of the 1284  
limited liability company. 1285

(C) The failure of a limited liability company or any of 1286  
its members, managers, or officers to observe any formalities 1287  
relating to the exercise of the limited liability company's 1288  
powers or the management of its activities is not a factor to 1289  
consider in, or a ground for, imposing liability on the members, 1290  
managers, or officers for the debts, obligations, or other 1291  
liabilities of the company. 1292

(D) Nothing in this chapter affects any personal liability 1293  
of any member, any manager, or any officer of a limited 1294  
liability company for the member's, manager's, or officer's own 1295  
actions or omissions. 1296

(E) This chapter does not affect any statutory or common 1297  
law of this or another state that pertains to the relationship 1298  
between an individual who renders a professional service and a 1299  
recipient of that service, including, but not limited to, any 1300  
contract or tort liability arising out of acts or omissions 1301  
committed or omitted during the course of rendering the 1302  
professional service. 1303

(F) The dissolution of a limited liability company shall 1304  
not affect the limited liability of a member of the company with 1305  
respect to transactions occurring, or acts or omissions done or 1306

omitted, in the name of or by the company. 1307

(G) A member of a dissolved limited liability company who 1308  
receives a distribution of assets from the company is not liable 1309  
for any claim against the company in an amount in excess of the 1310  
amount of the member's pro rata share of the claim or the amount 1311  
distributed to the member, whichever is less. No member's 1312  
aggregate liability for claims against a dissolved limited 1313  
liability company shall exceed the amount distributed to that 1314  
member after the dissolution. 1315

(H) When the assets of a dissolved limited liability 1316  
company are distributed pursuant to this chapter, a member of 1317  
the company may be liable for a claim against the company only 1318  
if an action on that claim is commenced by a person who received 1319  
notice under section 1705.431 of the Revised Code not later than 1320  
the deadline prescribed in that section or by any other person 1321  
not later than five years after the date the certificate of 1322  
dissolution is filed. 1323

**Sec. 1745.05.** As used in this chapter, unless the context 1324  
otherwise requires: 1325

(A) "Authorized communications equipment" means any 1326  
communications equipment that provides a transmission, 1327  
including, but not limited to, by telephone, telecopy, or any 1328  
electronic means, from which it can be determined that the 1329  
transmission was authorized by, and accurately reflects the 1330  
intention of, the member or manager involved and, with respect 1331  
to meetings, allows all persons participating in the meeting to 1332  
contemporaneously communicate with each other. 1333

(B) (1) "Entity" means any of the following: 1334

(a) An unincorporated nonprofit association existing under 1335

the laws of this state or any other state;	1336
(b) A nonprofit corporation existing under the laws of this state or any other state;	1337 1338
(c) A for profit corporation existing under the laws of this state or any other state;	1339 1340
(d) Any of the following organizations existing under the laws of this state, the United States, or any other state:	1341 1342
(i) An unincorporated business or for profit organization, including a general or limited partnership;	1343 1344
(ii) A limited liability company;	1345
(iii) Any other legal or commercial entity the formation and operation of which is governed by statute.	1346 1347
(2) "Entity" includes a domestic or foreign entity.	1348
(C) "Established practices" means the practices used by an unincorporated nonprofit association without material change during the most recent five years of its existence or, if it has existed for less than five years, during its entire existence.	1349 1350 1351 1352
(D) "Governing principles" means all agreements, whether oral, in a record, or implied from its established practices, or any combination of them, that govern the purpose or operation of an unincorporated nonprofit association and the rights and obligations of its members and managers. "Governing principles" includes any amendment or restatement of the agreements constituting the governing principles.	1353 1354 1355 1356 1357 1358 1359
(E) "Internal Revenue Code" means the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 1, as amended.	1360 1361
(F) "Manager" means a person, irrespective of the person's	1362

designation as director or other designation, that is 1363  
responsible, alone or in concert with others, for the management 1364  
of an unincorporated nonprofit association as stated in division 1365  
(E) of section 1745.32 of the Revised Code. 1366

(G) "Member" means a person that, under the governing 1367  
principles of an unincorporated nonprofit association, is 1368  
entitled to participate in the selection of persons authorized 1369  
to manage the affairs of the association or in the adoption of 1370  
the policies and activities of the association. 1371

(H) "Mutual benefit association" means any unincorporated 1372  
nonprofit association organized under this chapter other than a 1373  
public benefit association. 1374

(I) "Person" means an individual, corporation, business 1375  
trust, statutory entity trust, estate, trust, partnership, 1376  
limited liability company, cooperative, association, joint 1377  
venture, public corporation, government or governmental 1378  
subdivision, agency, or instrumentality, two or more persons 1379  
having a joint or common interest, or any other legal or 1380  
commercial entity. 1381

(J) "Public benefit association" means an unincorporated 1382  
nonprofit association that is exempt from federal income 1383  
taxation under section 501(c)(3) of the Internal Revenue Code or 1384  
is organized for a public or charitable purpose and that upon 1385  
dissolution must distribute its assets to a public benefit 1386  
association, the United States, a state or any political 1387  
subdivision of a state, or a person that is recognized as exempt 1388  
from federal income taxation under section 501(c)(3) of the 1389  
Internal Revenue Code. 1390

(K) "Public benefit entity" means an entity that is 1391

recognized as exempt from federal income taxation under section 1392  
501(c)(3) of the Internal Revenue Code or is organized for a 1393  
public or charitable purpose and that upon dissolution must 1394  
distribute its assets to a public benefit entity, the United 1395  
States, a state or any political subdivision of a state, or a 1396  
person that is recognized as exempt from federal income taxation 1397  
under section 501(c)(3) of the Internal Revenue Code. "Public 1398  
benefit entity" does not include an entity that is organized by 1399  
one or more municipal corporations to further a public purpose 1400  
that is not a charitable purpose. 1401

(L) "Record" means information that is inscribed on a 1402  
tangible medium or that is stored in an electronic or other 1403  
medium and is retrievable in perceivable form. 1404

(M) "Unincorporated nonprofit association" means an 1405  
unincorporated organization, consisting of two or more members 1406  
joined by mutual consent pursuant to an agreement, written, 1407  
oral, or inferred from conduct, for one or more common, 1408  
nonprofit purposes. "Unincorporated nonprofit association" does 1409  
not include any of the following: 1410

(1) A trust; 1411

(2) A marriage, domestic partnership, common law 1412  
relationship, or other domestic living arrangement; 1413

(3) An organization that is formed under any other statute 1414  
that governs the organization and operation of unincorporated 1415  
associations; 1416

(4) A joint tenancy, tenancy in common, or tenancy by the 1417  
entireties notwithstanding that the co-owners share use of the 1418  
property for a nonprofit purpose; 1419

(5) A religious organization that operates according to 1420

the rules, regulations, canons, discipline, or customs 1421  
established by the organization, including any ministry, 1422  
apostolate, committee, or group within that organization, unless 1423  
the governing principles of the organization specify that the 1424  
organization is an unincorporated nonprofit association for 1425  
purposes of this chapter. 1426

(N) (1) Subject to division (N) (2) of this section, 1427  
"volunteer" means a manager, officer, member, or agent of an 1428  
unincorporated nonprofit association, or another person acting 1429  
for the association, who satisfies both of the following: 1430

(a) Performs services for or on behalf of, and under the 1431  
authority or auspices of, that unincorporated nonprofit 1432  
association; 1433

(b) Does not receive compensation, either directly or 1434  
indirectly, for performing those services. 1435

(2) For purposes of division (N) (1) of this section, 1436  
"compensation" does not include any of the following: 1437

(a) Actual and necessary expenses that are incurred by a 1438  
volunteer in connection with the services performed for an 1439  
unincorporated nonprofit association and that are reimbursed to 1440  
the volunteer or otherwise paid; 1441

(b) Insurance premiums paid on behalf of a volunteer, and 1442  
amounts paid or reimbursed, pursuant to divisions (A) and (G) of 1443  
section 1745.43 of the Revised Code; 1444

(c) Modest perquisites. 1445

**Section 2.** That existing sections 1701.86, 1702.27, 1446  
1702.30, 1702.33, 1702.38, 1702.521, 1702.53, 1702.55, 1705.06, 1447  
1705.14, 1705.43, 1705.44, 1705.46, 1705.48, and 1745.05 of the 1448

Revised Code are hereby repealed.

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