



Ohio Revised Code

Section 1701.19 Determination of fair value of property or services.

Effective: October 12, 2006

Legislation: House Bill 301 - 126th General Assembly

(A) When a determination of the fair value to a corporation is made by the incorporators, directors, or shareholders with respect to consideration, other than cash, paid or to be paid to the corporation for shares; or made by the directors with respect to property voluntarily contributed to the corporation; or made by the directors with respect to physical assets of the corporation that are reckoned by the directors to have a fair value to the corporation in excess of the amount at which they are carried on its books; or provided for in a decree or order as provided in section 1701.75 of the Revised Code or set forth in an agreement of merger or consolidation adopted as provided in section 1701.78, 1701.79, 1701.80, or 1701.801 of the Revised Code, then the determination shall be conclusive in any action or proceeding in which it is claimed that the fair value to the corporation of such consideration or property is or was less than the value so determined, unless the party asserting a claim affirmatively proves by clear and convincing evidence, and otherwise than by proving the difference between the value of such consideration or property and the fair value so determined, that the determination was knowingly and intentionally made, by the persons making the determination, at a value greater than the fair value of such consideration or property to the corporation.

(B) The making of an agreement to issue or dispose of shares for property or consideration other than cash or the issuance or disposition of shares in consummation of any agreement or transaction referred to in division (A) of this section shall be held to be a determination that the property or other consideration involved has a fair value to the corporation not less than the value required to justify the issuance or disposition of such shares.
