



Ohio Revised Code

Section 1776.84 Distribution to partner where partnership insolvent.

Effective: August 6, 2008

Legislation: House Bill 332 - 127th General Assembly

(A) A limited liability partnership shall not make a distribution to a partner to the extent that at the time of the distribution and after giving effect to the distribution, all liabilities of the limited liability partnership exceed the fair value of the assets of the limited liability partnership, other than liabilities to partners on account of their economic interests and liabilities for which the recourse of creditors is limited to specified property. The fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in the assets of the limited liability partnership only to the extent that the fair value of that property exceeds that liability. For purposes of this section, the term "distribution" does not include amounts constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of business pursuant to a bona fide retirement plan or other benefits program.

(B) A partner of a limited liability partnership who receives a distribution in violation of division (A) of this section is liable to the partnership for the amount of that distribution. This section does not affect any obligation or liability of a partner of a limited liability partnership under an agreement or other applicable law for the amount of a distribution.
