



Ohio Revised Code

Section 1705.371 [Repealed Effective 2/11/2022 - See R.C. 1706.83] Conversion of domestic limited liability company into another entity.

Effective: October 12, 2006

Legislation: House Bill 301

(A) Subject to division (B)(2) of this section, pursuant to a written declaration of conversion as provided in this section, a domestic limited liability company may be converted into a domestic or foreign entity other than a domestic limited liability company. The conversion also must be permitted by the chapter of the Revised Code or by the laws under which the converted entity will exist.

(B)(1) The written declaration of conversion shall set forth all of the following:

(a) The name of the domestic limited liability company that is being converted, the name of the entity into which the entity will be converted, the form of the converted entity, and the jurisdiction of formation of the converted entity;

(b) If the converted entity is a domestic entity, the complete terms of all documents required under the applicable chapter of the Revised Code to form the converted entity;

(c) If the converted entity is a foreign entity, all of the following:

(i) The complete terms of all documents required under the law of its formation to form the converted entity;

(ii) The consent of the converted entity to be sued and served with process in this state, and the irrevocable appointment of the secretary of state as the agent of the converted entity to accept service of process in this state to enforce against the converted entity any obligation of the converting company or to enforce the rights of a dissenting member of the converting company;

(iii) If the converted entity desires to transact business in this state, the information required to qualify or be licensed under the applicable chapter of the Revised Code.



(d) All other statements and matters required to be set forth in the declaration of conversion by the applicable chapter of the Revised Code if the converted entity is a domestic entity, or by the laws under which the converted entity will be formed, if the converted entity is a foreign entity;

(e) The terms of the conversion; the mode of carrying them into effect; and the manner and basis of converting the interests or shares of the converting company into, or substituting the interests in the converting company for, interests, evidences of indebtedness, other securities, cash, rights, or any other property or any combination of interests, evidences of indebtedness, other securities, cash, rights, or any other property of the converted entity.

(2) No conversion or substitution described in this section shall be effected if there are reasonable grounds to believe that the conversion or substitution would render the converted entity unable to pay its obligations as they become due in the usual course of its affairs.

(C) The written declaration of conversion may set forth any of the following:

(1) The effective date of the conversion, which date may be on or after the date of the filing of the certificate of conversion pursuant to section 1705.381 of the Revised Code;

(2) A provision authorizing the converting company to abandon the proposed conversion by action of the members or managers of the converting company taken prior to the filing of the certificate of conversion pursuant to section 1705.381 of the Revised Code;

(3) A statement of, or a statement of the method to be used to determine, the fair value of the assets owned by the converting company at the time of the conversion;

(4) The parties to the declaration of conversion in addition to the converting company;

(5) Any additional provision necessary or desirable with respect to the proposed conversion or the converted entity.

(D) The members of the converting domestic limited liability company and, if management is not



reserved to its members, the managers of the converting entity must adopt the declaration of conversion in order to effect the conversion.

(E)(1) All members, whether or not they are entitled to vote or act, shall be given written notice of any meeting of members or of any proposed action by members, which meeting or action is to adopt a declaration of conversion. The notice shall be given to the members either as provided in writing in the operating agreement or by mail at the members' addresses as they appear on the records of the company, or in person. Unless the operating agreement provides a shorter or longer period, notice described in division (E)(1) of this section shall be given not less than seven and not more than sixty days before the meeting or the effective date of the action.

(2) The notice described in division (E)(1) of this section shall be accompanied by a copy or a summary of the material provisions of the declaration of conversion.

(F) The unanimous vote or action by the members of a converting company, or a different number or proportion as provided in writing in the operating agreement, is required to adopt a declaration of conversion.

If the declaration of conversion would have an effect or authorize any action that under any applicable provision of law or the operating agreement could be effected or authorized only by or pursuant to a specified vote or action of the members, or of any class or group of members, the declaration of conversion also must be adopted or approved by the same vote or action as would be required to effect that change or to authorize that action.

(G)(1) At any time before the filing of the certificate of conversion pursuant to section 1705.381 of the Revised Code, the conversion may be abandoned by all of the members of the converting company or by any representatives authorized to do so by the declaration of conversion, or by the same vote as was required to adopt the declaration of conversion.

(2) The declaration of conversion may contain a provision authorizing less than all of the members to amend the declaration of conversion at any time before the filing of the certificate of conversion pursuant to section 1705.381 of the Revised Code, except that, after the adoption of the declaration of conversion by the members, less than all of the members are not authorized to amend the



declaration of conversion to do any of the following:

- (a) Alter or change the amount or kind of interests, shares, evidences of indebtedness, other securities, cash rights, or any other property to be received by the members of the converting company in conversion of, or substitution for, their interests;

- (b) Alter or change any term of the organizational documents of the converted entity except for alterations or changes that are adopted with the vote or action of the persons the vote or action of which would be required for the alteration or change after the conversion;

- (c) Alter or change any other terms and conditions of the declaration of conversion if any of the alterations or changes, alone or in the aggregate, materially and adversely would affect the members or any class or group of members of the converting company.