



## Ohio Revised Code Section 1107.11 Pre-emptive rights.

Effective: January 1, 1997

Legislation: House Bill 538 - 121st General Assembly

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(A) Unless otherwise provided in the articles of incorporation, the holders of any class of a bank's shares, other than shares that are limited as to dividend rate and liquidation price, shall, upon the offering or sale for cash of shares of the same class, have the right, during a reasonable time and on reasonable terms fixed by the directors, to purchase the shares in proportion to their respective holdings of shares of that class, at not less than par value, unless the shares offered or sold are any of the following:

(1) Treasury shares;

(2) Released from pre-emptive rights by the affirmative vote or written consent of the holders of either of the following:

(a) Two-thirds of the shares entitled to the pre-emptive rights;

(b) A majority of the shares entitled to the pre-emptive rights, if for offering and sale or granting options to any or all employees of the bank or any of the bank's subsidiaries or to a trustee on their behalf, under a plan adopted under section 1107.09 of the Revised Code;

(3) Offered to shareholders in satisfaction of their pre-emptive rights and not purchased by the shareholders, and thereupon issued or agreed to be issued for a consideration not less than that at which the shares were offered to the shareholders, less reasonable expenses, compensation, or discount paid or allowed for the sale, underwriting, or purchase of the shares.

(B) An action arising from the offering or sale of shares under division (A) of this section shall be brought within two years after the date on which written notice or other communication of the transaction is mailed or otherwise given to the person entitled to bring the action. In no event shall any such action be brought later than four years after the cause of action accrued.



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