



## Ohio Revised Code

### Section 1706.411 Circumstances causing dissociation.

Effective: April 12, 2021

Legislation: Senate Bill 276 - 133rd General Assembly

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A person is dissociated as a member from a limited liability company in any of the following circumstances:

- (A) An event stated in the operating agreement as causing the person's dissociation occurs.
- (B) The person is expelled as a member pursuant to the operating agreement.
- (C) The person is expelled as a member by the unanimous consent of the other members if any of the following apply:
  - (1) It is unlawful to carry on the limited liability company's activities with the person as a member.
  - (2) The person is an entity and, within ninety days after the limited liability company notifies the person that it will be expelled as a member because the person has filed a statement of dissolution or the equivalent, or its right to transact business has been suspended by its jurisdiction of formation, the statement of dissolution or the equivalent has not been revoked or its right to transact business has not been reinstated.
  - (3) The person is an entity and, within ninety days after the limited liability company notifies the person that it will be expelled as a member because the person has been dissolved and its activities are being wound up, the entity has not been reinstated or the dissolution and winding up have not been revoked or canceled.
- (D) On application by the limited liability company, the person is expelled as a member by tribunal order for any of the following reasons:
  - (1) The person has engaged, or is engaging, in wrongful conduct that has adversely and materially affected, or will adversely and materially affect, the limited liability company's activities.



- (2) The person has willfully or persistently committed, or is willfully or persistently committing, a material breach of the operating agreement or the person's duties or obligations under this chapter or other applicable law.
- (3) The person has engaged, or is engaging, in conduct relating to the limited liability company's activities that makes it not reasonably practicable to carry on the activities with the person as a member.
- (E) In the case of a person who is an individual, the person dies, a guardian or general conservator is appointed for the person, or a tribunal determines that the person has otherwise become incapable of performing the person's duties as a member under this chapter or the operating agreement.
- (F) The person becomes a debtor in bankruptcy, executes an assignment for the benefit of creditors, or seeks, consents, or acquiesces to the appointment of a trustee, receiver, or liquidator of the person or of all or substantially all of the person's property. This division shall not apply to a person who is the sole remaining member of a limited liability company.
- (G) In the case of a person that is a trust or is acting as a member by virtue of being a trustee of a trust, the trust's entire membership interest in the limited liability company is distributed, but not solely by reason of the substitution of a successor trustee.
- (H) In the case of a person that is an estate or is acting as a member by virtue of being a personal representative of an estate, the estate's entire membership interest in the limited liability company is distributed, but not solely by reason of the substitution of a successor personal representative.
- (I) In the case of a member that is not an individual, the legal existence of the person otherwise terminates.
- (J) There has been an assignment of all of the person's membership interest other than an assignment for security purposes.