



Ohio Revised Code

Section 1702.521 Provisional director - appointment, duties, qualifications.

Effective: October 24, 2024

Legislation: House Bill 301

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

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

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



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