



Ohio Revised Code Section 1701.30 Stated capital.

Effective: July 30, 1984

Legislation: House Bill 250 - 115th General Assembly

(A) Every corporation shall have and shall carry upon its books a stated capital for each class of outstanding shares with par value and for each class of outstanding shares having preference in the event of the involuntary liquidation of the corporation. Every corporation may have and, if it does have, shall carry upon its books a stated capital for any other class of outstanding shares. The stated capital of each outstanding share with par value shall be not less than its par value. The stated capital of the corporation shall be the aggregate stated capital of all classes of outstanding shares. If a particular class has stated capital, the stated capital of every share of that class outstanding at a particular time shall be identical.

(B) Subject to division (A) of this section:

(1) The stated capital of shares with stated capital that are issued or disposed of otherwise than upon conversion, change, exchange, merger, consolidation, or reorganization is the amount of consideration for such shares, unless prior to the execution and delivery of the certificates for such shares, the incorporators, directors, or shareholders, as the case may be, who fix the consideration or otherwise determine the value of any consideration for such shares, specify, in a manner not inconsistent with this section, the portion of the consideration that constitutes stated capital, whereupon any excess over such portion (except to the extent entered on the books of a transferee corporation as earned surplus in the manner provided in division (H)(3) of section 1701.32 of the Revised Code upon a combination) is capital surplus; except that in the case of shares having preference in the event of involuntary liquidation of the corporation, the portion of the consideration that constitutes stated capital shall be not less than the lesser of the entire consideration for such shares or the amount of such preference.

(2) Unless the express terms of convertible shares provide that upon the exercise of conversion rights the stated capital of the corporation shall be determined otherwise than as provided in this section and in a manner not inconsistent with this section, the stated capital, if any, of the shares issued upon the exercise of such conversion rights shall be the stated capital, if any, of the convertible shares so



converted.

(3) Unless the terms of convertible obligations provide that upon the exercise of conversion rights the stated capital, if any, of the corporation shall be determined otherwise than as provided in this section and in a manner not inconsistent with this section, the stated capital, if any, of the shares issued upon the exercise of such conversion rights shall be an amount equal to the principal amount of the convertible obligations so converted.

(4) Unless the amendment to the articles that effects any change in outstanding shares provides that upon such change the stated capital of the corporation shall be created, increased, reduced, or eliminated in a manner not inconsistent with this section, the stated capital, if any, of the shares issued upon such change shall be the stated capital, if any, of the shares so changed.

(5) Unless the terms of an exchange of shares provide that upon such exchange the stated capital of the corporation shall be created, increased, reduced, or eliminated in a manner not inconsistent with this section, the stated capital, if any, of the shares issued upon such exchange shall be the stated capital, if any, of the shares so exchanged.

(6) The stated capital, if any, of each class of shares to be outstanding at the time a merger, consolidation, or reorganization becomes effective shall be the amount set forth or provided for, in a manner not inconsistent with this section, in the agreement of merger, agreement of consolidation, or plan of reorganization.

(C) The stated capital of a class of outstanding shares with or without par value may be created or increased by a transfer from any surplus however created to stated capital by order of the directors for the purpose of creating or increasing such stated capital or upon payment of dividends or distributions in shares of such class, and may be reduced or eliminated in any way provided for in section 1701.31 of the Revised Code.

(D) When a corporation having outstanding shares of more than one class has a stated capital applicable to two or more of the classes and the amount of stated capital of a particular class cannot otherwise be readily determined, the directors of the corporation may make such determination, subject to division (A) of this section.