



Ohio Revised Code

Section 1701.31 Reduction of stated capital.

Effective: July 30, 1984

Legislation: House Bill 250 - 115th General Assembly

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 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.