

FORMING BUSINESS ENTITIES AND LITIGATING BUSINESS DISPUTES IN OHIO

This article includes a general description of major business entities used in the State of Ohio. The emphasis is on how to form the entities described. Much like a child, the birthing of a corporation or company is the mere beginning: corporate records such as bylaws, resolutions, stock certificates, shareholder's agreements, operating agreements, etc. are also required to properly do business. Each form of business entity requires such organizational and corporate control documents. These additional matters are not discussed herein.

Additionally, this article describes the courts in Ohio that may be utilized to resolve legal disputes of all types. Substantive and procedural law varies as to these dispute venues, and is not described in this article. For additional information or specific questions, please contact the undersigned. For those readers who are not residents of Ohio, Frank LaRose is the current Secretary of State of Ohio. The charges referenced are current as of August 1, 2023.

I. For-Profit Corporation

a. Description of a For-Profit Corporation

A for-profit corporation "is an entity created by one or more people where ownership is represented by shares of stock." FRANK LAROSE, *START A CORPORATION IN OHIO* ¶ 1 (Apr. 2022). A corporation is recognized as a separate entity from its shareholders, who are not personally responsible for the corporation's acts and debts. *Id.* A for-profit corporation is a professional association formed under Ohio Revised Code Section 1785, organized for the purpose of rendering specific professional services.

b. How to Form a For-Profit Corporation

Pursuant to Section 1701.04 of the Ohio Revised Code, the Secretary of State's office authorizes for-profit corporations to conduct business in Ohio. Documents must be approved by the Secretary of State's office before a corporation can do business in Ohio. LAROSE, *supra* page 1. All forms that are required to be filed with the Secretary of State can be obtained directly from the Secretary of State's office. Section 1701.04 of the Ohio Revised Code provides that "anyone, singly or jointly with others, and without regard to residence, domicile, or state of incorporation," may form an Ohio corporation.

A corporation that wishes to do business in Ohio must file Articles of Incorporation (Articles) with the Ohio Secretary of State. LAROSE, *supra* page 1, at 2. The Articles must include the name of the corporation; the location of the corporation's principal office; the authorized number of shares of stock, along with their classification and par value, if required; the amount of that stated capital; and an original appointment and acceptance of statutory agent. *Id.*

The Articles may also include the names of individuals who will serve as initial directors; purpose(s) for which the corporation is formed; any provision in the corporation's regulations, including provision specifying the period of existence or if the period of existence is perpetual, the date of organization of the corporation. *Id.* at 3.

The filing fee for Articles is \$99.00. *Id.* at 6. With this fee, a corporation is entitled to up to 990 shares of stock. *Id.* If a corporation's Articles authorize more than 990 shares of stock, an additional fee must be paid at the time of filing. *Id.* The maximum filing fee for any corporation's Articles is \$100,000.00. *Id.*

A corporation is required to appoint a statutory agent when it files its Articles. *Id.* at 5. The statutory agent is the person or entity designated to accept any legal notice that the company receives. *Id.* The agent is responsible for relaying this information to the corporation. *Id.* The statutory agent must be either a "natural person" and resident of the state or "a domestic or foreign corporation, nonprofit corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited partnership association, professional association, business trust, or unincorporated nonprofit association that has a business address in this state." *Id.*

Corporate control for corporations is normally effected by resolutions, corporate by-laws and contracts including employment contracts, licenses and other agreements. Regular meetings are required or unanimous written resolutions may be substituted.

It should be observed the "S Corporation" status is the result of successfully presenting tax election to the U.S. Internal Revenue Service. This is in addition to forming a corporation and other of the following Ohio business entities:

II. Foreign Corporation

a. Description of a Foreign Corporation

A foreign corporation is an entity organized under the laws of another state or foreign country. *Id.* at 11.

b. Doing Business in Ohio as a Foreign Corporation

A foreign corporation must obtain a license from the Ohio Secretary of State before conducting business in Ohio. *Id.* at 12. The foreign corporation can file "either the Foreign Corporation Application for License (Form 530A) or the Foreign Nonprofit Corporation Application for License (Form 530B)." *Id.* The filing fee is \$99.00 for either application. *Id.* The application must contain a Certificate of Good Standing from the Secretary of State or the registering office in the corporation's home country. *Id.* The Certificate of Good Standing must "be dated no earlier than 90 days prior to submission and must include the corporation's exact name and statement that the corporation is in good standing." *Id.* When the foreign entity applies for a license, it must appoint a statutory agent to accept service of process on behalf of the corporation within Ohio. *Id.*

A foreign corporation may obtain a temporary license (Form 530A) to do business in Ohio for a one-year period. *Id.* A foreign corporation can only permit one to two temporary licenses within a period of three years. *Id.* The filing fee for a temporary license is the same for a permanent license. *Id.*

III. Limited Liability Corporation

a. Description of a Limited Liability Corporation

A limited liability company (LLC) is a business structure that combines elements of a corporation with those of a partnership or sole proprietorship. FRANK LAROSE, START A LIMITED LIABILITY COMPANY IN OHIO ¶ 1 (Feb. 2022). This type of business entity is more flexible than a corporation and it is well-suited for companies with only one owner. *Id.* Owners have limited liability, but they are fully protected from personal liabilities. *Id.*

b. How to Form a Limited Liability Corporation

Section 1706.16 of the O.R.C. provides that “one or more person shall execute articles of organization and deliver the articles to the secretary of state for filing.” The Articles must include the name of the company; an original appointment and acceptance of statutory agent; if applicable, a statement that the limited liability company may have one or more series of assets; and any other matters the organizers or the members decide to include. *LaRose, supra* page 2, at 3. The Articles may also include the effective date and time of organization and the purpose for the organization. *Id.* Pursuant to Ohio Revised Code Section 1706.16(D), a limited liability company is formed when the articles of organization are filed by the secretary of state or at any later date or time specified in the articles of organization.

The Articles must be signed by at least one person. *LaRose, supra* page 2, at 4. The filing fee for the Articles is \$99.00. *Id.* At the time of filing its articles, a limited liability company is required to appoint a statutory agent. *Id.* at 6. All Articles and documents must be filed with the Secretary of State’s office before a limited liability company may legally conduct business in the state. *Id.* at 2.

An LLC is normally governed by an operating agreement, which is supplemented by other agreements between the members.

IV. Benefit Corporation

a. Description of a Benefit Corporation

A benefit corporation is a corporation, pursuant to Chapter 1701 of the Revised Code. *LaRose, supra* page 1, at 13. A beneficial purpose means “seeking to have a bona fide positive effect or to reduce one or more bona fide negative effects of an artistic, charitable, cultural, economic, educational, environmental, literary, medical, religious, scientific, or technological nature of the benefit of persons, entities, communities, or interests other than shareholders in their capacity as shareholders.” *Id.*

b. How to Form a Benefit Corporation

For a corporation to become a benefit corporation it must set forth in its articles of incorporation one or more beneficial purposes among the purposes for which the corporation is formed. *Id.* A corporation is not allowed to use the word “benefit” in its name as a prefix to its name, “unless the corporation is a benefit corporation or had a name that included such combination of words prior to March 24, 2021.” *Id.*

V. Close Corporation

a. Description

A closely held corporation is one that has more than 50% of the value of its outstanding stock owned by 5 or fewer individuals at any time during the last half of the tax year and isn't a personal service corporation. *Entities*, IRS (June 15, 2023), <https://www.irs.gov/faqs/smallbusinessselfemployedotherbusiness/entities/entities5#:~:text=Generally%2C%20a%20closely%20held%20corporation,t%20a%20personal%20service%20corporation.>

b. How to Form a Close Corporation

Ohio Revised Code Section 1701.591 requires close corporations to have a close corporation agreement. This agreement must be approved by every single shareholder of the company. O.R.C. Section 1701.591(A)(1). Furthermore, the agreement shall be set forth in the articles, the regulations, or another written instrument. O.R.C. Section 1701.591(A)(2). Lastly, the agreement shall include a statement that it is to be governed by this section. O.R.C. Section 1701.591(A)(3). Without such an agreement, an entity is not a Close Corporation.

VI. Foreign Limited Liability Company

a. Description of Foreign Limited Liability

A foreign limited liability company is organized under the laws of another state or foreign country. LAROSE, *supra* page 2, at 10.

b. Doing Business in Ohio as a Foreign Limited Liability Company

A foreign limited liability company must register with the Ohio Secretary of State prior to conducting business in Ohio by filing a Registration of a Foreign Limited Liability Company (Form 617) and paying the filing fee of \$99.00. *Id.* The limited liability company must appoint a statutory agent to accept service of process on behalf of the limited liability company within Ohio. *Id.* The statutory agent must sign the form to accept the appointment. *Id.*

VII. General Partnerships

a. Description of a General Partnership

A general partnership is an association of two or more persons who act as co-owners of a business for-profit. FRANK LAROSE, START A PARTNERSHIP IN OHIO ¶ 1 (Dec. 2021). This business type allows for a pooling of owner assets, both monetary and skill sets. *Id.* All owners have unlimited personal liability for all debts of the partnership. *Id.* Any partner may bind the partnership with a third party, unless there is an agreement stating otherwise. *Id.*

b. How to Form a General Partnership

Pursuant to Section 1776.22 of the Ohio Revised Code “any association of two or more persons to carry on as co-owners a business for profit forms a partnership, whether or not the persons intend to form a partnership” except as formed under a chapter other than 1776. A partnership is not required but is able to file registration forms with the Secretary of State. LAROSE, *supra* page 4, at 2. The Statement of Partnership Authority (Form 535) may be filed with the Ohio Secretary of State. *Id.* The statements are not required to conduct business in the state of Ohio, but they will be given significant weight in a court of law. *Id.* Ohio Revised Code Section 1776.05 governs the filing and recording of statements.

The statement must include the identifying number issued to the partnership, only if the partnership has filed a prior partnership with the Secretary of State; the name of the partnership; the address of its chief executive’s office and, if the chief executive’s office is not within the state, the address of any partnership office within the state; the names and addresses of all partners or the name and address of an information agent; an original appointment and acceptance or statutory agent; and signature of an authorized representative of the partnership. LAROSE, *supra* page 4, at 3. The Statement may include the following “names of partners authorized to execute an instrument transferring real property held in the name of the partnership, the authority, including limitations, which some or all the partners have to enter other transactions on behalf of the partnership, and any other matter.” *Id.* At the time of filing a Statement, a general partnership must appoint a statutory agent. *Id.*

A general partnership is normally governed by a written Partnership Agreement, and other agreements between the partners.

VIII. Limited Partnership

a. Description of a Limited Partnership

A limited partnership is an association of two or more persons who are co-owners of a business for-profit. *Id.* at 9. In a limited partnership, one or more individuals take the role of general partner(s), “which have managerial control, ability to bind the partnership as an agent and joint and several liability for partnership debts.” *Id.* One or more individuals also take the role of limited partners, and have liability limited to the amount of their investment, but they have no managerial control over the partnership. *Id.* This business type allows for “a pooling of owner assets, both monetary and skill sets.” *Id.* A limited partnership allows individuals with no intention to control

an organization to invest in a partnership by limiting liability. *Id.* “An individual willing to take the responsibility of a general partner would be interested in this form of organization because they will be the only party with control of operations or the ability to bind the partnership to an agreement.” *Id.*

b. Forming a Limited Partnership

Pursuant to Section 1782.06 of the Ohio Revised Code, the Secretary of State’s office authorizes limited partnerships to conduct business in Ohio except in banking and insurance. Limited partnerships are required to file forms with the Secretary of State to conduct business.

Ohio Revised Code Section 1782.08 provides that to form a limited partnership, Certificates of Limited Partnerships must be filed with the Secretary of State. The O.R.C. provides that the certificate must include the name of the limited partnership; the address of its principal place of business; name and business address or residence of each general partner; a written appointment and acceptance of statutory agent; and any other matters the general partners determine to include. The filing fee for a certificate is \$99.00. LAROSE, *supra* page 4, at 11. Furthermore, at the time of filing a certificate, a limited partnership must also appoint a statutory agent. *Id.* at 12.

A Limited Partnership is normally governed by a written Partnership Agreement and other agreements between the parties.

IX. Limited Liability Partnerships

a. Description of Limited Liability Partnerships

A limited liability partnership (LLP) is an association of two or more persons who act as co-owners of a business for profit. *Id.* at 15. Every partner in a limited liability partnership has managerial control, the ability to bind the partnership as an agent, and has liability limited to the amount of their investment. *Id.* An LLP allows for the pooling of owner assets, both monetary and skill sets, and each partner is afforded an equal amount of control and limited liability. *Id.*

b. Forming a Limited Liability Partnership

Pursuant to Ohio Revised Code Section 1776.81(C) and 1776.86, partnerships must file a Statement of Qualification with the Secretary of State to become a limited liability partnership. The Statement must include the name of the partnership; the address of its chief executive office and, if the chief executive office is not located in the state, the address of any partnership office within the state, and if there is no office within the state, the name and address of the partnership’s statutory agent; statement that the partnership elects to be a limited liability partnership; and any deferred effective date. LAROSE, *supra* page 4, at 16. The filing fee for the Statement is \$99.00. *Id.* at 17.

Biennial filings are a requirement for limited liability partnership’s authorization to do business in Ohio. *Id.* at 18. The reports must be filed “between the first day of April and the first day of July of each odd-numbered year that follows the calendar year in which the limited liability

partnership became authorized to do business in this state.” *Id.* The Ohio Revised Code 1776.83 requires the filing of a Biennial Report (Form 520) for a limited liability partnership to continue doing business in Ohio. These reports must contain the name and address of the limited liability partnership. LAROSE, *supra* page 4, at 18. If the partnership does not have an address within the state, the partnership will need to include the name and address of the partnership’s statutory agent. *Id.*

An LLP is governed by an operating agreement or other written agreements between the parties.

X. Professional Associations

a. Description of Professional Associations

A professional association of certain types of licensed professional who form an entity that offers a professional service. LAROSE, *supra* page 1, at 12. Ohio Revised Code Chapter 1785 governs professional associations and provides a list of the professions, including “dentists, architects, attorneys and professional engineers, that may form this type of corporation.” *Id.* Only licensed or legally authorized professionals who are able to conduct the services for which the corporation is formed may participate in the ownership of a professional association. *Id.* Those entities are often referred to as “Co. LPA’s”.

A Co. LPA is ordinarily governed by by-laws and other agreements between the shareholders.

b. How to Form a Professional Associations

A professional association must file “a Biennial Report (Form 520) in even-numbered years to every shareholder as of June 30 of the filing year and certify that each is licensed to practice the profession for which the corporation was formed.” *Id.* at 12-13. “The report form must be filed no later than 30 days after June 30 and will not be accepted before June 30,” and the fee for filing the Biennial Report is \$25.00. *Id.*

XI. Sole Proprietorship

a. Description of Sole Proprietorship

A sole proprietorship is a business entity that has a single owner entirely responsible for business decisions and liabilities. FRANK LAROSE, START A SOLE PROPRIETORSHIP IN OHIO ¶ 1 (Apr. 2020). In a sole proprietorship there is “no legal distinction between the business and the owner. All business profits, losses and assets are the personal profits, losses, and assets of the owner.” *Id.* The owner of the sole proprietorship is the only decision maker and does not share the profits of the company, “as they are taxed as personal income and are not subject to a corporate tax.” *Id.* The owners of sole proprietorships have unlimited liability about the debts and obligations of the business and personal assets of the owner are at risk if the liabilities of the sole proprietorship exceed its assets. *Id.*

b. How to Form a Sole Proprietorship

Sole proprietorships are not required to file paperwork with the Secretary of State to conduct business in the State of Ohio. *Id.* at 2. If a sole proprietorship wishes to do business under a name different from that of their own name, they must register a trade name or report the use of a fictitious name with the Secretary of State's office. *Id.* A trade name or fictitious name can be registered by filing a Name Registration (Form 534A). *Id.*

A sole proprietor doing business under a name other than their own may register a trade name with the Secretary of State. *Id.* The Ohio Revised Code Section 1329.01(B) requires that an application for a trade name contains the name and business address of the applicant; the trade name to be registered; the general nature of the business conducted by the applicant; and the length of time during which the trade name has been used by the applicant in business operations in the state.

If a sole proprietor plans to conduct business under a name other than their own and does not plan to register a trade name, or if the preferred name is unavailable for registration, they must notify the Secretary of State of their plan to use the business name, according to Revised Code section 1329.01(D). This involves filling out a form stating the name and business address of the user; the fictitious name being used; the general nature of the business conducted by the user.

XII. Non-Profit Organization

a. Description of Non-Profit Organization

A nonprofit organization is formed for the purpose of "charitable, educational, religious, scientific, community development or other socially beneficial purposes." FRANK LAROSE, START A NONPROFIT ORGANIZATION IN OHIO ¶ 1 (Apr. 2020). A nonprofit corporation has liability protection that a corporation provides. *Id.* "For example, if a nonprofit corporation is sued, the assets of its owners are generally protected because corporate assets are distinct from personal assets." *Id.* A nonprofit corporation should be considered if the organization will obtain assets such as "buildings, equipment, or vehicles to be used in the delivery of services, or if it will be necessary to hire employees." *Id.*

b. How to Form a Non-Profit Organization

Ohio law recognizes unincorporated associations. *Id.* at 2. Unincorporated associations require constitutions for the organization to be created. *Id.* A nonprofit is normally governed by by-laws, which set forth matters such as rules and regulations for the organization's operation; the method of adopting or amending the constitution and bylaws; the method of electing officers; the powers and duties of the officers and trustees; and the rights of members. *Id.*

The statement of purpose in the organization's constitution is critical in qualifying the organization for tax exemption or in meeting standards for funding and the qualifications of members and directors. *Id.* An unincorporated nonprofit association can legally conduct business in the state of Ohio without filing forms with the Secretary of State, but they may submit a statement appointing an agent authorized to receive service of process pursuant to Ohio Revised

Code Section 1745.13. *Id.* However an unincorporated association is required to register its name with the Ohio Secretary of State. *Id.* at 3.

The Ohio Revised Code Section 1702.04 states that a nonprofit corporation must file Initial Articles of Incorporation (Articles) with the Ohio Secretary of State's office, along with a filing fee of \$99.00. *Id.* The Articles must include the name of the corporation; the place in Ohio where the principle of the corporation is location; the purpose of why the corporation is formed; and the incorporator must sign the Articles. *Id.* at 4.

The Articles may also contain the names of individuals who are to serve as the directors; the names of any persons who are the initial members; any qualification of membership or classification; any lawful provision for the purpose of defining or regulations the exercise of authority of the corporation; any provision that may set forth in the regulation; a provision specifying the period of existence of the corporation. *Id.* A nonprofit corporation must appoint a statutory agent to accept service of process on behalf of the nonprofit. *Id.* at 5.

A nonprofit corporation is required to make additional filings with the Ohio Secretary of State. *Id.* Every five years a nonprofit corporation must file a Statement of Continued Existence (Form 522). *Id.* at 7. Additionally, Ohio law requires that a nonprofit corporation keep its statutory agent information updated. *Id.*

It must be noted that non-profit income tax status is obtained by successfully presenting an application for 501(c)(3) status with the U.S. Internal Revenue Services. This is in addition to forming a non-profit corporation in Ohio.

HOW TO LITIGATE BUSINESS DISPUTES IN OHIO

Having outlined business formation and briefly commented on corporate governance, this article now summarizes what dispute resolution vehicles exist for businesses in Ohio.

A business in Ohio "is a legal entity that can sue or be sued. A party in a lawsuit may be a business, an individual, or a governmental entity. *Id.* Most Ohio businesses, including corporations, LLCs, and partnerships, may be sued in their own name. *Id.* A lawsuit involving a sole proprietorship is a suit against the proprietor, who must be the named defendant. *Id.*

I. Jurisdiction in Ohio

A plaintiff may sue a corporate defendant, including both non-profit and for-profit corporations, in courts located in the company's home state. The company's home state is where the state of incorporation is or where the company maintains its principal place of business; and in those states where the company systematically served that state's market for a specific company product or service that gives rise, in-state, to the lawsuit. A federal or state judge that has personal jurisdiction over the case has the authority to issue orders, rulings, and opinions over a case's litigants.

"General jurisdiction" is the power of a court to adjudicate any claim over which the court has subject-matter jurisdiction against a corporation, regardless of where the claim arose. A court

may assert general jurisdiction over an out-of-state corporation to hear all claims against it only when the corporation's contacts with the State in which suit is brought are “so substantive, deep, constant and pervasive as to render it essentially at home in the forum State.” Many companies will be subject to general jurisdiction only in the state of their incorporation and in the state where they maintain the principal place of business, but other intentional access to a state by a business may render it subject to a court’s jurisdiction.

“Specific jurisdiction” is the power of a judge to adjudicate claims that arise out of an out-of-state corporation’s intentional, continuous and systematic in-state business activities. Specific personal jurisdiction exists where the corporation’s activity within the forum state is continuous and systematic, and that activity gives rise to the issue which is the subject of a lawsuit. *Id.* Due process requires that specific jurisdiction over a company be based on its own affiliation with the State, not merely based on the “random, fortuitous, or attenuated” contacts with the state.

II. Business Litigation in Ohio State Courts

Ohio's state courts are divided into three levels: trial courts, appellate courts and the state supreme court. *Law Facts: Ohio’s Courts*, OSBA Committees & Sections (Feb. 12, 2015), <https://www.ohiobar.org/publicresources/commonlyaskedlawquestionsresults/lawfacts/law4facts-ohios>. Ohio’s trial courts consist of municipal, county, and common pleas courts. *Id.* The Supreme Court of Ohio designed specialized dockets in the courts of general jurisdiction to make business litigation in Ohio more efficient, so it created a commercial docket as an adjunct to the Courts of Common Pleas of Cuyahoga, Franklin, Hamilton, and Lucas County, the largest business communities in the state.

The commercial dockets were created to help streamline business disputes and business and their owners with concentrated business dispute knowledge with specific judges. Business entities may now handle their disputes with guidelines focused on efficient resolution in this commercial docket. The commercial docket will accept cases relating to formation/dissolution of businesses; internal business owner/shareholder disputes; trade secret and non-compete litigation; contracts between businesses; uniform commercial code transactions except product liability claims; purchase or sale of a business entity; non-consumer bank accounts; business related torts; antitrust and securities cases; and commercial insurance contracts. Certain business disputes, *e.g.*, union, government and other entities, are excluded from the commercial docket.

Appeals courts are intermediate-level appellate courts that hear appeals from the trial courts in both civil and criminal matters. *Law Facts: Ohio’s Courts, supra*. The Supreme Court of Ohio is the state's highest appellate court that reviews a selection of matters proposed to it that are of great public interest. *Id.*

III. Business Litigation in Ohio Federal Courts

The federal court system contains district courts, circuit courts (which are the first level of appeal), and the Supreme Court of the United States (the final level of appeal in the federal system). *Introduction to the Federal Court System*, U.S. Department of Justice, <https://www.justice.gov/usao/justice-101/federal-courts>. Ohio’s federal court system is “divided into two districts, northern and southern, and each district is divided into an eastern and a western

division.” *Law Facts: Ohio’s Courts, supra*. Courthouses are dispersed across the state so that the localized disputes may be assigned to the nearest Federal Court.

District courts are limited in the kind of cases they can hear. *Id.* They have jurisdiction over cases arising under federal law known as federal question jurisdiction. *Id.* U.S. district courts can also hear claims arising under state law and involving citizens of more than one state where the claim for monetary damages exceeds \$75,000, under diversity jurisdiction. *Id.* According to 28 U.S.C. 1332(c)(1) a corporation is a citizen of a state where it is incorporated and where it has its principal place of business.

U.S. courts of appeals are nationally divided into 12 circuits having regional jurisdiction. Ohio is in the 6th Circuit, along with Michigan, Kentucky, and Tennessee. *Law Facts: Ohio’s Courts, supra* page 10. The 6th Circuit headquarters is in Cincinnati, Ohio. *Id.* Appeals from the U.S. district courts as well as certain specialty courts and federal agencies are heard in the U.S. courts of appeals. *Id.*

IV. Alternative Dispute Resolution in Ohio

Business disputes in Ohio may also be resolved using an out of court mechanism, principally arbitration and mediation.

Arbitration is a voluntary process in which a third party neutral, the arbitrator, hears the facts of the case and renders a decision that may be binding upon the parties. DISPUTE RESOLUTION SECTION, THE SUPREME COURT OF OHIO & THE JUDICIAL SYSTEM (2023), <https://www.supremecourt.ohio.gov/courts/servicestocourts/disputeresolution/#:~:text=Arbitration%20is%20a%20voluntary%20process,is%20mandatory%20and%20non%2Dbinding>. Parties in a dispute may agree to arbitration in a contract or after the dispute arises. *Id.* Court-ordered arbitration in Ohio courts is both mandatory and non-binding unless the parties agree to make the result binding. *Id.*

Mediation is a voluntary process where a “third party neutral, the mediator, assists the parties to a dispute in deciding a resolution that is fair to both sides.” *Id.* In mediation, the parties control the final outcome or any subordinate agreements, however, in arbitration, the arbitrator will decide the outcome. *Id.* Mediation agreements may be broad, while arbitration is limited to the facts presented in the arbitration hearing. *Id.* Ohio state and federal courts provide court lists of trained and approved mediators for parties to select from to help bring a mediation to a successful end result. These persons are experienced, trained and well regarded before being added to those lists. Private mediators also can be retained without court involvement who are well known to the legal community.

The American Arbitration Association (AAA), is a nonprofit organization that “offers a broad range of dispute resolution services to business executives, attorneys, individuals, trade associations, unions, management, consumers, families, communities, and all levels of government.” COMMERCIAL ARBITRATION RULES AND MEDIATION PROCEDURES, AMERICAN ARBITRATION ASSOCIATION 7 (2002). AAA has a Cleveland Regional Office to assist with information about arbitrations, mediations, and other alternative dispute resolution options.

CLEVELAND REGIONAL OFFICE, AMERICAN ARBITRATION ASSOCIATION, <https://go.adr.org/cleveland-regional-office.html>. Another well regarded private arbitration society is JAMS Endispute <https://www.jamsadr.com/endispute>. The decision which of these, or any other entity to use, depends on the issues in litigation, the monetary amount involved, and the ability of the parties to pay associated mediator fees.

This article is published for educational purposes only. It is not legal advise. Retention of a lawyer, communication of the controlling facts, the objectives of the client, and means to achieve same must be agreed upon before legal advise may be rendered.

For questions about doing business in Ohio or litigating claims in Ohio courts, do not hesitate to contact undersigned.

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