



Ohio Revised Code

Section 1702.49 Winding up or obtaining reinstatement - powers and duties of directors.

Effective: April 10, 2001

Legislation: House Bill 597 - 123rd General Assembly

(A) When a corporation is dissolved voluntarily or when the articles of a corporation have been canceled or when the period of existence of a corporation specified in its articles has expired, the corporation shall cease to carry on its activities and shall do only such acts as are required to wind up its affairs, or to obtain reinstatement of the articles in accordance with section 1702.06, 1702.59, or 1724.06 of the Revised Code, or are permitted upon reinstatement by division (C) of section 1702.60 of the Revised Code, and for such purposes it shall continue as a corporation.

(B) Any claim existing or action or proceeding pending by or against the corporation or that would have accrued against it may be prosecuted to judgment, with right of appeal as in other cases, but any proceeding, execution, or process, or the satisfaction or performance of any order, judgment, or decree, may be stayed as provided in section 1702.50 of the Revised Code.

(C) Any process, notice, or demand against the corporation may be served by delivering a copy to an officer, director, liquidator, or person having charge of its assets or, if no such person can be found, to the statutory agent.

(D) The directors of the corporation and their survivors or successors shall act as a board of directors in accordance with the regulations and bylaws until the affairs of the corporation are completely wound up. Subject to the orders of courts of this state having jurisdiction over the corporation, the directors shall proceed as speedily as is practicable to a complete winding up of the affairs of the corporation and, to the extent necessary or expedient to that end, shall exercise all the authority of the corporation. Without limiting the generality of such authority, they may fill vacancies, elect officers, carry out contracts of the corporation, make new contracts, borrow money, mortgage or pledge the property of the corporation as security, sell its assets at public or private sale, make conveyances in the corporate name, lease real estate for any term, including ninety-nine years renewable forever, settle or compromise claims in favor of or against the corporation, employ one or more persons as liquidators to wind up the affairs of the corporation with such authority as the



directors see fit to grant, cause the title to any of the assets of the corporation to be conveyed to such liquidators for that purpose, apply assets to the payment of obligations, perform all other acts necessary or expedient to the winding up of the affairs of the corporation, and, after paying or adequately providing for the payment of all known obligations of the corporation, distribute the remainder of the assets as follows:

(1) Assets held upon condition requiring return, transfer, or conveyance, which condition shall have occurred by reason of the dissolution or otherwise, shall be returned, transferred, or conveyed in accordance with such requirements;

(2) In the case of a public benefit corporation: (a) assets held by it in trust for specified purposes shall be applied so far as is feasible in accordance with the terms of the trust, (b) the remaining assets not held in trust shall be applied so far as is feasible towards carrying out the purposes stated in its articles, (c) in the event and to the extent that, in the judgment of the directors, it is not feasible to apply the assets as provided in above clauses (a) and (b), the assets shall be applied as may be directed by the court of common pleas of the county in this state in which the principal office of the corporation is located, in an action brought for that purpose by the corporation or by the directors or any thereof, to which action the attorney general of the state shall be a party, or in an action brought by the attorney general in a court of competent jurisdiction, or in an action brought as provided in section 1702.50 of the Revised Code for the purpose of winding up the affairs of the corporation under the supervision of the court;

(3) In the case of a mutual benefit corporation, any remaining assets shall be distributed in accordance with the applicable provisions of the articles or the regulations or, to the extent that no such provision is made, the assets shall be distributed pursuant to a plan of distribution adopted by the voting members at a meeting held for the purpose of voting on dissolution, or any adjournment thereof, by the same affirmative vote as that required for the adoption of a resolution of dissolution. If no plan of distribution is so adopted by the voting members, then said remaining assets shall be distributed pursuant to a plan of distribution adopted by the directors. If no plan of distribution is so adopted by the voting members or directors, then the remaining assets shall be applied as may be directed by the court of common pleas of the county in this state in which the principal office of the corporation is located, in an action brought for that purpose by the mutual benefit corporation or by the directors or any thereof, or by the attorney general in a court of competent jurisdiction, or in an



action brought as provided in section 1702.50 of the Revised Code for the purpose of winding up the affairs of the corporation under the supervision of the court.

(E) Without limiting the authority of the directors, any action within the purview of this section that is authorized or approved by the voting members at a meeting held for such purpose, by the same affirmative vote as that required for the adoption of a resolution of dissolution, shall be conclusive for all purposes upon all members of the corporation, except that nothing herein set forth shall impair the jurisdiction of courts of competent jurisdiction to enforce the duties of a public benefit corporation in respect of the application of its assets towards its public or charitable purposes, or impair the power of the state, acting through the attorney general, to require such assets to be applied, as nearly as may be, towards its public or charitable purposes.

(F) All deeds and other instruments of the corporation shall be in the name of the corporation and shall be executed, acknowledged, and delivered by the officers appointed by the directors.

(G) At any time during the winding up of its affairs, the corporation by its directors may make application to the court of common pleas of the county in this state in which the principal office of the corporation is located to have the winding up continued under supervision of the court, as provided in section 1702.50 of the Revised Code.