



Ohio Revised Code

Section 1705.29 [Repealed Effective 2/11/2022 - See R.C. 1706.83] Managers - powers and duties.

Effective: May 4, 2012

Legislation: House Bill 48

(A) If the operating agreement of a limited liability company provides for managers, then the business of the company shall be exercised by or under the direction of its managers, except to the extent applicable law or the operating agreement provides otherwise.

(B) If a manager's duties are not governed by division (B) of section 1705.282 of the Revised Code, then the only fiduciary duties a manager owes to the limited liability company are the duties to act in good faith, in a manner the manager reasonably believes to be in or not opposed to the best interests of the company, and with the care that an ordinarily prudent person in a similar position would use under similar circumstances.

(C) For purposes of division (B) of this section:

(1) A manager of a limited liability company shall not be found to have violated division (B) of this section unless it is proved, by clear and convincing evidence, in any action brought against the manager, including, but not limited to, an action involving or affecting a termination or potential termination of service to the company as a manager or service in any other position or relationship with the company, that the manager has not acted in good faith, in a manner the manager reasonably believes to be in or not opposed to the best interests of the company, or with the care that an ordinarily prudent person in a similar position would use under similar circumstances.

(2) A manager shall not be considered to be acting in good faith if the manager has knowledge concerning a particular matter that would cause reliance on information, opinions, reports, or statements that are prepared or presented by the persons described in section 1705.30 of the Revised Code to be unwarranted.

(3) Nothing in division (C) of this section limits relief available under section 1705.31 of the Revised Code.



(D) A manager of a limited liability company is liable in damages for any action that the manager takes or fails to take as a manager only if it is proved, by clear and convincing evidence, in a court with jurisdiction that the manager's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the company or undertaken with reckless disregard for the best interests of the company. Nothing contained in this division limits the relief available under section 1705.31 of the Revised Code. This division does not apply if and only to the extent that, at the time of the act or omission of a manager that is the subject of complaint, the articles of organization or the operating agreement of the company state by specific reference to this division that its provisions do not apply to the company.