

As Passed by the Senate

**124th General Assembly
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S. B. No. 110

SENATORS Johnson, Hottinger, Amstutz, Oelslager

A B I L L

To amend sections 1701.15, 1701.16, 1701.17, 1701.35, 1701.59, 1701.70, and 1701.75 of the Revised Code relative to the authority of a corporation to issue option rights or securities having conversion or option rights with respect to shares, the acts of a director of a corporation relating to an acquisition or potential or proposed acquisition of control of the corporation, and the general duties of a director of a corporation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 1701.15, 1701.16, 1701.17, 1701.35, 1701.59, 1701.70, and 1701.75 of the Revised Code be amended to read as follows:

Sec. 1701.15. (A) The shareholders of a corporation do not have a pre-emptive right to acquire the corporation's unissued shares except to the extent the articles so provide. If the articles provide that the holders of the shares of any class, other than shares that are limited as to dividend or distribution rate and liquidation price, have pre-emptive rights, those holders, upon the offering or sale for cash of shares of the same class, shall have the right, during a reasonable time and on

reasonable terms fixed by the directors, to purchase the shares in 21
proportion to their respective holdings of shares of such class, 22
at a price fixed as provided in this chapter, unless the shares 23
offered or sold are in any of the following categories: 24

(1) Treasury shares; 25

(2) Issued as a share dividend or distribution; 26

(3) Issued or agreed to be issued for considerations other 27
than money; 28

(4) Issued or agreed to be issued upon exercise of ~~options~~ 29
granted option rights or conversion rights issued and authorized 30
in accordance with section 1701.16 of the Revised Code; 31

(5) Issued or agreed to be issued upon conversion of 32
convertible shares authorized in the articles, or upon exercise of 33
conversion rights conferred and authorized in accordance with 34
section 1701.22 of the Revised Code; 35

(6) Offered to shareholders in satisfaction of their 36
pre-emptive rights and not purchased by ~~such~~ those shareholders, 37
and thereupon issued or agreed to be issued for a consideration 38
not less than that at which the shares were so offered to ~~such~~ 39
those shareholders, less reasonable expenses, compensation, or 40
discount paid or allowed for the sale, underwriting, or purchase 41
of the shares, unless by the affirmative vote or written order of 42
the holders of two-thirds of the shares otherwise entitled to the 43
pre-emptive rights, the pre-emptive rights are restored as to any 44
of the shares not previously issued or agreed to be issued; 45

(7) Released from pre-emptive rights by the affirmative vote 46
or written consent of the holders of two-thirds of the shares 47
entitled to the pre-emptive rights. Any such vote or consent shall 48
be entered in the records of the corporation and shall be binding 49
on all shareholders and their transferees for the time specified 50
in the vote or consent up to but not exceeding one year, and shall 51

protect all persons who within that time acquire the shares or 52
options on or conversion or other rights with respect to the 53
shares so released; 54

(8) Released from pre-emptive rights by the affirmative vote 55
or written consent of the holders of a majority of the shares 56
entitled to the pre-emptive rights, for offering and sale, or the 57
~~grant of options~~ issuance of option rights or securities having 58
conversion or option rights with respect ~~thereto~~ to those shares, 59
to any or all employees of the corporation or of subsidiary 60
corporations or to a trustee on their behalf, under a plan adopted 61
or to be adopted by the directors for that purpose. 62

(B) No action shall be brought upon any cause of action 63
arising under division (A) of this section at any time after two 64
years from the day on which a written notice or other 65
communication is given or mailed to each shareholder having the 66
cause of action informing the shareholder of the transaction 67
giving rise to the cause of action, and no action shall in any 68
event be brought upon any cause of action of that nature at any 69
time after four years from the day on which the cause of action 70
arose, or from the effective date of this provision, whichever is 71
the later. 72

(C) The provisions of division (A) of this section as they 73
existed prior to ~~the effective date of this amendment~~ March 17, 74
2000, shall continue to apply to any corporation incorporated 75
prior to ~~the effective date of this amendment~~ March 17, 2000, 76
until the shareholders of the corporation adopt an amendment to 77
its articles expressly providing that the provisions of division 78
(A) of this section that take effect on ~~the effective date of this~~ 79
~~amendment~~ March 17, 2000, apply to the corporation or amended 80
articles of incorporation. 81

Sec. 1701.16. (A) Unless the articles otherwise provide, a 82

corporation by its directors may ~~grant options to subscribe for or~~ 83
~~create and issue option rights or securities having conversion or~~ 84
~~option rights that entitle the holders of the securities to~~ 85
~~purchase or acquire shares of any authorized class, option rights,~~ 86
~~securities having conversion or option rights, or obligations, of~~ 87
~~any class or series, or assets of the corporation, or to purchase~~ 88
~~or acquire from the corporation shares, option rights, securities~~ 89
~~having conversion or option rights, or obligations, of any class~~ 90
~~or series, owned by the corporation and issued by any other~~ 91
~~person,~~ at the times and on the terms that are set forth in the 92
securities, or in the contracts, warrants, or other instruments 93
that ~~evidence the options, which~~ evidencing those option rights, 94
securities having conversion or option rights, or obligations. 95
Those contracts, warrants, or other instruments may be 96
transferable or nontransferable and may be separable or 97
inseparable from securities, upon the following conditions: 98

(1) If the shares are subject to ~~preemptive~~ pre-emptive 99
rights and if the ~~options~~ option rights or securities having 100
conversion or option rights are not ~~granted~~ issued to shareholders 101
in satisfaction of their ~~preemptive~~ pre-emptive rights, the 102
~~granting~~ issuance of the ~~options~~ option rights or securities 103
having conversion or option rights shall be authorized by the vote 104
or consent of the shareholders or holders of shares of particular 105
classes that then would be required to waive or release ~~such~~ 106
~~preemptive~~ those pre-emptive rights. The vote or consent shall 107
release the ~~preemptive~~ pre-emptive rights to the shares required 108
to satisfy the ~~options~~ option or conversion rights if and when 109
exercised. 110

(2) If, at the time of ~~granting~~ issuing the ~~options~~ option 111
rights or securities having conversion or option rights, the 112
corporation does not have authorized and unissued shares 113
sufficient to satisfy the ~~options~~ option or conversion rights if 114

and when exercised, the ~~granting issuance~~ of the ~~options must~~ 115
~~option rights or securities having conversion or option rights~~ 116
shall be authorized by the vote of the shareholders or holders of 117
shares of particular classes that then would be required to adopt 118
an amendment to the articles for the purpose of increasing the 119
authorized number of ~~such those~~ shares, ~~and the~~. The shares 120
required to be issued upon the exercise of the ~~options~~ option or 121
conversion rights shall be provided by an amendment concurrently 122
or thereafter adopted by the shareholders or the directors. 123

(B)(1) The securities, contracts, warrants, or other 124
~~instruments that evidence the options evidencing any option~~ 125
~~rights, securities having conversion or option rights, or~~ 126
obligations of a corporation may contain any terms not repugnant 127
to law that are fixed by the board of directors for the protection 128
of the holders of the ~~options~~ option rights, securities having 129
conversion or option rights, or obligations of the corporation, 130
including, but not limited to, the following: 131

(a) Restrictions upon the authorization or issuance of 132
additional shares, option rights, securities having conversion or 133
option rights, or obligations; 134

(b) Provisions for the adjustment of the conversion or option 135
rights price; 136

(c) Provisions concerning rights or adjustments in the event 137
of reorganization, merger, consolidation, ~~or~~ sale of the entire 138
assets of the corporation, exchange of shares, or other 139
fundamental changes; 140

(d) Provisions for the reservation of authorized but unissued 141
shares or other securities to satisfy the ~~options~~ option or 142
conversion rights; 143

(e) Restrictions upon the declaration or payment of dividends 144
or distributions or related party transactions; 145

(f) ~~Conditions on the exercise of the options, including, but not limited to,~~ subject to the limitation specified in division (B)(2) of this section, conditions that preclude ~~the holder or holders of at least~~ or limit any person or persons owning or offering to acquire a specified number or percentage of the outstanding common shares, other shares, option rights, securities having conversion or option rights, or obligations of a ~~the~~ corporation or any transferee or transferees of the person or persons from exercising ~~the options, converting, transferring, or receiving the shares, option rights, securities having conversion or option rights, or obligations of the corporation, including~~ conditions that limit or condition the right of directors who are not disinterested directors, as defined in division (C)(2)(c) of section 1701.59 of the Revised Code, to modify or redeem the shares, option rights, securities having conversion or option rights, or obligations.

(2) The express or implied authority conferred by division (B)(1) of this section or any other section of this chapter for securities, contracts, warrants, or other instruments that evidence options evidencing option rights, securities having conversion or option rights, or obligations of a corporation to contain a condition ~~on the exercise of options that precludes the holder or holders of at least a specified number or percentage of the outstanding common shares of a corporation from exercising options as described in division (B)(1)(f) of this section~~ shall apply only to the following:

(a) A corporation that has issued and outstanding shares listed on a national securities exchange or regularly quoted in an over-the-counter market by one or more members of a national or affiliated securities association;

(b) A corporation that has adopted a close corporation agreement pursuant to which options option rights or securities

~~having conversion or option rights are granted issued, if the~~ 178
~~securities, contracts, warrants, or other instruments that~~ 179
~~evidence the options evidencing the option rights, securities~~ 180
~~having conversion or option rights, or obligations of the~~ 181
~~corporation contain a condition that precludes the holder or~~ 182
~~holders of at least a specified number or percentage of the~~ 183
~~outstanding common shares of that corporation from exercising the~~ 184
~~options as described in division (B)(1)(f) of this section.~~ 185

(C) As used in this section, "securities" includes 186
obligations and shares of the corporation. 187

Sec. 1701.17. A corporation by its directors, upon ~~such~~ any 188
terms ~~as~~ that it may impose, may provide and carry out plans for 189
the offering or sale, or the ~~grant of options~~ issuance of option 190
rights or securities having conversion or option rights, to 191
employees of the corporation or of subsidiary corporations, or to 192
a trustee on their behalf, during the period of their employment 193
or other period, of, or with respect to, any unissued shares, 194
treasury shares, or shares to be purchased, ~~which.~~ Those plans may 195
provide for the payment for such shares at one time or in 196
installments, or for the establishment of special funds in which 197
employees may participate. Shares otherwise subject to pre-emptive 198
rights may be offered or sold under ~~such~~ those plans only when 199
released from pre-emptive rights. 200

Sec. 1701.35. (A) A corporation by its directors may purchase 201
shares of any class issued by it, in any of the following 202
instances: 203

(1) When the articles authorize the redemption of ~~such~~ those 204
shares and do not prohibit such purchase; 205

(2) To collect or compromise a debt, claim, or controversy in 206
good faith; 207

(3) From a subscriber whose shares have not been paid for in full, or in settlement or compromise of a subscription;	208 209
(4) For offering and sale, or the grant of options <u>issuance of option rights or securities having conversion or option rights</u> with respect thereto <u>to those shares</u> , to any or all of the employees of the corporation or of subsidiary corporations or to a trustee on their behalf, under any plan adopted or to be adopted by the directors for that purpose;	210 211 212 213 214 215
(5) From a person who has purchased such <u>those</u> shares from the corporation under an agreement reserving to the corporation the right to repurchase or obligating it to repurchase;	216 217 218
(6) To avoid the issuance of or to eliminate fractional shares;	219 220
(7) When the articles in substance provide that the corporation shall have a right to repurchase if and when any shareholder desires to, or on the happening of any event is required to, sell such <u>those</u> shares;	221 222 223 224
(8) From a shareholder who by reason of dissent is entitled to be paid the fair cash value of his <u>the shareholder's</u> shares;	225 226
(9) When authorized by the shareholders at a meeting called for such purpose, by the affirmative vote of the holders of two-thirds of the shares of each class, regardless of limitations or restrictions in the articles on the voting rights of the shares of any such class, or if the articles so provide or permit, a greater or lesser proportion, but not less than a majority, of the shares of any class;	227 228 229 230 231 232 233
(10) When authorized by the articles or by such vote or consent of holders of such proportion of shares, though less than a majority, of any one or more classes as is provided in the articles.	234 235 236 237

(B) A corporation shall not purchase its own shares except as provided in this section, nor shall a corporation purchase or redeem its own shares if immediately thereafter its assets would be less than its liabilities plus its stated capital, if any, or if the corporation is insolvent, or if there is reasonable ground to believe that by such purchase or redemption it would be rendered insolvent.

(C) Shares issued by a corporation ~~which~~ that owns or controls shares entitling it to elect a majority of the directors of another corporation may be purchased by such last mentioned corporation only when and if ~~such~~ those shares could be purchased by the issuing corporation pursuant to division (A)(9) or (10) of this section.

Sec. 1701.59. (A) Except where the law, the articles, or the regulations require action to be authorized or taken by shareholders, all of the authority of a corporation shall be exercised by or under the direction of its directors. For their own government, the directors may adopt bylaws that are not inconsistent with the articles or the regulations. The selection of a time frame for the achievement of corporate goals shall be the responsibility of the directors.

(B) A director shall perform the director's duties as a director, including the duties as a member of any committee of the directors upon which the director may serve, in good faith, in a manner the director reasonably believes to be in or not opposed to the best interests of the corporation, and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In performing a director's duties, a director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, that are prepared or presented by any of the following:

(1) One or more directors, officers, or employees of the corporation who the director reasonably believes are reliable and competent in the matters prepared or presented;

(2) Counsel, public accountants, or other persons as to matters that the director reasonably believes are within the person's professional or expert competence;

(3) A committee of the directors upon which the director does not serve, duly established in accordance with a provision of the articles or the regulations, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

(C) For purposes of division (B) of this section, the following apply:

(1) A director shall not be found to have violated the director's duties under division (B) of this section unless it is proved by clear and convincing evidence that the director has not acted in good faith, in a manner the director reasonably believes to be in or not opposed to the best interests of the corporation, or with the care that an ordinarily prudent person in a like position would use under similar circumstances, in any action brought against a director, including actions involving or affecting any of the following:

(a) A change or potential change in control of the corporation, including a determination to resist a change or potential change in control made pursuant to division (F)(7) of section 1701.13 of the Revised Code or a decision not to redeem any rights under, or to modify or render inapplicable, any shareholder rights plan, including, but not limited to, a plan adopted with the conditions described in division (B)(1)(f) of section 1701.16 of the Revised Code;

(b) A termination or potential termination of the director's

service to the corporation as a director; 300

(c) The director's service in any other position or 301
relationship with the corporation; 302

(d) A decision not to render inapplicable, or to make 303
determinations under, the provisions of Chapter 1704. or section 304
1701.831 of the Revised Code or any other provisions in Title XVII 305
of the Revised Code that relate to or affect acquisitions of 306
control or potential or proposed acquisitions of control of the 307
corporation; 308

(e) A decision not to act as a director solely because of the 309
effect that action may have on an acquisition of control or 310
potential or proposed acquisition of control of the corporation or 311
on the consideration that may be offered or paid to shareholders 312
in that acquisition or potential or proposed acquisition. 313

(2)(a) In the absence of a breach of fiduciary duty, lack of 314
good faith, or self-dealing, any act of a director is presumed to 315
be in the best interests of the corporation. In assessing whether 316
the standards set forth in division (B) of this section have been 317
satisfied, there shall not be any greater obligation to justify, 318
or higher burden of proof with respect to, any act as a director 319
relating to or affecting an acquisition of control or potential or 320
proposed acquisition of control of the corporation than is applied 321
to any other act as a director. 322

(b) Notwithstanding division (C)(2)(a) of this section, any 323
act of a director relating to or affecting an acquisition of 324
control or potential or proposed acquisition of control of the 325
corporation to which a majority of the disinterested directors of 326
the corporation have assented is presumed to satisfy the standards 327
set forth in division (B) of this section, unless it is proved by 328
clear and convincing evidence that the disinterested directors did 329
not assent to that act in good faith after reasonable 330

<u>investigation.</u>	331
<u>(c) As used in division (C)(2) of this section and for no other purpose, subject to division (C)(2)(d) of this section, "disinterested director" means a director of a corporation other than any of the following:</u>	332 333 334 335
<u>(i) A director who has a direct or indirect financial or other interest in the person acquiring or seeking to acquire control of the corporation or who is an affiliate or associate of, as defined in section 1704.01 of the Revised Code, or was nominated or designated as a director by, a person acquiring or seeking to acquire control of the corporation;</u>	336 337 338 339 340 341
<u>(ii) Depending upon the specific facts surrounding the director and the act under consideration, an officer or employee or a former officer or employee of the corporation.</u>	342 343 344
<u>(d) For purposes of division (C)(2)(c) of this section, a person shall not be considered as other than a disinterested director solely by reason of any or all of the following:</u>	345 346 347
<u>(i) The ownership by the director of shares of the corporation;</u>	348 349
<u>(ii) The receipt by the director as a holder of any shares of a class or series of any distribution made to all owners of shares of that class or series;</u>	350 351 352
<u>(iii) The receipt by the director of director's fees or other consideration as a director;</u>	353 354
<u>(iv) Any interest that the director may have in retaining the status or position of director;</u>	355 356
<u>(v) The former business or employment relationship of the director with the corporation;</u>	357 358
<u>(vi) The receipt of, or the right to receive, retirement or deferred compensation from the corporation due to service as</u>	359 360

director, officer, or employee of the corporation.

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(3) A director shall not be considered to be acting in good faith if the director has knowledge concerning the matter in question that would cause reliance on information, opinions, reports, or statements that are prepared or presented by the persons described in divisions (B)(1) to (3) of this section to be unwarranted.

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~~(3)~~(4) Nothing contained in ~~this~~ division (C) of this section limits relief available under section 1701.60 of the Revised Code.

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(D) A director shall be liable in damages for any action that the director takes or fails to take as a director only if it is proved by clear and convincing evidence in a court of competent jurisdiction that the director's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the corporation or undertaken with reckless disregard for the best interests of the corporation. Nothing contained in this division affects the liability of directors under section 1701.95 of the Revised Code or limits relief available under section 1701.60 of the Revised Code. This division does not apply if, and only to the extent that, at the time of a director's act or omission that is the subject of complaint, the articles or the regulations of the corporation state by specific reference to this division that the provisions of this division do not apply to the corporation.

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(E) For purposes of this section, a director, in determining what the director reasonably believes to be in the best interests of the corporation, shall consider the interests of the corporation's shareholders and, in the director's discretion, may consider any of the following:

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(1) The ~~interests of~~ effects of any action upon any or all

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<u>groups affected by that action, including the corporation's</u>	392
<u>employees, suppliers, creditors, and customers;</u>	393
(2) <u>The economy of the state and nation;</u>	394
(3) <u>Community and societal considerations;</u>	395
(4) <u>The long-term as well as short-term interests of the</u>	396
<u>corporation and its shareholders, including the benefits that may</u>	397
<u>accrue to the corporation from its long-term plans and the</u>	398
<u>possibility that these interests may be best served by the</u>	399
<u>continued independence of the corporation;</u>	400
(5) <u>The past, stated, and potential resources, intent, and</u>	401
<u>conduct of any person seeking to acquire control of the</u>	402
<u>corporation;</u>	403
(6) <u>All other pertinent factors.</u>	404
(F) <u>In determining the best interests of a corporation or the</u>	405
<u>effects of any action, a director shall not be required to regard</u>	406
<u>any corporate interest or the interests of any particular group</u>	407
<u>affected by that action as a dominant or controlling interest or</u>	408
<u>factor. The consideration of interests and factors in the manner</u>	409
<u>described in this division and division (E) of this section does</u>	410
<u>not constitute a violation of the duties of a director under</u>	411
<u>division (B) of this section.</u>	412
(G)(1) <u>The duties of a director under division (B) of this</u>	413
<u>section are solely to the corporation and may be enforced directly</u>	414
<u>by the corporation or may be enforced by a shareholder, as such,</u>	415
<u>by an action in the right of the corporation. Those duties may not</u>	416
<u>be enforced directly by a shareholder or by any other person or</u>	417
<u>group.</u>	418
(2) <u>Notwithstanding division (G)(1) of this section,</u>	419
<u>divisions (E) and (F) of this section do not impose upon a</u>	420
<u>director any legal or equitable duties, obligations, or</u>	421
<u>liabilities or create any right or cause of action against, or</u>	422

basis for standing to sue, a director. 423

(H) Nothing contained in division (C) or (D) of this section 424
affects the duties of either of the following: 425

(1) A director who acts in any capacity other than the 426
director's capacity as a director; 427

(2) A director of a corporation that does not have issued and 428
outstanding shares that are listed on a national securities 429
exchange or are regularly quoted in an over-the-counter market by 430
one or more members of a national or affiliated securities 431
association, who votes for or assents to any action taken by the 432
directors of the corporation that, in connection with a change in 433
control of the corporation, directly results in the holder or 434
holders of a majority of the outstanding shares of the corporation 435
receiving a greater consideration for their shares than other 436
shareholders. 437

(I) Except as otherwise expressly provided in this section, 438
the articles and regulations may not contain any provision that 439
relaxes, restricts, is inconsistent with, or supersedes any 440
provision of this section. 441

Sec. 1701.70. (A) If initial directors are not named in the 442
articles, before subscriptions to shares have been received and 443
before the incorporators have elected directors, the incorporators 444
may adopt an amendment to the articles by a writing signed by 445
them. If initial directors are named in the articles, or if the 446
incorporators have elected directors and have not received 447
subscriptions, then before subscriptions to shares have been 448
received, the directors may adopt an amendment to the articles. 449

(B) The directors may adopt an amendment to the articles in 450
the following cases: 451

(1) When and to the extent authorized by the articles, the 452

directors may adopt an amendment determining, in whole or in part, the express terms, within the limits set forth in this chapter, of any class of shares before the issuance of any shares of that class, or of one or more series within a class before the issuance of shares of that series.

(2) When the corporation has issued shares or obligations convertible into shares of the corporation or has ~~granted options~~ issued option rights or securities having conversion or option rights with respect to the purchase or acquisition of any shares, and the conversion or option rights are set forth in the articles or have been approved by the same vote of shareholders as, at the time of the approval, would have been required to amend the articles to authorize the shares required for that purpose, and the corporation does not have sufficient authorized but unissued shares to satisfy those conversion or option rights, the directors may adopt an amendment to authorize the shares.

(3) Whenever shares of any class have been redeemed, or have been surrendered to or acquired by the corporation upon conversion, exchange, purchase, or otherwise, the directors may adopt an amendment to reduce the authorized number of shares of the class by the number so redeemed, surrendered, or acquired; and when all of the authorized shares of a class have been redeemed or surrendered to or acquired by the corporation, the directors may adopt an amendment to eliminate from the articles all references to the shares of the class and to make other appropriate changes that are required by the elimination.

(4) When articles have been amended and any change of issued or unissued shares provided for in the amendment or amended articles has become effective, the directors may adopt an amendment to eliminate from the articles all references to the change of shares and to make any other appropriate changes that are required by the elimination; however, an amendment to the

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articles that is so adopted by the directors shall contain a 485
statement with respect to the authorized number and the par value, 486
if any, of the shares of each class. 487

(5) After a merger or consolidation, in which the surviving 488
or new corporation is a domestic corporation, becomes effective, 489
the directors may adopt an amendment: 490

(a) To eliminate from the articles any statement or provision 491
pertaining exclusively to the merger or consolidation, or that was 492
required to be set forth in the agreement of merger or 493
consolidation and that would not be required in original articles 494
or amendments to articles filed at the time the statement or 495
provision was adopted; 496

(b) To make any other appropriate changes required by that 497
elimination. 498

An amendment to the articles adopted by the directors under 499
division (B)(5) of this section need not contain or continue any 500
statement with respect to the amount of stated capital. 501

(C) If a vote on the adoption of an amendment is required by 502
division (B)(4) of section 1701.71 of the Revised Code, any 503
amendment to the articles adopted pursuant to division (B) of this 504
section that creates a class or series of shares the express terms 505
of which provide for the convertibility of the shares into shares 506
of another class shall also require the approval of the holders, 507
voting as a class, of any issued and outstanding shares into which 508
the shares may be converted. 509

Sec. 1701.75. (A) A corporation, a plan of reorganization of 510
which shall have been confirmed by the decree or order of a court 511
of competent jurisdiction pursuant to the provisions of any 512
applicable statute of the United States relating to reorganization 513
of corporations, may put into effect and carry out the plan and 514
the decrees and orders of the court relative ~~thereto~~ to the plan, 515

and may take any proceeding and do any act provided in the plan or 516
directed by such decrees and orders, without further action by its 517
directors or shareholders. ~~Such~~ That authority may be exercised, 518
and ~~such~~ those proceedings and acts may be taken or done, as 519
directed by such decrees or orders, by the trustee or trustees of 520
~~such~~ the corporation appointed in the reorganization proceedings 521
(or a majority thereof), or if none shall have been appointed, by 522
designated officers of the corporation, or by a master or other 523
representative appointed by the court, with like effect as if 524
exercised and taken by unanimous action of the directors and 525
shareholders of the corporation. 526

(B) A corporation, in the manner provided in division (A) of 527
this section, but without limiting the generality thereof, may: 528
amend its articles in any respect; amend or repeal its regulations 529
or adopt new regulations; name, constitute, reconstitute, 530
classify, or reclassify its directors and appoint directors and 531
officers in place of or in addition to some or all of the 532
directors or officers then in office; make any lawful change in 533
its stated capital; make a determination of the fair value to the 534
corporation of its assets; transfer all or a part of its assets; 535
merge; consolidate; remove or appoint a statutory agent; authorize 536
the ~~granting~~ issuance of option rights or securities having 537
conversion or option rights in respect of shares and other 538
securities; authorize the issuing of notes, bonds, and other 539
evidences of indebtedness, whether or not convertible into shares 540
or other securities; lease its property to any corporation; 541
dissolve; or effect any other change authorized by this chapter. 542

(C) If a plan of reorganization provides for or effects an 543
amendment to the articles or the merger, consolidation, or 544
dissolution of a corporation, or if a plan having such a result is 545
modified in respect of ~~such~~ that amendment, merger, consolidation, 546
or dissolution, a certificate of reorganization or an amended 547

certificate of reorganization, as the case may be, setting forth 548
such portions of the plan of reorganization or modification 549
~~thereof of the plan~~ as would otherwise be required to be set forth 550
in a certificate of amendment, an agreement of merger or 551
consolidation, or a certificate of dissolution (and, if desired, 552
any other portions thereof) shall be filed in the office of the 553
secretary of state and shall operate to effect ~~such that~~ 554
amendment, merger, consolidation, or dissolution. ~~Such The~~ 555
certificate shall be made, subscribed, and filed as may be 556
directed by such decrees or orders of the court, or, in the 557
absence of such direction, by the president or a vice-president 558
and the secretary or an assistant secretary. The certificate shall 559
contain a statement that the plan of reorganization has been 560
confirmed by the decree or order of the court designated in the 561
certificate or that the plan so confirmed has been modified by 562
order of such court, as the case may be. 563

(D) If after the filing in the office of the secretary of 564
state of a certificate of reorganization, or an amended 565
certificate, a decree or order of court is entered ~~which that~~ has 566
the effect of vacating ~~said that~~ plan, a certified copy of ~~said~~ 567
the decree or order shall be filed by the corporation in the 568
office of the secretary of state. 569

(E) Nonassenting or dissenting shareholders shall have only 570
such rights as are provided for in the plan of reorganization. 571

Section 2. That existing sections 1701.15, 1701.16, 1701.17, 572
1701.35, 1701.59, 1701.70, and 1701.75 of the Revised Code are 573
hereby repealed. 574