



Ohio Revised Code

Section 1701.35 Purchase of own shares.

Effective: July 30, 1984

Legislation: House Bill 250 - 115th General Assembly

(A) A corporation by its directors may purchase shares of any class issued by it, in any of the following instances:

- (1) When the articles authorize the redemption of such shares and do not prohibit such purchase;
- (2) To collect or compromise a debt, claim, or controversy in good faith;
- (3) From a subscriber whose shares have not been paid for in full, or in settlement or compromise of a subscription;
- (4) For offering and sale, or the grant of options with respect thereto, 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;
- (5) From a person who has purchased such shares from the corporation under an agreement reserving to the corporation the right to repurchase or obligating it to repurchase;
- (6) To avoid the issuance of or to eliminate fractional shares;
- (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 shares;
- (8) From a shareholder who by reason of dissent is entitled to be paid the fair cash value of his shares;
- (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;

(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.

(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 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 shares could be purchased by the issuing corporation pursuant to division (A)(9) or (10) of this section.