

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS, AND PARTNERSHIPS -- THE RHODE
ISLAND LIMITED PARTNERSHIP ACT

Introduced By: Senators Lombardi, and Coyne

Date Introduced: March 18, 2021

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 7 of the General Laws entitled "CORPORATIONS, ASSOCIATIONS,
2 AND PARTNERSHIPS" is hereby amended by adding thereto the following chapter:

3 CHAPTER 13.1

4 THE RHODE ISLAND LIMITED PARTNERSHIP ACT

5 ARTICLE 1

6 GENERAL PROVISIONS

7 **7-13.1-101. Short title.**

8 This chapter shall be known and may be cited as the "Rhode Island Limited Partnership
9 Act".

10 **7-13.1-102. Definitions.**

11 As used in this chapter:

12 (1) "Certificate of limited partnership" means the certificate required by § 7-13.1-201. The
13 term includes the certificate as amended or restated.

14 (2) "Contribution", except in the phrase "right of contribution", means property or a benefit
15 described in § 7-13.1-501 which is provided by a person to a limited partnership to become a partner
16 or in the person's capacity as a partner.

17 (3) "Debtor in bankruptcy" means a person that is the subject of:

18 (i) An order for relief under Title 11 of the United States Code or a comparable order under

1 a successor statute of general application; or

2 (ii) A comparable order under federal, state, or foreign law governing insolvency.

3 (4) "Distribution" means a transfer of money or other property from a limited partnership
4 to a person on account of a transferable interest or in the person's capacity as a partner. The term:

5 (i) Includes:

6 (A) A redemption or other purchase by a limited partnership of a transferable interest; and
7 (B) A transfer to a partner in return for the partner's relinquishment of any right to
8 participate as a partner in the management or conduct of the partnership's activities and affairs or
9 to have access to records or other information concerning the partnership's activities and affairs;
10 and

11 (ii) Does not include amounts constituting reasonable compensation for present or past
12 service or payments made in the ordinary course of business under a bona fide retirement plan or
13 other bona fide benefits program.

14 (5) "Foreign limited liability limited partnership" means a foreign limited partnership
15 whose general partners have limited liability for the debts, obligations, or other liabilities of the
16 foreign partnership under a provision similar to § 7-13.1-404(c).

17 (6) "Foreign limited partnership" means an unincorporated entity formed under the law of
18 a jurisdiction other than this state which would be a limited partnership if formed under the law of
19 this state. The term includes a foreign limited liability limited partnership.

20 (7) "General partner" means a person that:

21 (i) Has become a general partner under § 7-13.1-401 or was a general partner in a
22 partnership when the partnership became subject to this chapter under § 7-13.1-112; and
23 (ii) Has not dissociated as a general partner under § 7-13.1-603.

24 (8) "Jurisdiction", used to refer to a political entity, means the United States, a state, a
25 foreign country, or a political subdivision of a foreign country.

26 (9) "Jurisdiction of formation" means the jurisdiction whose law governs the internal
27 affairs of an entity.

28 (10) "Limited liability limited partnership", except in the phrase "foreign limited liability
29 limited partnership" and in article 11 of this chapter, means a limited partnership whose certificate
30 of limited partnership states that the partnership is a limited liability limited partnership.

31 (11) "Limited partner" means a person that:

32 (i) Has become a limited partner under § 7-13.1-301 or was a limited partner in a limited
33 partnership when the partnership became subject to this chapter under § 7-13.1-112; and
34 (ii) Has not dissociated under § 7-13.1-601.

1 (12) "Limited partnership", except in the phrase "foreign limited partnership" and in article
2 11 of this chapter, means an entity formed under this chapter or which becomes subject to this
3 chapter under article 11 of this chapter or § 7-13.1-112. The term includes a limited liability limited
4 partnership.

5 (13) "Partner" means a limited partner or general partner.

6 (14) "Partnership agreement" means the agreement, whether or not referred to as a
7 partnership agreement and whether oral, implied, in a record, or in any combination thereof, of all
8 the partners of a limited partnership concerning the matters described in § 7-13.1-105(a). The term
9 includes the agreement as amended or restated.

10 (15) "Person" means an individual, business corporation, nonprofit corporation,
11 partnership, limited partnership, limited liability company, general cooperative association, limited
12 cooperative association, unincorporated nonprofit association, statutory trust, business trust,
13 common-law business trust, estate, trust, association, joint venture, public corporation, government
14 or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

15 (16) "Principal office" means the principal executive office of a limited partnership or
16 foreign limited partnership, whether or not the office is located in this state.

17 (17) "Property" means all property, whether real, personal, or mixed or tangible or
18 intangible, or any right or interest therein.

19 (18) "Record", used as a noun, means information that is inscribed on a tangible medium
20 or that is stored in an electronic or other medium and is retrievable in perceivable form.

21 (19) "Registered agent" means an agent of a limited partnership or foreign limited
22 partnership which is authorized to receive service of any process, notice, or demand required or
23 permitted by law to be served on the partnership.

24 (20) "Registered foreign limited partnership" means a foreign limited partnership that is
25 registered to do business in this state pursuant to a statement of registration filed by the secretary
26 of state.

27 (21) "Required information" means the information that a limited partnership is required
28 to maintain under § 7-13.1-108.

29 (22) "Sign" means, with present intent to authenticate or adopt a record:

30 (i) To execute or adopt a tangible symbol; or

31 (ii) To attach to or logically associate with the record an electronic symbol, sound, or
32 process.

33 (23) "State" means a state of the United States, the District of Columbia, Puerto Rico, the
34 United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the

1 United States.

2 (24) "Transfer" includes:

3 (i) An assignment;

4 (ii) A conveyance;

5 (iii) A sale;

6 (iv) A lease;

7 (v) An encumbrance, including a mortgage or security interest;

8 (vi) A gift; and

9 (vii) A transfer by operation of law.

10 (25) "Transferable interest" means the right, as initially owned by a person in the person's
11 capacity as a partner, to receive distributions from a limited partnership, whether or not the person
12 remains a partner or continues to own any part of the right. The term applies to any fraction of the
13 interest, by whomever owned.

14 (26) "Transferee" means a person to which all or part of a transferable interest has been
15 transferred, whether or not the transferor is a partner. The term includes a person that owns a
16 transferable interest under §§ 7-13.1-602(a)(3) or 7-13.1-605(a)(4).

17 **7-13.1-103. Knowledge; Notice.**

18 (a) A person knows a fact if the person:

19 (1) Has actual knowledge of it; or

20 (2) Is deemed to know it under law other than this chapter.

21 (b) A person has notice of a fact if the person:

22 (1) Has reason to know the fact from all the facts known to the person at the time in
23 question; or

24 (2) Is deemed to have notice of the fact under subsections (c) or (d) of this section.

25 (c) A certificate of limited partnership on file in the office of the secretary of state is notice
26 that the partnership is a limited partnership and the persons designated in the certificate as general
27 partners are general partners. Except as otherwise provided in subsection (d) of this section, the
28 certificate is not notice of any other fact.

29 (d) A person not a partner is deemed to have notice of:

30 (1) A person's dissociation as a general partner ninety (90) days after an amendment to the
31 certificate of limited partnership which states that the other person has dissociated becomes
32 effective or ninety (90) days after a statement of dissociation pertaining to the other person becomes
33 effective, whichever occurs first;

34 (2) A limited partnership's:

1 (i) Dissolution ninety (90) days after an amendment to the certificate of limited partnership
2 stating that the limited partnership is dissolved becomes effective;

3 (ii) Termination ninety (90) days after a statement of termination under § 7-13.1-
4 802(b)(2)(vi) becomes effective; and

5 (iii) Participation in a merger, interest exchange, conversion, or domestication, ninety (90)
6 days after articles of merger, interest exchange, conversion, or domestication under article 11 of
7 this chapter become effective.

8 (e) Subject to § 7-13.1-210(f), a person notifies another person of a fact by taking steps
9 reasonably required to inform the other person in ordinary course, whether or not those steps cause
10 the other person to know the fact.

11 (f) A general partner's knowledge or notice of a fact relating to the limited partnership is
12 effective immediately as knowledge of or notice to the partnership, except in the case of a fraud on
13 the partnership committed by or with the consent of the general partner. A limited partner's
14 knowledge or notice of a fact relating to the partnership is not effective as knowledge of or notice
15 to the partnership.

16 **7-13.1-104. Governing law.**

17 The law of this state governs:

18 (1) The internal affairs of a limited partnership; and

19 (2) The liability of a partner as partner for a debt, obligation, or other liability of a limited
20 partnership.

21 **7-13.1-105. Partnership agreement; Scope, function, and limitations.**

22 (a) Except as otherwise provided in subsections (c) and (d) of this section, the partnership
23 agreement governs:

24 (1) Relations among the partners as partners and between the partners and the limited
25 partnership;

26 (2) The activities and affairs of the partnership and the conduct of those activities and
27 affairs; and

28 (3) The means and conditions for amending the partnership agreement.

29 (b) To the extent the partnership agreement does not provide for a matter described in
30 subsection (a) of this section, this chapter governs the matter.

31 (c) A partnership agreement may not:

32 (1) Vary the law applicable under § 7-13.1-104;

33 (2) Vary a limited partnership's capacity under § 7-13.1-111 to sue and be sued in its own
34 name;

- 1 (3) Vary any requirement, procedure, or other provision of this chapter pertaining to:
- 2 (i) Registered agents; or
- 3 (ii) The secretary of state, including provisions pertaining to records authorized or required
4 to be delivered to the secretary of state for filing under this chapter;
- 5 (4) Vary the provisions of § 7-13.1-204;
- 6 (5) Vary the right of a general partner under § 7-13.1-406(b)(2) to vote on or consent to an
7 amendment to the certificate of limited partnership which deletes a statement that the limited
8 partnership is a limited liability limited partnership;
- 9 (6) Alter or eliminate the duty of loyalty or the duty of care except as otherwise provided
10 in subsection (d) of this section;
- 11 (7) Eliminate the contractual obligation of good faith and fair dealing under §§ 7-13.1-
12 305(a) and 7-13.1-409(d), but the partnership agreement may prescribe the standards, if not
13 manifestly unreasonable, by which the performance of the obligation is to be measured;
- 14 (8) Relieve or exonerate a person from liability for conduct involving bad faith, willful or
15 intentional misconduct, or knowing violation of law;
- 16 (9) Vary the information required under § 7-13.1-108 or unreasonably restrict the duties
17 and rights under §§ 7-13.1-304 or 7-13.1-407, but the partnership agreement may impose
18 reasonable restrictions on the availability and use of information obtained under those sections and
19 may define appropriate remedies, including liquidated damages, for a breach of any reasonable
20 restriction on use;
- 21 (10) Vary the grounds for expulsion specified in § 7-13.1-603(5)(ii);
- 22 (11) Vary the power of a person to dissociate as a general partner under § 7-13.1-604(a),
23 except to require that the notice under § 7-13.1-603(1) be in a record;
- 24 (12) Vary the causes of dissolution specified in § 7-13.1-801(a)(6);
- 25 (13) Vary the requirement to wind up the partnership's activities and affairs as specified in
26 §§ 7-13.1-802(a), (b)(1), and 7-13.1-802(d);
- 27 (14) Unreasonably restrict the right of a partner to maintain an action under article 9 of this
28 chapter;
- 29 (15) Vary the provisions of § 7-13.1-905, but the partnership agreement may provide that
30 the partnership may not have a special litigation committee;
- 31 (16) Vary the right of a partner to approve a merger, interest exchange, conversion, or
32 domestication under §§ 7-13.1-11.23(a)(2), 7-13.1-11.33(a)(2), 7-13.1-11.43(a)(2), or 7-13.1-
33 11.53(a)(2);
- 34 (17) Vary the required contents of a plan of merger under § 7-13.1-11.22(a), plan of interest

1 exchange under § 7-13.1-11.32(a), plan of conversion under § 7-13.1-11.42(a), or plan of
2 domestication under § 7-13.1-11.52(a); or

3 (18) Except as otherwise provided in §§ 7-13.1-106 and 7-13.1-107(b), restrict the rights
4 under this chapter of a person other than a partner.

5 (d) Subject to subsection (c)(8) of this section, without limiting other terms that may be
6 included in a partnership agreement, the following rules apply:

7 (1) The partnership agreement may:

8 (i) Specify the method by which a specific act or transaction that would otherwise violate
9 the duty of loyalty may be authorized or ratified by one or more disinterested and independent
10 persons after full disclosure of all material facts; and

11 (ii) Alter the prohibition in § 7-13.1-504(a)(2) so that the prohibition requires only that the
12 partnership's total assets not be less than the sum of its total liabilities.

13 (2) If not manifestly unreasonable, the partnership agreement may:

14 (i) Alter or eliminate the aspects of the duty of loyalty stated in § 7-13.1-409(b);

15 (ii) Identify specific types or categories of activities that do not violate the duty of loyalty;

16 (iii) Alter the duty of care, but may not authorize conduct involving bad faith, willful or
17 intentional misconduct, or knowing violation of law; and

18 (iv) Alter or eliminate any other fiduciary duty.

19 (e) The Providence County superior court shall decide as a matter of law whether a term of
20 a partnership agreement is manifestly unreasonable under subsection (c)(7) or (d)(2) of this section.
21 The Providence County superior court:

22 (1) Shall make its determination as of the time the challenged term became part of the
23 partnership agreement and by considering only circumstances existing at that time; and

24 (2) May invalidate the term only if, in light of the purposes, activities, and affairs of the
25 limited partnership, it is readily apparent that:

26 (i) The objective of the term is unreasonable; or

27 (ii) The term is an unreasonable means to achieve its objective.

28 **7-13.1-106. Partnership agreement -- Effect on limited partnership and person**
29 **becoming partner -- Preformation agreement.**

30 (a) A limited partnership is bound by and may enforce the partnership agreement, whether
31 or not the partnership has itself manifested assent to the agreement.

32 (b) A person that becomes a partner is deemed to assent to the partnership agreement.

33 (c) Two (2) or more persons intending to become the initial partners of a limited partnership
34 may make an agreement providing that upon the formation of the partnership the agreement will

1 become the partnership agreement.

2 **7-13.1-107. Partnership agreement -- Effect on third parties and relationship to**
3 **records effective on behalf of limited partnership.**

4 (a) A partnership agreement may specify that its amendment requires the approval of a
5 person that is not a party to the agreement or the satisfaction of a condition. An amendment is
6 ineffective if its adoption does not include the required approval or satisfy the specified condition.

7 (b) The obligations of a limited partnership and its partners to a person in the person's
8 capacity as a transferee or person dissociated as a partner are governed by the partnership
9 agreement. Subject only to a court order issued under § 7-13.1-703(b)(2) to effectuate a charging
10 order, an amendment to the partnership agreement made after a person becomes a transferee or is
11 dissociated as a partner:

12 (1) Is effective with regard to any debt, obligation, or other liability of the partnership or
13 its partners to the person in the person's capacity as a transferee or person dissociated as a partner;
14 and

15 (2) Is not effective to the extent the amendment imposes a new debt, obligation, or other
16 liability on the transferee or person dissociated as a partner.

17 (c) If a record delivered by a limited partnership to the secretary of state for filing becomes
18 effective and contains a provision that would be ineffective under §§ 7-13.1-105(c) or 7-13.1-
19 105(d)(2) if contained in the partnership agreement, the provision is ineffective in the record.

20 (d) Subject to subsection (c) of this section, if a record delivered by a limited partnership
21 to the secretary of state for filing becomes effective and conflicts with a provision of the partnership
22 agreement:

23 (1) The agreement prevails as to partners, persons dissociated as partners, and transferees;
24 and

25 (2) The record prevails as to other persons to the extent they reasonably rely on the record.

26 **7-13.1-108. Required information.**

27 A limited partnership shall maintain at its principal office the following information:

28 (1) A current list showing the full name and last known street and mailing address of each
29 partner, separately identifying the general partners, in alphabetical order, and the limited partners,
30 in alphabetical order;

31 (2) A copy of the initial certificate of limited partnership and all amendments to and
32 restatements of the certificate, together with signed copies of any powers of attorney under which
33 any certificate, amendment, or restatement has been signed;

34 (3) A copy of any filed articles of merger, interest exchange, conversion, or domestication;

1 (4) A copy of the partnership's federal, state, and local income tax returns and reports, if
2 any, for the three (3) most recent years;

3 (5) A copy of any partnership agreement made in a record and any amendment made in a
4 record to any partnership agreement;

5 (6) A copy of any financial statement of the partnership for the three (3) most recent years;

6 (7) A copy of the three (3) most recent annual reports delivered by the partnership to the
7 secretary of state pursuant to § 7-13.1-212;

8 (8) A copy of any record made by the partnership during the past three (3) years of any
9 consent given by or vote taken of any partner pursuant to this chapter or the partnership agreement;

10 and

11 (9) Unless contained in a partnership agreement made in a record, a record stating:

12 (i) A description and statement of the agreed value of contributions other than money made
13 and agreed to be made by each partner;

14 (ii) The times at which, or events on the happening of which, any additional contributions
15 agreed to be made by each partner are to be made;

16 (iii) For any person that is both a general partner and a limited partner, a specification of
17 what transferable interest the person owns in each capacity; and

18 (iv) Any events upon the happening of which the partnership is to be dissolved and its
19 activities and affairs wound up.

20 **7-13.1-109. Dual capacity.**

21 A person may be both a general partner and a limited partner. A person that is both a general
22 and limited partner has the rights, powers, duties, and obligations provided by this chapter and the
23 partnership agreement in each of those capacities. When the person acts as a general partner, the
24 person is subject to the obligations, duties, and restrictions under this chapter and the partnership
25 agreement for general partners. When the person acts as a limited partner, the person is subject to
26 the obligations, duties, and restrictions under this chapter and the partnership agreement for limited
27 partners.

28 **7-13.1-110. Nature, purpose, and duration of limited partnership.**

29 (a) A limited partnership is an entity distinct from its partners. A limited partnership is the
30 same entity regardless of whether its certificate states that the limited partnership is a limited
31 liability limited partnership.

32 (b) A limited partnership may have any lawful purpose, regardless of whether for profit.

33 (c) A limited partnership has perpetual duration.

34 **7-13.1-111. Powers.**

1 A limited partnership has the capacity to sue and be sued in the name of the partnership
2 and the power to do all things necessary or convenient to carry on the partnership's activities and
3 affairs.

4 **7-13.1-112. Application to existing relationships -- Effect of repeal of prior acts.**

5 (a) Before the effective date of this chapter, this chapter governs only:

6 (1) A limited partnership formed on or after the effective date of this chapter; and

7 (2) Except as otherwise provided in subsections (c) and (d) of this section, a limited
8 partnership formed before the effective date of this chapter which elects, in the manner provided in
9 its partnership agreement or by law for amending the partnership agreement, to be subject to this
10 chapter.

11 (b) Except as otherwise provided in subsections (c) and (d) of this section, on and after the
12 effective date of this chapter, this chapter governs all limited partnerships.

13 (c) With respect to a limited partnership formed before the effective date of this chapter,
14 the following rules apply except as the partners otherwise elect in the manner provided in the
15 partnership agreement or by law for amending the partnership agreement:

16 (1) Section 7-13.1-110(c) does not apply and the limited partnership has whatever duration
17 it had under the law applicable immediately before the effective date of this chapter.

18 (2) The limited partnership is not required to amend its certificate of limited partnership to
19 comply with § 7-13.1-201(b)(5).

20 (3) Sections 7-13.1-601 and 7-13.1-602 do not apply and a limited partner has the same
21 right and power to dissociate from the limited partnership, with the same consequences, as existed
22 immediately before the effective date of this chapter.

23 (4) Section 7-13.1-603(4) does not apply.

24 (5) Section 7-13.1-603(5) does not apply and a court has the same power to expel a general
25 partner as the court had immediately before the effective date of this chapter.

26 (6) Section 7-13.1-801(a)(3) does not apply and the connection between a person's
27 dissociation as a general partner and the dissolution of the limited partnership is the same as existed
28 immediately before the effective date of this chapter.

29 (d) With respect to a limited partnership that elects pursuant to subsection (a)(2) of this
30 section to be subject to this chapter, after the election takes effect the provisions of this chapter
31 relating to the liability of the limited partnership's general partners to third parties apply:

32 (1) Before the effective date, to:

33 (i) A third party that had not done business with the limited partnership in the year before
34 the election took effect; and

1 (ii) A third party that had done business with the limited partnership in the year before the
2 election took effect only if the third party knows or has been notified of the election; and

3 (2) On and after the effective date, to all third parties, but those provisions remain
4 inapplicable to any obligation incurred while those provisions were inapplicable under subsection
5 (d)(1)(ii) of this section.

6 (e) The repeal of a prior act by this chapter does not impair, diminish or affect any right,
7 privilege or immunity accrued or established, any suit pending, any right of action conferred, or
8 any duty, restriction, liability or penalty imposed or required, under the provisions of the act, prior
9 to the repeal.

10 **7-13.1-113. Supplemental principles of law.**

11 Unless displaced by particular provisions of this chapter, the principles of law and equity
12 supplement this chapter.

13 **7-13.1-114. Permitted names.**

14 (a) The name of a limited partnership may contain the name of any partner.

15 (b) The name of a limited partnership that is not a limited liability limited partnership must
16 contain the phrase "limited partnership" or the abbreviation "LP" or "L.P." and may not contain the
17 phrase "limited liability limited partnership" or the abbreviation "LLLP" or "L.L.L.P.".

18 (c) The name of a limited liability limited partnership must contain the phrase "limited
19 liability limited partnership" or the abbreviation "LLLP" or "L.L.L.P." and must not contain the
20 abbreviation "LP" or "L.P.".

21 (d) Except as otherwise provided in subsection (g) of this section, the name of a limited
22 partnership, and the name under which a foreign limited partnership may register to do business in
23 this state, must be distinguishable on the records of the secretary of state from any:

24 (1) Name of an existing person whose formation required the filing of a record by the
25 secretary of state and which is not at the time administratively dissolved;

26 (2) Name of a limited liability partnership whose statement of qualification is in effect;

27 (3) Name under which a person is registered to do business in this state by the filing of a
28 record by the secretary of state;

29 (4) Name reserved under § 7-13.1-115 or other law of this state providing for the
30 reservation of a name by the filing of a record by the secretary of state;

31 (5) Name registered under § 7-13.1-116 or other law of this state providing for the
32 registration of a name by the filing of a record by the secretary of state; and

33 (6) Name registered under §§ 7-16-9 or 7-1.2-402.

34 (e) If a person consents in a record to the use of its name and submits an undertaking in a

1 form satisfactory to the secretary of state to change its name to a name that is distinguishable on
2 the records of the secretary of state from any name in any category of names in subsection (d) of
3 this section, the name of the consenting person may be used by the person to which the consent
4 was given.

5 (f) Except as otherwise provided in subsection (g) of this section, in determining whether
6 a name is the same as or not distinguishable on the records of the secretary of state from the name
7 of another person, words, phrases, or abbreviations indicating the type of person, such as
8 "corporation", "corp.", "incorporated", "Inc.", "professional corporation", "PC", "P.C.",
9 "professional association", "PA", "P.A.", "Limited", "Ltd.", "limited partnership", "LP", "L.P.",
10 "limited liability partnership", "LLP", "L.L.P.", "registered limited liability partnership", "RLLP",
11 "R.L.L.P.", "limited liability limited partnership", "LLLLP", "L.L.L.P.", "registered limited liability
12 limited partnership", "RLLLLP", "R.L.L.L.P.", "limited liability company", "LLC", "L.L.C.",
13 "limited cooperative association", "limited cooperative", "LCA", or "L.C.A." may not be taken into
14 account.

15 (g) A person may consent in a record to the use of a name that is not distinguishable on the
16 records of the secretary of state from its name except for the addition of a word, phrase, or
17 abbreviation indicating the type of person as provided in subsection (f) of this section. In such a
18 case, the person need not change its name pursuant to subsection (e) of this section.

19 (h) The name of a limited liability partnership or foreign limited liability partnership may
20 not contain any obscene language, any language that indicates or implies the entity is connected or
21 associated with a government agency, or any language that implies the entity is organized for an
22 illegal or impermissible purpose.

23 (i) A limited partnership or foreign limited partnership may use a name that is not
24 distinguishable from a name described in subsections (d)(1) through (d)(6) of this section if the
25 partnership delivers to the secretary of state a certified copy of a final judgment of a court of
26 competent jurisdiction establishing the right of the partnership to use the name in this state.

27 **7-13.1-115. Reservation of name.**

28 (a) A person may reserve the exclusive use of a name that complies with § 7-13.1-114 by
29 delivering an application to the secretary of state for filing. The application must state the name
30 and address of the applicant and the name to be reserved. If the secretary of state finds that the
31 name is available, the secretary of state shall reserve the name for the applicant's exclusive use for
32 one hundred twenty (120) days.

33 (b) The owner of a reserved name may transfer the reservation to another person by
34 delivering to the secretary of state a signed notice in a record of the transfer which states the name

1 and address of the person to which the reservation is being transferred.

2 **7-13.1-116. Registration of name.**

3 (a) A foreign limited partnership not registered to do business in this state under article 10
4 of this chapter may register its name, or an alternate name adopted pursuant to § 7-13.1-1006, if
5 the name is distinguishable on the records of the secretary of state from the names that are not
6 available under § 7-13.1-114.

7 (b) To register its name or an alternate name adopted pursuant to § 7-13.1-1006, a foreign
8 limited partnership must deliver to the secretary of state for filing an application stating the
9 partnership's name, the jurisdiction and date of its formation, and any alternate name adopted
10 pursuant to § 7-13.1-1006. If the secretary of state finds that the name applied for is available, the
11 secretary of state shall register the name for the applicant's exclusive use.

12 (c) The registration of a name under this section is effective for one year after the date of
13 registration.

14 (d) A foreign limited partnership whose name registration is effective may renew the
15 registration for successive one-year periods by delivering, not earlier than three (3) months before
16 the expiration of the registration, to the secretary of state for filing a renewal application that
17 complies with this section. When filed, the renewal application renews the registration for a
18 succeeding one-year period.

19 (e) A foreign limited partnership whose name registration is effective may register as a
20 foreign limited partnership under the registered name or consent in a signed record to the use of
21 that name by another person that is not an individual.

22 **7-13.1-117. Registered agent.**

23 (a) Each limited partnership and each registered foreign limited partnership shall designate
24 and maintain a registered agent in this state. The designation of a registered agent is an affirmation
25 of fact by the limited partnership or registered foreign limited partnership that the agent has
26 consented to serve.

27 (b) A registered agent for a limited partnership or registered foreign limited partnership
28 must have a place of business in this state.

29 (c) The only duties under this chapter of a registered agent that has complied with this
30 chapter are:

31 (1) To forward to the limited partnership or registered foreign limited partnership at the
32 address most recently supplied to the agent by the partnership or foreign partnership any process,
33 notice, or demand pertaining to the partnership or foreign partnership which is served on or received
34 by the agent;

1 (2) If the registered agent resigns, to provide the notice required by § 7-13.1-119(c) to the
2 partnership or foreign partnership at the address most recently supplied to the agent by the
3 partnership or foreign partnership; and

4 (3) To keep current the information with respect to the agent in the certificate of limited
5 partnership.

6 **7-13.1-118. Change of registered agent or address for registered agent by limited**
7 **partnership.**

8 (a) A limited partnership or registered foreign limited partnership may change its registered
9 agent or the address of its registered agent by delivering to the secretary of state for filing a
10 statement of change that states:

11 (1) The name of the partnership or foreign partnership; and

12 (2) The information that is to be in effect as a result of the filing of the statement of change.

13 (b) The general or limited partners of a limited partnership need not approve the delivery
14 to the secretary of state for filing of:

15 (1) A statement of change under this section; or

16 (2) A similar filing changing the registered agent or registered office, if any, of the
17 partnership in any other jurisdiction.

18 (c) A statement of change under this section designating a new registered agent is an
19 affirmation of fact by the limited partnership or registered foreign limited partnership that the agent
20 has consented to serve.

21 (d) As an alternative to using the procedure in this section, a limited partnership may amend
22 its certificate of limited partnership.

23 **7-13.1-119. Resignation of registered agent.**

24 (a) A registered agent may resign as an agent for a limited partnership or registered foreign
25 limited partnership by delivering to the secretary of state for filing a statement of resignation that
26 states:

27 (1) The name of the partnership or foreign partnership;

28 (2) The name of the agent;

29 (3) That the agent resigns from serving as registered agent for the partnership or foreign
30 partnership; and

31 (4) The address of the partnership or foreign partnership to which the agent will send the
32 notice required by subsection (c) of this section.

33 (b) A statement of resignation takes effect on the earlier of:

34 (1) The thirty-first day after the day on which it is filed by the secretary of state; or

1 (2) The designation of a new registered agent for the limited partnership or registered
2 foreign limited partnership.

3 (c) A registered agent promptly shall furnish to the limited partnership or registered foreign
4 limited partnership notice in a record of the date on which a statement of resignation was filed.

5 (d) When a statement of resignation takes effect, the registered agent ceases to have
6 responsibility under this chapter for any matter thereafter tendered to it as agent for the limited
7 partnership or registered foreign limited partnership. The resignation does not affect any contractual
8 rights the partnership or foreign partnership has against the agent or that the agent has against the
9 partnership or foreign partnership.

10 (e) A registered agent may resign with respect to a limited partnership or registered foreign
11 limited partnership whether or not the partnership or foreign partnership is in good standing.

12 **7-13.1-120. Change of name or address by registered agent.**

13 (a) If a registered agent changes its name or address, the agent may deliver to the secretary
14 of state for filing a statement of change that states:

15 (1) The name of the limited partnership or registered foreign limited partnership
16 represented by the registered agent;

17 (2) The name of the agent as currently shown in the records of the secretary of state for the
18 partnership or foreign partnership;

19 (3) If the name of the agent has changed, its new name; and

20 (4) If the address of the agent has changed, its new address.

21 (b) A registered agent promptly shall furnish notice to the represented limited partnership
22 or registered foreign limited partnership of the filing by the secretary of state of the statement of
23 change and the changes made by the statement.

24 **7-13.1-121. Service of process, notice, or demand.**

25 (a) A limited partnership or registered foreign limited partnership may be served with any
26 process, notice, or demand required or permitted by law by serving its registered agent.

27 (b) If a limited partnership or registered foreign limited partnership ceases to have a
28 registered agent, or if its registered agent cannot with reasonable diligence be served, the
29 partnership or foreign partnership may be served by registered or certified mail, return receipt
30 requested, or by similar commercial delivery service, addressed to the partnership or foreign
31 partnership at its principal office. The address of the principal office must be as shown in the
32 partnership's or foreign partnership's most recent annual report filed by the secretary of state.
33 Service is effected under this subsection on the earliest of:

34 (1) The date the partnership or foreign partnership receives the mail or delivery by the

1 commercial delivery service:

2 (2) The date shown on the return receipt, if signed by the partnership or foreign partnership;

3 or

4 (3) Five (5) days after its deposit with the United States Postal Service, or with the
5 commercial delivery service, if correctly addressed and with sufficient postage or payment.

6 (c) If process, notice, or demand cannot be served on a limited partnership or registered
7 foreign limited partnership pursuant to subsections (a) or (b) of this section, service may be made
8 by handing a copy to the individual in charge of any regular place of business or activity of the
9 partnership or foreign partnership if the individual served is not a plaintiff in the action.

10 (d) Service of process, notice, or demand on a registered agent must be in a written record.

11 (e) Service of process, notice, or demand may be made by other means under law other
12 than this chapter.

13 **7-13.1-122. Delivery of record.**

14 (a) Except as otherwise provided in this chapter, permissible means of delivery of a record
15 include delivery by hand, mail, conventional commercial practice, and electronic transmission.

16 (b) Delivery to the secretary of state is effective only when a record is received by the
17 secretary of state.

18 **7-13.1-123. Reservation of power to amend or repeal.**

19 The legislature of this state has power to amend or repeal all or part of this chapter at any
20 time, and all limited partnerships and foreign limited partnerships subject to this chapter are
21 governed by the amendment or repeal.

22 ARTICLE 2

23 FORMATION -- CERTIFICATE OF LIMITED PARTNERSHIP AND OTHER

24 FILINGS

25 **7-13.1-201. Formation of limited partnership -- Certificate of limited partnership.**

26 (a) To form a limited partnership, a person must deliver a certificate of limited partnership
27 to the secretary of state for filing.

28 (b) A certificate of limited partnership must state:

29 (1) The name of the limited partnership, which must comply with § 7-13.1-114;

30 (2) The street and mailing addresses of the partnership's principal office;

31 (3) The name and street and mailing addresses in this state of the partnership's registered
32 agent;

33 (4) The name and street and mailing addresses of each general partner; and

34 (5) Whether the limited partnership is a limited liability limited partnership.

1 (c) A certificate of limited partnership may contain statements as to matters other than those
2 required by subsection (b) of this section, but may not vary or otherwise affect the provisions
3 specified in §§ 7-13.1-105(c) and 7-13.1-105(d) in a manner inconsistent with that section.

4 (d) A limited partnership is formed when:

5 (1) The certificate of limited partnership becomes effective;

6 (2) At least two (2) persons have become partners;

7 (3) At least one person has become a general partner; and

8 (4) At least one person has become a limited partner.

9 **7-13.1-202. Amendment or restatement of certificate of limited partnership.**

10 (a) A certificate of limited partnership may be amended or restated at any time.

11 (b) To amend its certificate of limited partnership, a limited partnership must deliver to the
12 secretary of state for filing an amendment stating:

13 (1) The name of the partnership;

14 (2) The date of filing of its initial certificate; and

15 (3) The text of the amendment.

16 (c) To restate its certificate of limited partnership, a limited partnership must deliver to the
17 secretary of state for filing a restatement, designated as such in its heading.

18 (d) A limited partnership shall promptly deliver to the secretary of state for filing an
19 amendment to a certificate of limited partnership to reflect:

20 (1) The admission of a new general partner;

21 (2) The dissociation of a person as a general partner; or

22 (3) The appointment of a person to wind up the limited partnership's activities and affairs
23 under §§ 7-13.1-802(c) or 7-13.1-802(d).

24 (e) If a general partner knows that any information in a filed certificate of limited
25 partnership was inaccurate when the certificate was filed or has become inaccurate due to changed
26 circumstances, the general partner shall promptly:

27 (1) Cause the certificate to be amended; or

28 (2) If appropriate, deliver to the secretary of state for filing a statement of change under §
29 7-13.1-118 or a statement of correction under § 7-13.1-209.

30 **7-13.1-203. Signing of records to be delivered for filing to secretary of state.**

31 (a) A record delivered to the secretary of state for filing pursuant to this chapter must be
32 signed as follows:

33 (1) An initial certificate of limited partnership must be signed by all general partners listed
34 in the certificate.

1 (2) An amendment to the certificate of limited partnership adding or deleting a statement
2 that the limited partnership is a limited liability limited partnership must be signed by all general
3 partners listed in the certificate.

4 (3) An amendment to the certificate of limited partnership designating as general partner a
5 person admitted under § 7-13.1-801(a)(3)(ii) following the dissociation of a limited partnership's
6 last general partner must be signed by that person.

7 (4) An amendment to the certificate of limited partnership required by § 7-13.1-802(c)
8 following the appointment of a person to wind up the dissolved limited partnership's activities and
9 affairs must be signed by that person.

10 (5) Any other amendment to the certificate of limited partnership must be signed by:

11 (i) At least one general partner listed in the certificate;

12 (ii) Each person designated in the amendment as a new general partner; and

13 (iii) Each person that the amendment indicates has dissociated as a general partner, unless:

14 (A) The person is deceased or a guardian or general conservator has been appointed for the
15 person and the amendment so states; or

16 (B) The person has previously delivered to the secretary of state for filing a statement of
17 dissociation.

18 (6) A restated certificate of limited partnership must be signed by at least one general
19 partner listed in the certificate, and, to the extent the restated certificate effects a change under any
20 other subsection of this section, the certificate must be signed in a manner that satisfies that
21 paragraph.

22 (7) A statement of termination must be signed by all general partners listed in the certificate
23 of limited partnership or, if the certificate of a dissolved limited partnership lists no general
24 partners, by the person appointed pursuant to §§ 7-13.1-802(c) or 7-13.1-802(d) to wind up the
25 dissolved limited partnership's activities and affairs.

26 (8) Any other record delivered by a limited partnership to the secretary of state for filing
27 must be signed by at least one general partner listed in the certificate of limited partnership.

28 (9) A statement by a person pursuant to § 7-13.1-605(a)(3) stating that the person has
29 dissociated as a general partner must be signed by that person.

30 (10) A statement of negation by a person pursuant to § 7-13.1-306 must be signed by that
31 person.

32 (11) Any other record delivered on behalf of a person to the secretary of state for filing
33 must be signed by that person.

34 (b) Any record delivered for filing under this chapter may be signed by an agent. Whenever

1 this chapter requires a particular individual to sign a record and the individual is deceased or
2 incompetent, the record may be signed by a legal representative of the individual.

3 (c) A person that signs a record as an agent or legal representative thereby affirms as a fact
4 that the person is authorized to sign the record.

5 **7-13.1-204. Signing and filing pursuant to judicial order.**

6 (a) If a person required by this chapter to sign a record or deliver a record to the secretary
7 of state for filing under this chapter does not do so, any other person that is aggrieved may petition
8 the superior court to order:

9 (1) The person to sign the record;

10 (2) The person to deliver the record to the secretary of state for filing; or

11 (3) The secretary of state to file the record unsigned.

12 (b) If a petitioner under subsection (a) of this section is not the limited partnership or
13 foreign limited partnership to which the record pertains, the petitioner shall make the partnership
14 or foreign partnership a party to the action.

15 (c) A record filed under subsection (a)(3) of this section is effective without being signed.

16 **7-13.1-205. Liability for inaccurate information in filed record.**

17 (a) If a record delivered to the secretary of state for filing under this chapter and filed by
18 the secretary of state contains inaccurate information, a person that suffers loss by reliance on the
19 information may recover damages for the loss from:

20 (1) A person that signed the record, or caused another to sign it on the person's behalf, and
21 knew the information to be inaccurate at the time the record was signed; and

22 (2) A general partner if:

23 (i) The record was delivered for filing on behalf of the partnership; and

24 (ii) The general partner knew or had notice of the inaccuracy for a reasonably sufficient
25 time before the information was relied upon so that, before the reliance, the general partner
26 reasonably could have:

27 (A) Effected an amendment under § 7-13.1-202;

28 (B) Filed a petition under § 7-13.1-204; or

29 (C) filed with the secretary of state a statement of change under § 7-13.1-118 or a statement
30 of correction under § 7-13.1-209.

31 (b) An individual who signs a record authorized or required to be filed under this chapter
32 affirms under penalty of perjury that the information stated in the record is accurate.

33 **7-13.1-206. Filing requirements.**

34 (a) To be filed by the secretary of state pursuant to this chapter, a record must be received

1 by the secretary of state, must comply with this chapter, and satisfy the following:

2 (1) The filing of the record must be required or permitted by this chapter.

3 (2) The record must be physically delivered in written form unless and to the extent the
4 secretary of state permits electronic delivery of records.

5 (3) The words in the record must be in English, and numbers must be in Arabic or Roman
6 numerals, but the name of an entity need not be in English if written in English letters or Arabic or
7 Roman numerals.

8 (4) The record must be signed by a person authorized or required under this chapter to sign
9 the record.

10 (5) The record must state the name and capacity, if any, of each individual who signed it,
11 either on behalf of the individual or the person authorized or required to sign the record, but need
12 not contain a seal, attestation, acknowledgment, or verification.

13 (b) If law other than this chapter prohibits the disclosure by the secretary of state of
14 information contained in a record delivered to the secretary of state for filing, the secretary of state
15 shall file the record if the record otherwise complies with this chapter but may redact the
16 information.

17 (c) When a record is delivered to the secretary of state for filing, any fee required under
18 this chapter and any fee, tax, interest, or penalty required to be paid under this chapter or law other
19 than this chapter must be paid in a manner permitted by the secretary of state or by that law.

20 (d) The secretary of state may require that a record delivered in written form be
21 accompanied by an identical or conformed copy.

22 (e) The secretary of state may provide forms for filings required or permitted to be made
23 by this chapter, but, except as otherwise provided in subsection (f) of this section, their use is not
24 required.

25 (f) The secretary of state may require that a cover sheet for a filing be on a form prescribed
26 by the secretary of state.

27 **7-13.1-207. Effective date and time.**

28 Except as otherwise provided in § 7-13.1-208 and subject to § 7-13.1-209(d), a record filed
29 under this chapter is effective:

30 (1) On the date and at the time of its filing by the secretary of state, as provided in § 7-
31 13.1-210(b);

32 (2) On the date of filing and at the time specified in the record as its effective time, if later
33 than the time under subsection (1) of this section;

34 (3) At a specified delayed effective date and time, which may not be more than ninety (90)

1 days after the date of filing; or

2 (4) If a delayed effective date is specified, but no time is specified, at 12:01 a.m. on the
3 date specified, which may not be more than ninety (90) days after the date of filing.

4 **7-13.1-208. Withdrawal of filed record before effectiveness.**

5 (a) Except as otherwise provided in §§ 7-13.1-11.24, 7-13.1-11.34, 7-13.1-11.44, and 7-
6 13.1-11.54, a record delivered to the secretary of state for filing may be withdrawn before it takes
7 effect by delivering to the secretary of state for filing a statement of withdrawal.

8 (b) A statement of withdrawal must:

9 (1) Be signed by each person that signed the record being withdrawn, except as otherwise
10 agreed by those persons;

11 (2) Identify the record to be withdrawn; and

12 (3) If signed by fewer than all the persons that signed the record being withdrawn, state
13 that the record is withdrawn in accordance with the agreement of all the persons that signed the
14 record.

15 (c) On filing by the secretary of state of a statement of withdrawal, the action or transaction
16 evidenced by the original record does not take effect.

17 **7-13.1-209. Correcting filed record.**

18 (a) A person on whose behalf a filed record was delivered to the secretary of state for filing
19 may correct the record if:

20 (1) The record at the time of filing was inaccurate;

21 (2) The record was defectively signed; or

22 (3) The electronic transmission of the record to the secretary of state was defective.

23 (b) To correct a filed record, a person on whose behalf the record was delivered to the
24 secretary of state must deliver to the secretary of state for filing a statement of correction.

25 (c) A statement of correction:

26 (1) May not state a delayed effective date;

27 (2) Must be signed by the person correcting the filed record;

28 (3) Must identify the filed record to be corrected;

29 (4) Must specify the inaccuracy or defect to be corrected; and

30 (5) Must correct the inaccuracy or defect.

31 (d) A statement of correction is effective as of the effective date of the filed record that it
32 corrects except for purposes of § 7-13.1-103(d) and as to persons relying on the uncorrected filed
33 record and adversely affected by the correction. For those purposes and as to those persons, the
34 statement of correction is effective when filed.

1 **7-13.1-210. Duty of secretary of state to file -- Review of refusal to file -- Delivery of**
2 **record by secretary of state.**

3 (a) The secretary of state shall file a record delivered to the secretary of state for filing
4 which satisfies this chapter. The duty of the secretary of state under this section is ministerial.

5 (b) When the secretary of state files a record, the secretary of state shall record it as filed
6 on the date and at the time of its delivery. After filing a record, the secretary of state shall deliver
7 to the person that submitted the record a copy of the record with an acknowledgment of the date
8 and time of filing.

9 (c) If the secretary of state refuses to file a record, the secretary of state shall, not later than
10 fifteen (15) business days after the record is delivered:

11 (1) Return the record or notify the person that submitted the record of the refusal; and

12 (2) Provide a brief explanation in a record of the reason for the refusal.

13 (d) If the secretary of state refuses to file a record, the person that submitted the record may
14 petition the superior court to compel filing of the record. The record and the explanation of the
15 secretary of state of the refusal to file must be attached to the petition. The court may decide the
16 matter in a summary proceeding.

17 (e) The filing of or refusal to file a record does not:

18 (1) Affect the validity or invalidity of the record in whole or in part; or

19 (2) Create a presumption that the information contained in the record is correct or incorrect.

20 (f) Except as otherwise provided by § 7-13.1-121 or by law other than this chapter, the
21 secretary of state may deliver any record to a person by delivering it:

22 (1) In person to the person that submitted it;

23 (2) To the address of the person's registered agent;

24 (3) To the principal office of the person; or

25 (4) To another address the person provides to the secretary of state for delivery.

26 **7-13.1-211. Certificate of good standing or registration.**

27 (a) On request of any person, the secretary of state shall issue a certificate of good standing
28 for a limited partnership or a certificate of registration for a registered foreign limited partnership.

29 (b) A certificate under subsection (a) of this section must state:

30 (1) The limited partnership's name or the registered foreign limited partnership's name used
31 in this state;

32 (2) In the case of a limited partnership:

33 (i) That a certificate of limited partnership has been filed and has taken effect;

34 (ii) The date the certificate became effective;

1 (iii) The period of the partnership's duration if the records of the secretary of state reflect
2 that its period of duration is less than perpetual; and

3 (iv) That:

4 (A) No statement of administrative dissolution, or statement of termination has been filed;

5 (B) The records of the secretary to state do not otherwise reflect that the partnership has
6 been dissolved or terminated; and

7 (C) A proceeding is not pending under § 7-13.1-811;

8 (3) In the case of a registered foreign limited partnership, that it is registered to do business
9 in this state;

10 (4) That all fees, taxes, interest, and penalties owed to this state by the limited partnership
11 or the foreign partnership and collected through the secretary of state have been paid, if:

12 (i) Payment is reflected in the records of the secretary of state; and

13 (ii) Nonpayment affects the good standing or registration of the partnership or foreign
14 partnership;

15 (5) That the most recent annual report required by § 7-13.1-212 has been delivered to the
16 secretary of state for filing; and

17 (6) Other facts reflected in the records of the secretary of state pertaining to the limited
18 partnership or foreign limited partnership which the person requesting the certificate reasonably
19 requests.

20 (c) Subject to any qualification stated in the certificate, a certificate issued by the secretary
21 of state under subsection (a) of this section may be relied on as conclusive evidence of the facts
22 stated in the certificate.

23 **7-13.1-212. Annual report for secretary of state.**

24 (a) A limited partnership or registered foreign limited partnership shall deliver to the
25 secretary of state for filing an annual report that states:

26 (1) The name of the partnership or foreign partnership;

27 (2) The name and street and mailing addresses of its registered agent in this state;

28 (3) The street and mailing addresses of its principal office;

29 (4) The name of at least one general partner; and

30 (5) In the case of a foreign partnership, its jurisdiction of formation and any alternate name
31 adopted under § 7-13.1-1006(a).

32 (b) Information in the annual report must be current as of the date the report is signed by
33 the limited partnership or registered foreign limited partnership.

34 (c) The first annual report must be delivered to the secretary of state for filing after January

1 1 and before April 1 of the year following the calendar year in which the limited partnership's
2 certificate of limited partnership became effective or the registered foreign limited partnership
3 registered to do business in this state. Subsequent annual reports must be delivered to the secretary
4 of state for filing after January 1 and before April 1 of each calendar year thereafter.

5 (d) If an annual report does not contain the information required by this section, the
6 secretary of state promptly shall notify the reporting limited partnership or registered foreign
7 limited partnership in a record and return the report for correction.

8 (e) If an annual report contains the name or address of a registered agent which differs from
9 the information shown in the records of the secretary of state immediately before the report
10 becomes effective, the differing information is considered a statement of change under § 7-13.1-
11 118.

12 ARTICLE 3

13 LIMITED PARTNERS

14 **7-13.1-301. Becoming limited partner.**

15 (a) Upon formation of a limited partnership, a person becomes a limited partner as agreed
16 among the persons that are to be the initial partners.

17 (b) After formation, a person becomes a limited partner:

18 (1) As provided in the partnership agreement;

19 (2) As the result of a transaction effective under article 11 of this chapter;

20 (3) With the affirmative vote or consent of all the partners; or

21 (4) As provided in §§ 7-13.1-801(a)(4) or 7-13.1-801(a)(5).

22 (c) A person may become a limited partner without:

23 (1) Acquiring a transferable interest; or

24 (2) Making or being obligated to make a contribution to the limited partnership.

25 **7-13.1-302. No agency power of limited partner as limited partner.**

26 (a) A limited partner is not an agent of a limited partnership solely by reason of being a
27 limited partner.

28 (b) A person's status as a limited partner does not prevent or restrict law other than this
29 chapter from imposing liability on a limited partnership because of the person's conduct.

30 **7-13.1-303. No liability as limited partner for limited partnership obligations.**

31 (a) A debt, obligation, or other liability of a limited partnership is not the debt, obligation,
32 or other liability of a limited partner. A limited partner is not personally liable, directly or indirectly,
33 by way of contribution or otherwise, for a debt, obligation, or other liability of the partnership solely
34 by reason of being or acting as a limited partner, even if the limited partner participates in the

1 management and control of the limited partnership. This subsection applies regardless of the
2 dissolution of the partnership.

3 (b) The failure of a limited partnership to observe formalities relating to the exercise of its
4 powers or management of its activities and affairs is not a ground for imposing liability on a limited
5 partner for a debt, obligation, or other liability of the partnership.

6 **7-13.1-304. Rights to information of limited partner and person dissociated as limited**
7 **partner.**

8 (a) On ten (10) days' demand, made in a record received by the limited partnership, a
9 limited partner may inspect and copy required information during regular business hours in the
10 limited partnership's principal office. The limited partner need not have any particular purpose for
11 seeking the information.

12 (b) During regular business hours and at a reasonable location specified by the limited
13 partnership, a limited partner may inspect and copy information regarding the activities, affairs,
14 financial condition, and other circumstances of the limited partnership as is just and reasonable if:

15 (1) The limited partner seeks the information for a purpose reasonably related to the
16 partner's interest as a limited partner;

17 (2) The limited partner makes a demand in a record received by the limited partnership,
18 describing with reasonable particularity the information sought and the purpose for seeking the
19 information; and

20 (3) The information sought is directly connected to the limited partner's purpose.

21 (c) Not later than ten (10) days after receiving a demand pursuant to subsection (b) of this
22 section, the limited partnership shall inform in a record the limited partner that made the demand
23 of:

24 (1) What information the partnership will provide in response to the demand and when and
25 where the partnership will provide the information; and

26 (2) The partnership's reasons for declining, if the partnership declines to provide any
27 demanded information.

28 (d) Whenever this chapter or a partnership agreement provides for a limited partner to vote
29 on or give or withhold consent to a matter, before the vote is cast or consent is given or withheld,
30 the limited partnership shall, without demand, provide the limited partner with all information that
31 is known to the partnership and is material to the limited partner's decision.

32 (e) Subject to subsection (j) of this section, on ten (10) days' demand made in a record
33 received by a limited partnership, a person dissociated as a limited partner may have access to
34 information to which the person was entitled while a limited partner if:

1 (1) The information pertains to the period during which the person was a limited partner;
2 (2) The person seeks the information in good faith; and
3 (3) The person satisfies the requirements imposed on a limited partner by subsection (b) of
4 this section.

5 (f) A limited partnership shall respond to a demand made pursuant to subsection (e) of this
6 section in the manner provided in subsection (c) of this section.

7 (g) A limited partnership may charge a person that makes a demand under this section
8 reasonable costs of copying, limited to the costs of labor and material.

9 (h) A limited partner or person dissociated as a limited partner may exercise the rights
10 under this section through an agent or, in the case of an individual under legal disability, a legal
11 representative. Any restriction or condition imposed by the partnership agreement or under
12 subsection (j) of this section applies both to the agent or legal representative and to the limited
13 partner or person dissociated as a limited partner.

14 (i) Subject to § 7-13.1-704, the rights under this section do not extend to a person as
15 transferee.

16 (j) In addition to any restriction or condition stated in its partnership agreement, a limited
17 partnership, as a matter within the ordinary course of its activities and affairs, may impose
18 reasonable restrictions and conditions on access to and use of information to be furnished under
19 this section, including designating information confidential and imposing nondisclosure and
20 safeguarding obligations on the recipient. In a dispute concerning the reasonableness of a restriction
21 under this subsection, the partnership has the burden of proving reasonableness.

22 **7-13.1-305. Limited duties of limited partners.**

23 (a) A limited partner shall discharge any duties to the partnership and the other partners
24 under the partnership agreement and exercise any rights under this chapter or the partnership
25 agreement consistently with the contractual obligation of good faith and fair dealing.

26 (b) Except as otherwise provided in subsection (a) of this section, a limited partner does
27 not have any duty to the limited partnership or to any other partner solely by reason of acting as a
28 limited partner.

29 (c) If a limited partner enters into a transaction with a limited partnership, the limited
30 partner's rights and obligations arising from the transaction are the same as those of a person that
31 is not a partner.

32 **7-13.1-306. Person erroneously believing self to be limited partner.**

33 (a) Except as otherwise provided in subsection (b) of this section, a person that makes an
34 investment in a business enterprise and erroneously but in good faith believes that the person has

1 become a limited partner in the enterprise is not liable for the enterprise's obligations by reason of
2 making the investment, receiving distributions from the enterprise, or exercising any rights of or
3 appropriate to a limited partner, if, on ascertaining the mistake, the person:

4 (1) Causes an appropriate certificate of limited partnership, amendment, or statement of
5 correction to be signed and delivered to the secretary of state for filing; or

6 (2) Withdraws from future participation as an owner in the enterprise by signing and
7 delivering to the secretary of state for filing a statement of negation under this section.

8 (b) A person that makes an investment described in subsection (a) of this section is liable
9 to the same extent as a general partner to any third party that enters into a transaction with the
10 enterprise, believing in good faith that the person is a general partner, before the secretary of state
11 files a statement of negation, certificate of limited partnership, amendment, or statement of
12 correction to show that the person is not a general partner.

13 (c) If a person makes a diligent effort in good faith to comply with subsection (a)(1) of this
14 section and is unable to cause the appropriate certificate of limited partnership, amendment, or
15 statement of correction to be signed and delivered to the secretary of state for filing, the person has
16 the right to withdraw from the enterprise pursuant to subsection (a)(2) of this section even if the
17 withdrawal would otherwise breach an agreement with others that are or have agreed to become
18 co-owners of the enterprise.

19 ARTICLE 4

20 GENERAL PARTNERS

21 **7-13.1-401. Becoming general partner.**

22 (a) Upon formation of a limited partnership, a person becomes a general partner as agreed
23 among the persons that are to be the initial partners.

24 (b) After formation of a limited partnership, a person becomes a general partner:

25 (1) As provided in the partnership agreement;

26 (2) As the result of a transaction effective under article 11 of this chapter;

27 (3) With the affirmative vote or consent of all the partners; or

28 (4) As provided in § 7-13.1-801(a)(3)(ii).

29 (c) A person may become a general partner without:

30 (1) Acquiring a transferable interest; or

31 (2) Making or being obligated to make a contribution to the partnership.

32 **7-13.1-402. General partner agent of limited partnership.**

33 (a) Each general partner is an agent of the limited partnership for the purposes of its
34 activities and affairs. An act of a general partner, including the signing of a record in the

1 partnership's name, for apparently carrying on in the ordinary course the partnership's activities and
2 affairs or activities and affairs of the kind carried on by the partnership binds the partnership, unless
3 the general partner did not have authority to act for the partnership in the particular matter and the
4 person with which the general partner was dealing knew or had notice that the general partner
5 lacked authority.

6 (b) An act of a general partner which is not apparently for carrying on in the ordinary course
7 the limited partnership's activities and affairs or activities and affairs of the kind carried on by the
8 partnership binds the partnership only if the act was actually authorized by all the other partners.

9 **7-13.1-403. Limited partnership liable for general partner's actionable conduct.**

10 (a) A limited partnership is liable for loss or injury caused to a person, or for a penalty
11 incurred, as a result of a wrongful act or omission, or other actionable conduct, of a general partner
12 acting in the ordinary course of activities and affairs of the partnership or with the actual or apparent
13 authority of the partnership.

14 (b) If, in the course of a limited partnership's activities and affairs or while acting with
15 actual or apparent authority of the partnership, a general partner receives or causes the partnership
16 to receive money or property of a person not a partner, and the money or property is misapplied by
17 a general partner, the partnership is liable for the loss.

18 **7-13.1-404. General partner's liability.**

19 (a) Except as otherwise provided in subsections (b) and (c) of this section, all general
20 partners are liable jointly and severally for all debts, obligations, and other liabilities of the limited
21 partnership unless otherwise agreed by the claimant or provided by law.

22 (b) A person that becomes a general partner is not personally liable for a debt, obligation,
23 or other liability of the limited partnership incurred before the person became a general partner.

24 (c) A debt, obligation, or other liability of a limited partnership incurred while the
25 partnership is a limited liability limited partnership is solely the debt, obligation, or other liability
26 of the limited liability limited partnership. A general partner is not personally liable, directly or
27 indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of the limited
28 liability limited partnership solely by reason of being or acting as a general partner. This subsection
29 applies:

30 (1) Despite anything inconsistent in the partnership agreement that existed immediately
31 before the vote or consent required to become a limited liability limited partnership under § 7-13.1-
32 406(b)(2); and

33 (2) Regardless of the dissolution of the partnership.

34 (d) The failure of a limited liability limited partnership to observe formalities relating to

1 the exercise of its powers or management of its activities and affairs is not a ground for imposing
2 liability on a general partner for a debt, obligation, or other liability of the partnership.

3 (e) An amendment of a certificate of limited partnership which deletes a statement that the
4 limited partnership is a limited liability limited partnership does not affect the limitation in this
5 section on the liability of a general partner for a debt, obligation, or other liability of the limited
6 partnership incurred before the amendment became effective.

7 **7-13.1-405. Actions by and against partnership and partners.**

8 (a) To the extent not inconsistent with § 7-13.1-404, a general partner may be joined in an
9 action against the limited partnership or named in a separate action.

10 (b) A judgment against a limited partnership is not by itself a judgment against a general
11 partner. A judgment against a partnership may not be satisfied from a general partner's assets unless
12 there is also a judgment against the general partner.

13 (c) A judgment creditor of a general partner may not levy execution against the assets of
14 the general partner to satisfy a judgment based on a claim against the limited partnership, unless
15 the partner is personally liable for the claim under § 7-13.1-404 and:

16 (1) A judgment based on the same claim has been obtained against the limited partnership
17 and a writ of execution on the judgment has been returned unsatisfied in whole or in part;

18 (2) The partnership is a debtor in bankruptcy;

19 (3) The general partner has agreed that the creditor need not exhaust partnership assets;

20 (4) A court grants permission to the judgment creditor to levy execution against the assets
21 of a general partner based on a finding that partnership assets subject to execution are clearly
22 insufficient to satisfy the judgment, that exhaustion of assets is excessively burdensome, or that the
23 grant of permission is an appropriate exercise of the court's equitable powers; or

24 (5) Liability is imposed on the general partner by law or contract independent of the
25 existence of the partnership.

26 **7-13.1-406. Management rights of general partner.**

27 (a) Each general partner has equal rights in the management and conduct of the limited
28 partnership's activities and affairs. Except as otherwise provided in this chapter, any matter relating
29 to the activities and affairs of the partnership is decided exclusively by the general partner or, if
30 there is more than one general partner, by a majority of the general partners.

31 (b) The affirmative vote or consent of all the partners is required to:

32 (1) Amend the partnership agreement;

33 (2) Amend the certificate of limited partnership to add or delete a statement that the limited
34 partnership is a limited liability limited partnership; and

1 (3) Sell, lease, exchange, or otherwise dispose of all, or substantially all, of the limited
2 partnership's property, with or without the good will, other than in the usual and regular course of
3 the limited partnership's activities and affairs.

4 (c) A limited partnership shall reimburse a general partner for an advance to the partnership
5 beyond the amount of capital the general partner agreed to contribute.

6 (d) A payment or advance made by a general partner which gives rise to a limited
7 partnership obligation under subsection (c) of this section or § 7-13.1-408(a) constitutes a loan to
8 the limited partnership which accrues interest from the date of the payment or advance.

9 (e) A general partner is not entitled to remuneration for services performed for the limited
10 partnership.

11 **7-13.1-407. Rights to information of general partner and person dissociated as general**
12 **partner.**

13 (a) A general partner may inspect and copy required information during regular business
14 hours in the limited partnership's principal office, without having any particular purpose for seeking
15 the information.

16 (b) On reasonable notice, a general partner may inspect and copy during regular business
17 hours, at a reasonable location specified by the limited partnership, any record maintained by the
18 partnership regarding the partnership's activities, affairs, financial condition, and other
19 circumstances, to the extent the information is material to the general partner's rights and duties
20 under the partnership agreement or this chapter.

21 (c) A limited partnership shall furnish to each general partner:

22 (1) Without demand, any information concerning the partnership's activities, affairs,
23 financial condition, and other circumstances which the partnership knows and is material to the
24 proper exercise of the general partner's rights and duties under the partnership agreement or this
25 chapter, except to the extent the partnership can establish that it reasonably believes the general
26 partner already knows the information; and

27 (2) On demand, any other information concerning the partnership's activities, affairs,
28 financial condition, and other circumstances, except to the extent the demand or the information
29 demand is unreasonable or otherwise improper under the circumstances.

30 (d) The duty to furnish information under subsection (c) of this section also applies to each
31 general partner to the extent the general partner knows any of the information described in
32 subsection (b) of this section.

33 (e) Subject to subsection (j) of this section, on ten (10) days' demand made in a record
34 received by a limited partnership, a person dissociated as a general partner may have access to the

1 information and records described in subsections (a) and (b) of this section at the locations specified
2 in those subsections if:

3 (1) The information or record pertains to the period during which the person was a general
4 partner;

5 (2) The person seeks the information or record in good faith; and

6 (3) The person satisfies the requirements imposed on a limited partner by § 7-13.1-304(b).

7 (f) A limited partnership shall respond to a demand made pursuant to subsection (e) of this
8 section in the manner provided in § 7-13.1-304(c).

9 (g) A limited partnership may charge a person that makes a demand under this section the
10 reasonable costs of copying, limited to the costs of labor and material.

11 (h) A general partner or person dissociated as a general partner may exercise the rights
12 under this section through an agent or, in the case of an individual under legal disability, a legal
13 representative. Any restriction or condition imposed by the partnership agreement or under
14 subsection (j) of this section applies both to the agent or legal representative and to the general
15 partner or person dissociated as a general partner.

16 (i) The rights under this section do not extend to a person as transferee, but if:

17 (1) A general partner dies, § 7-13.1-704 applies; and

18 (2) An individual dissociates as a general partner under §§ 7-13.1-603(6)(ii) or 7-13.1-
19 603(6)(iii), the legal representative of the individual may exercise the rights under subsection (c)
20 of this section of a person dissociated as a general partner.

21 (j) In addition to any restriction or condition stated in its partnership agreement, a limited
22 partnership, as a matter within the ordinary course of its activities and affairs, may impose
23 reasonable restrictions and conditions on access to and use of information to be furnished under
24 this section, including designating information confidential and imposing nondisclosure and
25 safeguarding obligations on the recipient. In a dispute concerning the reasonableness of a restriction
26 under this subsection, the partnership has the burden of proving reasonableness.

27 **7-13.1-408. Reimbursement -- Indemnification -- Advancement -- Insurance.**

28 (a) A limited partnership shall reimburse a general partner for any payment made by the
29 general partner in the course of the general partner's activities on behalf of the partnership, if the
30 general partner complied with §§ 7-13.1-406, 7-13.1-409, and 7-13.1-504 in making the payment.

31 (b) A limited partnership shall indemnify and hold harmless a person with respect to any
32 claim or demand against the person and any debt, obligation, or other liability incurred by the
33 person by reason of the person's former or present capacity as a general partner, if the claim,
34 demand, debt, obligation, or other liability does not arise from the person's breach of §§ 7-13.1-

1 406, 7-13.1-409, or 7-13.1-504.

2 (c) In the ordinary course of its activities and affairs, a limited partnership may advance
3 reasonable expenses, including attorneys' fees and costs, incurred by a person in connection with a
4 claim or demand against the person by reason of the person's former or present capacity as a general
5 partner, if the person promises to repay the partnership if the person ultimately is determined not
6 to be entitled to be indemnified under subsection (b) of this section.

7 (d) A limited partnership may purchase and maintain insurance on behalf of a general
8 partner against liability asserted against or incurred by the general partner in that capacity or arising
9 from that status even if, under § 7-13.1-105(c)(8), the partnership agreement could not eliminate or
10 limit the person's liability to the partnership for the conduct giving rise to the liability.

11 **7-13.1-409. Standards of conduct for general partners.**

12 (a) A general partner owes to the limited partnership and, subject to § 7-13.1-901, the other
13 partners the duties of loyalty and care stated in subsections (b) and (c) of this section.

14 (b) The fiduciary duty of loyalty of a general partner includes the duties:

15 (1) To account to the limited partnership and hold as trustee for it any property, profit, or
16 benefit derived by the general partner:

17 (i) In the conduct or winding up of the partnership's activities and affairs;

18 (ii) From a use by the general partner of the partnership's property; or

19 (iii) From the appropriation of a partnership opportunity;

20 (2) To refrain from dealing with the partnership in the conduct or winding up of the
21 partnership's activities and affairs as or on behalf of a person having an interest adverse to the
22 partnership; and

23 (3) To refrain from competing with the partnership in the conduct or winding up of the
24 partnership's activities and affairs.

25 (c) The duty of care of a general partner in the conduct or winding up of the limited
26 partnership's activities and affairs is to refrain from engaging in grossly negligent or reckless
27 conduct, willful or intentional misconduct, or knowing violation of law.

28 (d) A general partner shall discharge the duties and obligations under this chapter or under
29 the partnership agreement and exercise any rights consistently with the contractual obligation of
30 good faith and fair dealing.

31 (e) A general partner does not violate a duty or obligation under this chapter or under the
32 partnership agreement solely because the general partner's conduct furthers the general partner's
33 own interest.

34 (f) All the partners of a limited partnership may authorize or ratify, after full disclosure of

1 all material facts, a specific act or transaction by a general partner that otherwise would violate the
2 duty of loyalty.

3 (g) It is a defense to a claim under subsection (b)(2) of this section and any comparable
4 claim in equity or at common law that the transaction was fair to the limited partnership.

5 (h) If, as permitted by subsection (f) of this section or the partnership agreement, a general
6 partner enters into a transaction with the limited partnership which otherwise would be prohibited
7 by subsection (b)(2) of this section, the general partner's rights and obligations arising from the
8 transaction are the same as those of a person that is not a general partner.

9 ARTICLE 5

10 CONTRIBUTIONS AND DISTRIBUTIONS

11 **7-13.1-501. Form of contribution.**

12 A contribution may consist of property transferred to, services performed for, or another
13 benefit provided to the limited partnership or an agreement to transfer property to, perform services
14 for, or provide another benefit to the partnership.

15 **7-13.1-502. Liability for contribution.**

16 (a) A person's obligation to make a contribution to a limited partnership is not excused by
17 the person's death, disability, termination, or other inability to perform personally.

18 (b) If a person does not fulfill an obligation to make a contribution other than money, the
19 person is obligated at the option of the limited partnership to contribute money equal to the value,
20 as stated in the required information, of the part of the contribution which has not been made.

21 (c) The obligation of a person to make a contribution may be compromised only by the
22 affirmative vote or consent of all the partners. If a creditor of a limited partnership extends credit
23 or otherwise acts in reliance on an obligation described in subsection (a) of this section without
24 knowledge or notice of a compromise under this subsection, the creditor may enforce the
25 obligation.

26 **7-13.1-503. Sharing of and right to distributions before dissolution.**

27 (a) Any distribution made by a limited partnership before its dissolution and winding up
28 must be shared among the partners on the basis of the value, as stated in the required information
29 when the limited partnership decides to make the distribution, of the contributions the limited
30 partnership has received from each partner, except to the extent necessary to comply with a transfer
31 effective under § 7-13.1-702 or charging order in effect under § 7-13.1-703.

32 (b) A person has a right to a distribution before the dissolution and winding up of a limited
33 partnership only if the partnership decides to make an interim distribution. A person's dissociation
34 does not entitle the person to a distribution.

1 (c) A person does not have a right to demand or receive a distribution from a limited
2 partnership in any form other than money. Except as otherwise provided in § 7-13.1-810(f), a
3 partnership may distribute an asset in kind only if each part of the asset is fungible with each other
4 part and each person receives a percentage of the asset equal in value to the person's share of
5 distributions.

6 (d) If a partner or transferee becomes entitled to receive a distribution, the partner or
7 transferee has the status of, and is entitled to all remedies available to, a creditor of the limited
8 partnership with respect to the distribution. However, the partnership's obligation to make a
9 distribution is subject to offset for any amount owed to the partnership by the partner or a person
10 dissociated as a partner on whose account the distribution is made.

11 **7-13.1-504. Limitations on distributions.**

12 (a) A limited partnership may not make a distribution, including a distribution under § 7-
13 13.1-810, if after the distribution:

14 (1) The partnership would not be able to pay its debts as they become due in the ordinary
15 course of the partnership's activities and affairs; or

16 (2) The partnership's total assets would be less than the sum of its total liabilities plus the
17 amount that would be needed, if the partnership were to be dissolved and wound up at the time of
18 the distribution, to satisfy the preferential rights upon dissolution and winding up of partners and
19 transferees whose preferential rights are superior to the rights of persons receiving the distribution.

20 (b) A limited partnership may base a determination that a distribution is not prohibited
21 under subsection (a) of this section on:

22 (1) Financial statements prepared on the basis of accounting practices and principles that
23 are reasonable in the circumstances; or

24 (2) A fair valuation or other method that is reasonable under the circumstances.

25 (c) Except as otherwise provided in subsection (e) of this section, the effect of a distribution
26 under subsection (a) of this section is measured:

27 (1) In the case of a distribution as defined in § 7-13.1-102(4)(i), as of the earlier of:

28 (i) The date money or other property is transferred or debt is incurred by the limited
29 partnership; or

30 (ii) The date the person entitled to the distribution ceases to own the interest or right being
31 acquired by the partnership in return for the distribution;

32 (2) In the case of any other distribution of indebtedness, as of the date the indebtedness is
33 distributed; and

34 (3) In all other cases, as of the date;

1 (i) The distribution is authorized, if the payment occurs not later than one hundred twenty
2 (120) days after that date; or

3 (ii) The payment is made, if the payment occurs more than one hundred twenty (120) days
4 after the distribution is authorized.

5 (d) A limited partnership's indebtedness to a partner or transferee incurred by reason of a
6 distribution made in accordance with this section is at parity with the partnership's indebtedness to
7 its general, unsecured creditors, except to the extent subordinated by agreement.

8 (e) A limited partnership's indebtedness, including indebtedness issued as a distribution, is
9 not a liability for purposes of subsection (a) of this section if the terms of the indebtedness provide
10 that payment of principal and interest is made only if and to the extent that payment of a distribution
11 could then be made under this section. If the indebtedness is issued as a distribution, each payment
12 of principal or interest is treated as a distribution, the effect of which is measured on the date the
13 payment is made.

14 (f) In measuring the effect of a distribution under § 7-13.1-810, the liabilities of a dissolved
15 limited partnership do not include any claim that has been disposed of under §§ 7-13.1-806, 7-13.1-
16 807, or 7-13.1-808.

17 **7-13.1-505. Liability for improper distributions.**

18 (a) If a general partner consents to a distribution made in violation of § 7-13.1-504 and in
19 consenting to the distribution fails to comply with § 7-13.1-409, the general partner is personally
20 liable to the limited partnership for the amount of the distribution which exceeds the amount that
21 could have been distributed without the violation of § 7-13.1-504.

22 (b) A person that receives a distribution knowing that the distribution violated § 7-13.1-
23 504 is personally liable to the limited partnership but only to the extent that the distribution received
24 by the person exceeded the amount that could have been properly paid under § 7-13.1-504.

25 (c) A general partner against which an action is commenced because the general partner is
26 liable under subsection (a) of this section may:

27 (1) Implead any other person that is liable under subsection (a) of this section and seek to
28 enforce a right of contribution from the person; and

29 (2) Implead any person that received a distribution in violation of subsection (b) of this
30 section and seek to enforce a right of contribution from the person in the amount the person received
31 in violation of subsection (b) of this section.

32 (d) An action under this section is barred unless commenced not later than two (2) years
33 after the distribution.

34 ARTICLE 6

1 DISSOCIATION

2 **7-13.1-601. Dissociation as limited partner.**

3 (a) A person does not have a right to dissociate as a limited partner before the completion
4 of the winding up of the limited partnership.

5 (b) A person is dissociated as a limited partner when:

6 (1) The limited partnership knows or has notice of the person's express will to withdraw as
7 a limited partner, but, if the person has specified a withdrawal date later than the date the partnership
8 knew or had notice, on that later date;

9 (2) An event stated in the partnership agreement as causing the person's dissociation as a
10 limited partner occurs;

11 (3) The person is expelled as a limited partner pursuant to the partnership agreement;

12 (4) The person is expelled as a limited partner by the affirmative vote or consent of all the
13 other partners if:

14 (i) It is unlawful to carry on the limited partnership's activities and affairs with the person
15 as a limited partner;

16 (ii) There has been a transfer of all the person's transferable interest in the partnership, other
17 than:

18 (A) A transfer for security purposes; or

19 (B) A charging order in effect under § 7-13.1-703 which has not been foreclosed;

20 (iii) The person is an entity and:

21 (A) The partnership notifies the person that it will be expelled as a limited partner because
22 the person has filed a statement of dissolution or the equivalent, the person has been
23 administratively dissolved, the person's charter or the equivalent has been revoked, or the person's
24 right to conduct business has been suspended by the person's jurisdiction of formation; and

25 (B) Not later than ninety (90) days after the notification, the statement of dissolution or the
26 equivalent has not been withdrawn, rescinded, or revoked, the person has not been reinstated, or
27 the person's charter or the equivalent or right to conduct business has not been reinstated; or

28 (iv) The person is an unincorporated entity that has been dissolved and whose activities
29 and affairs are being wound up;

30 (5) On application by the limited partnership or a partner in a direct action under § 7-13.1-
31 901, the person is expelled as a limited partner by judicial order because the person:

32 (i) Has engaged or is engaging in wrongful conduct that has affected adversely and
33 materially, or will affect adversely and materially, the partnership's activities and affairs;

34 (ii) Has committed willfully or persistently, or is committing willfully and persistently, a

1 material breach of the partnership agreement or the contractual obligation of good faith and fair
2 dealing under § 7-13.1-305(a); or

3 (iii) Has engaged or is engaging in conduct relating to the partnership's activities and affairs
4 which makes it not reasonably practicable to carry on the activities and affairs with the person as a
5 limited partner;

6 (6) In the case of an individual, the individual dies;

7 (7) In the case of a person that is a testamentary or inter vivos trust or is acting as a limited
8 partner by virtue of being a trustee of such a trust, the trust's entire transferable interest in the limited
9 partnership is distributed;

10 (8) In the case of a person that is an estate or is acting as a limited partner by virtue of being
11 a personal representative of an estate, the estate's entire transferable interest in the limited
12 partnership is distributed;

13 (9) In the case of a person that is not an individual, the existence of the person terminates;

14 (10) The limited partnership participates in a merger under article 11 of this chapter and:

15 (i) The partnership is not the surviving entity; or

16 (ii) Otherwise as a result of the merger, the person ceases to be a limited partner;

17 (11) The limited partnership participates in an interest exchange under article 11 of this
18 chapter and, as a result of the interest exchange, the person ceases to be a limited partner;

19 (12) The limited partnership participates in a conversion under article 11 of this chapter;

20 (13) The limited partnership participates in a domestication under article 11 of this chapter
21 and, as a result of the domestication, the person ceases to be a limited partner; or

22 (14) The limited partnership dissolves and completes winding up.

23 **7-13.1-602. Effect of dissociation as limited partner.**

24 (a) If a person is dissociated as a limited partner:

25 (1) Subject to § 7-13.1-704, the person does not have further rights as a limited partner;

26 (2) The person's contractual obligation of good faith and fair dealing as a limited partner
27 under § 7-13.1-305(a) ends with regard to matters arising and events occurring after the person's
28 dissociation; and

29 (3) Subject to § 7-13.1-704 and article 11 of this chapter, any transferable interest owned
30 by the person in the person's capacity as a limited partner immediately before dissociation is owned
31 by the person solely as a transferee.

32 (b) A person's dissociation as a limited partner does not of itself discharge the person from
33 any debt, obligation, or other liability to the limited partnership or the other partners which the
34 person incurred while a limited partner.

1 **7-13.1-603. Dissociation as general partner.**

2 A person is dissociated as a general partner when:

3 (1) The limited partnership knows or has notice of the person's express will to withdraw as
4 a general partner, but, if the person has specified a withdrawal date later than the date the
5 partnership knew or had notice, on that later date;

6 (2) An event stated in the partnership agreement as causing the person's dissociation as a
7 general partner occurs;

8 (3) The person is expelled as a general partner pursuant to the partnership agreement;

9 (4) The person is expelled as a general partner by the affirmative vote or consent of all the
10 other partners if:

11 (i) It is unlawful to carry on the limited partnership's activities and affairs with the person
12 as a general partner;

13 (ii) There has been a transfer of all the person's transferable interest in the partnership, other
14 than:

15 (A) A transfer for security purposes; or

16 (B) A charging order in effect under § 7-13.1-703 which has not been foreclosed;

17 (iii) The person is an entity and:

18 (A) The partnership notifies the person that it will be expelled as a general partner because
19 the person has filed a statement of dissolution or the equivalent, the person has been
20 administratively dissolved, the person's charter or the equivalent has been revoked, or the person's
21 right to conduct business has been suspended by the person's jurisdiction of formation; and

22 (B) Not later than ninety (90) days after the notification, the statement of dissolution or the
23 equivalent has not been withdrawn, rescinded, or revoked, the person has not been reinstated, or
24 the person's charter or the equivalent or right to conduct business has not been reinstated; or

25 (iv) The person is an unincorporated entity that has been dissolved and whose activities
26 and affairs are being wound up;

27 (5) On application by the limited partnership or a partner in a direct action under § 7-13.1-
28 901, the person is expelled as a general partner by judicial order because the person:

29 (i) Has engaged or is engaging in wrongful conduct that has affected adversely and
30 materially, or will affect adversely and materially, the partnership's activities and affairs;

31 (ii) Has committed willfully or persistently, or is committing willfully or persistently, a
32 material breach of the partnership agreement or a duty or obligation under § 7-13.1-409; or

33 (iii) Has engaged or is engaging in conduct relating to the partnership's activities and affairs
34 which makes it not reasonably practicable to carry on the activities and affairs of the limited

1 partnership with the person as a general partner:

2 (6) In the case of an individual:

3 (i) The individual dies;

4 (ii) A guardian or general conservator for the individual is appointed; or

5 (iii) A court orders that the individual has otherwise become incapable of performing the

6 individual's duties as a general partner under this chapter or the partnership agreement;

7 (7) The person:

8 (i) Becomes a debtor in bankruptcy;

9 (i) Executes an assignment for the benefit of creditors; or

10 (iii) Seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator

11 of the person or of all or substantially all the person's property;

12 (8) In the case of a person that is a testamentary or inter vivos trust or is acting as a general

13 partner by virtue of being a trustee of such a trust, the trust's entire transferable interest in the limited

14 partnership is distributed;

15 (9) In the case of a person that is an estate or is acting as a general partner by virtue of

16 being a personal representative of an estate, the estate's entire transferable interest in the limited

17 partnership is distributed;

18 (10) In the case of a person that is not an individual, the existence of the person terminates;

19 (11) The limited partnership participates in a merger under article 11 of this chapter and:

20 (i) The partnership is not the surviving entity; or

21 (ii) Otherwise as a result of the merger, the person ceases to be a general partner;

22 (12) The limited partnership participates in an interest exchange under article 11 of this

23 chapter and, as a result of the interest exchange, the person ceases to be a general partner;

24 (13) The limited partnership participates in a conversion under article 11 of this chapter;

25 (14) The limited partnership participates in a domestication under article 11 of this chapter

26 and, as a result of the domestication, the person ceases to be a general partner; or

27 (15) The limited partnership dissolves and completes winding up.

28 **7-13.1-604. Power to dissociate as general partner -- Wrongful dissociation.**

29 (a) A person has the power to dissociate as a general partner at any time, rightfully or

30 wrongfully, by withdrawing as a general partner by express will under § 7-13.1-603(1).

31 (b) A person's dissociation as a general partner is wrongful only if the dissociation:

32 (1) Is in breach of an express provision of the partnership agreement; or

33 (2) Occurs before the completion of the winding up of the limited partnership, and:

34 (i) The person withdraws as a general partner by express will;

- 1 (ii) The person is expelled as a general partner by judicial order under § 7-13.1-603(5);
2 (iii) The person is dissociated as a general partner under § 7-13.1-603(7); or
3 (iv) In the case of a person that is not a trust other than a business trust, an estate, or an
4 individual, the person is expelled or otherwise dissociated as a general partner because it willfully
5 dissolved or terminated.

6 (c) A person that wrongfully dissociates as a general partner is liable to the limited
7 partnership and, subject to § 7-13.1-901, to the other partners for damages caused by the
8 dissociation. The liability is in addition to any debt, obligation, or other liability of the general
9 partner to the partnership or the other partners.

10 **7-13.1-605. Effect of dissociation as general partner.**

11 (a) If a person is dissociated as a general partner:

12 (1) The person's right to participate as a general partner in the management and conduct of
13 the limited partnership's activities and affairs terminates;

14 (2) The person's duties and obligations as a general partner under § 7-13.1-409 end with
15 regard to matters arising and events occurring after the person's dissociation;

16 (3) The person may sign and deliver to the secretary of state for filing a statement of
17 dissociation pertaining to the person and, at the request of the limited partnership, shall sign an
18 amendment to the certificate of limited partnership which states that the person has dissociated as
19 a general partner; and

20 (4) Subject to § 7-13.1-704 and article 11 of this chapter, any transferable interest owned
21 by the person in the person's capacity as a general partner immediately before dissociation is owned
22 by the person solely as a transferee.

23 (b) A person's dissociation as a general partner does not of itself discharge the person from
24 any debt, obligation, or other liability to the limited partnership or the other partners which the
25 person incurred while a general partner.

26 **7-13.1-606. Power to bind and liability of person dissociated as general partner.**

27 (a) After a person is dissociated as a general partner and before the limited partnership is
28 merged out of existence, converted, or domesticated under article 11 of this chapter, or dissolved,
29 the partnership is bound by an act of the person only if:

30 (1) The act would have bound the partnership under § 7-13.1-402 before the dissociation;
31 and

32 (2) At the time the other party enters into the transaction:

33 (i) Less than two (2) years has passed since the dissociation; and

34 (ii) The other party does not know or have notice of the dissociation and reasonably

1 believes that the person is a general partner.

2 (b) If a limited partnership is bound under subsection (a) of this section, the person
3 dissociated as a general partner which caused the partnership to be bound is liable:

4 (1) To the partnership for any damage caused to the partnership arising from the obligation
5 incurred under subsection (a) of this section; and

6 (2) If a general partner or another person dissociated as a general partner is liable for the
7 obligation, to the general partner or other person for any damage caused to the general partner or
8 other person arising from the liability.

9 **7-13.1-607. Liability of person dissociated as general partner to other persons.**

10 (a) A person's dissociation as a general partner does not of itself discharge the person's
11 liability as a general partner for a debt, obligation, or other liability of the limited partnership
12 incurred before dissociation. Except as otherwise provided in subsections (b) and (c) of this section,
13 the person is not liable for a partnership obligation incurred after dissociation.

14 (b) A person whose dissociation as a general partner results in a dissolution and winding
15 up of the limited partnership's activities and affairs is liable on an obligation incurred by the
16 partnership under § 7-13.1-805 to the same extent as a general partner under § 7-13.1-404.

17 (c) A person that is dissociated as a general partner without the dissociation resulting in a
18 dissolution and winding up of the limited partnership's activities and affairs is liable on a transaction
19 entered into by the partnership after the dissociation only if:

20 (1) A general partner would be liable on the transaction; and

21 (2) At the time the other party enters into the transaction:

22 (i) Less than two (2) years has passed since the dissociation; and

23 (ii) The other party does not have knowledge or notice of the dissociation and reasonably
24 believes that the person is a general partner.

25 (d) By agreement with a creditor of a limited partnership and the partnership, a person
26 dissociated as a general partner may be released from liability for a debt, obligation, or other
27 liability of the partnership.

28 (e) A person dissociated as a general partner is released from liability for a debt, obligation,
29 or other liability of the limited partnership if the partnership's creditor, with knowledge or notice
30 of the person's dissociation as a general partner but without the person's consent, agrees to a material
31 alteration in the nature or time of payment of the debt, obligation, or other liability.

32 ARTICLE 7

33 TRANSFERABLE INTERESTS AND RIGHTS OF TRANSFEREES AND

34 CREDITORS

1 **7-13.1-701. Nature of transferable interest.**

2 A transferable interest is personal property.

3 **7-13.1-702. Transfer of transferable interest.**

4 (a) A transfer, in whole or in part, of a transferable interest:

5 (1) Is permissible;

6 (2) Does not by itself cause a person's dissociation as a partner or a dissolution and winding
7 up of the limited partnership's activities and affairs; and

8 (3) Subject to § 7-13.1-704, does not entitle the transferee to:

9 (i) Participate in the management or conduct of the partnership's activities and affairs; or

10 (ii) Except as otherwise provided in subsection (c) of this section, have access to required
11 information, records, or other information concerning the partnership's activities and affairs.

12 (b) A transferee has the right to receive, in accordance with the transfer, distributions to
13 which the transferor would otherwise be entitled.

14 (c) In a dissolution and winding up of a limited partnership, a transferee is entitled to an
15 account of the partnership's transactions only from the date of dissolution.

16 (d) A transferable interest may be evidenced by a certificate of the interest issued by a
17 limited partnership in a record, and, subject to this section, the interest represented by the certificate
18 may be transferred by a transfer of the certificate.

19 (e) A limited partnership need not give effect to a transferee's rights under this section until
20 the partnership knows or has notice of the transfer.

21 (f) A transfer of a transferable interest in violation of a restriction on transfer contained in
22 the partnership agreement is ineffective if the intended transferee has knowledge or notice of the
23 restriction at the time of transfer.

24 (g) Except as otherwise provided in §§ 7-13.1-601(b)(4)(ii) and 7-13.1-603(4)(ii), if a
25 general or limited partner transfers a transferable interest, the transferor retains the rights of a
26 general or limited partner other than the transferable interest transferred and retains all the duties
27 and obligations of a general or limited partner.

28 (h) If a general or limited partner transfers a transferable interest to a person that becomes
29 a general or limited partner with respect to the transferred interest, the transferee is liable for the
30 transferor's obligations under §§ 7-13.1-502 and 7-13.1-505 known to the transferee when the
31 transferee becomes a partner.

32 **7-13.1-703. Charging order.**

33 (a) On application by a judgment creditor of a partner or transferee, a court may enter a
34 charging order against the transferable interest of the judgment debtor for the unsatisfied amount

1 of the judgment. A charging order constitutes a lien on a judgment debtor's transferable interest and
2 requires the limited partnership to pay over to the person to which the charging order was issued
3 any distribution that otherwise would be paid to the judgment debtor.

4 (b) To the extent necessary to effectuate the collection of distributions pursuant to a
5 charging order in effect under subsection (a) of this section, the court may:

6 (1) Appoint a receiver of the distributions subject to the charging order, with the power to
7 make all inquiries the judgment debtor might have made; and

8 (2) Make all other orders necessary to give effect to the charging order.

9 (c) Upon a showing that distributions under a charging order will not pay the judgment
10 debt within a reasonable time, the court may foreclose the lien and order the sale of the transferable
11 interest. The purchaser at the foreclosure sale obtains only the transferable interest, does not thereby
12 become a partner, and is subject to § 7-13.1-702.

13 (d) At any time before foreclosure under subsection (c) of this section, the partner or
14 transferee whose transferable interest is subject to a charging order under subsection (a) of this
15 section may extinguish the charging order by satisfying the judgment and filing a certified copy of
16 the satisfaction with the court that issued the charging order.

17 (e) At any time before foreclosure under subsection (c) of this section, a limited partnership
18 or one or more partners whose transferable interests are not subject to the charging order may pay
19 to the judgment creditor the full amount due under the judgment and thereby succeed to the rights
20 of the judgment creditor, including the charging order.

21 (f) This chapter does not deprive any partner or transferee of the benefit of any exemption
22 law applicable to the transferable interest of the partner or transferee.

23 (g) This section provides the exclusive remedy by which a person seeking in the capacity
24 of a judgment creditor to enforce a judgment against a partner or transferee may satisfy the
25 judgment from the judgment debtor's transferable interest.

26 **7-13.1-704. Power of legal representative of deceased partner.**

27 If a partner dies, the deceased partner's legal representative may exercise:

28 (1) The rights of a transferee provided in § 7-13.1-702(c); and

29 (2) For the purposes of settling the estate, the rights of a current limited partner under § 7-
30 13.1-304.

31 **ARTICLE 8**

32 **DISSOLUTION AND WINDING UP**

33 **7-13.1-801. Events causing dissolution.**

34 (a) A limited partnership is dissolved, and its activities and affairs must be wound up, upon

1 the occurrence of any of the following:

2 (1) An event or circumstance that the partnership agreement states causes dissolution;

3 (2) The affirmative vote or consent of all general partners and of limited partners owning

4 a majority of the rights to receive distributions as limited partners at the time the vote or consent is

5 to be effective;

6 (3) After the dissociation of a person as a general partner:

7 (i) If the partnership has at least one remaining general partner, the affirmative vote or

8 consent to dissolve the partnership not later than ninety (90) days after the dissociation by partners

9 owning a majority of the rights to receive distributions as partners at the time the vote or consent

10 is to be effective; or

11 (ii) If the partnership does not have a remaining general partner, the passage of ninety (90)

12 days after the dissociation, unless before the end of the period:

13 (A) Consent to continue the activities and affairs of the partnership and admit at least one

14 general partner is given by limited partners owning a majority of the rights to receive distributions

15 as limited partners at the time the consent is to be effective; and

16 (B) At least one person is admitted as a general partner in accordance with the consent;

17 (4) The passage of ninety (90) consecutive days after the dissociation of the partnership's

18 last limited partner, unless before the end of the period the partnership admits at least one limited

19 partner;

20 (5) The passage of ninety (90) consecutive days during which the partnership has only one

21 partner, unless before the end of the period:

22 (i) The partnership admits at least one person as a partner;

23 (ii) If the previously sole remaining partner is only a general partner, the partnership admits

24 the person as a limited partner; and

25 (iii) If the previously sole remaining partner is only a limited partner, the partnership admits

26 a person as a general partner;

27 (6) On application by a partner, the entry by the superior court of an order dissolving the

28 partnership on the grounds that:

29 (i) The conduct of all or substantially all the partnership's activities and affairs is unlawful;

30 or

31 (ii) It is not reasonably practicable to carry on the partnership's activities and affairs in

32 conformity with the certificate of limited partnership and partnership agreement; or

33 (7) The signing and filing of a statement of administrative dissolution by the secretary of

34 state under § 7-13.1-811.

1 (b) If an event occurs that imposes a deadline on a limited partnership under subsection (a)
2 of this section and before the partnership has met the requirements of the deadline, another event
3 occurs that imposes a different deadline on the partnership under subsection (a) of this section:

4 (1) The occurrence of the second event does not affect the deadline caused by the first
5 event; and

6 (2) The partnership's meeting of the requirements of the first deadline does not extend the
7 second deadline.

8 **7-13.1-802. Winding up.**

9 (a) A dissolved limited partnership shall wind up its activities and affairs and, except as
10 otherwise provided in § 7-13.1-803, the partnership continues after dissolution only for the purpose
11 of winding up.

12 (b) In winding up its activities and affairs, the limited partnership:

13 (1) Shall discharge the partnership's debts, obligations, and other liabilities, settle and close
14 the partnership's activities and affairs, and marshal and distribute the assets of the partnership; and

15 (2) May:

16 (i) Amend its certificate of limited partnership to state that the partnership is dissolved;

17 (ii) Preserve the partnership activities, affairs, and property as a going concern for a
18 reasonable time;

19 (iii) Prosecute and defend actions and proceedings, whether civil, criminal, or
20 administrative;

21 (iv) Transfer the partnership's property;

22 (v) Settle disputes by mediation or arbitration;

23 (vi) Deliver to the secretary of state for filing a statement of termination stating the name
24 of the partnership and that the partnership is terminated; and

25 (vii) Perform other acts necessary or appropriate to the winding up.

26 (c) If a dissolved limited partnership does not have a general partner, a person to wind up
27 the dissolved partnership's activities and affairs may be appointed by the affirmative vote or consent
28 of limited partners owning a majority of the rights to receive distributions as limited partners at the
29 time the vote or consent is to be effective. A person appointed under this subsection:

30 (1) Has the powers of a general partner under § 7-13.1-804 but is not liable for the debts,
31 obligations, and other liabilities of the partnership solely by reason of having or exercising those
32 powers or otherwise acting to wind up the dissolved partnership's activities and affairs; and

33 (2) Shall deliver promptly to the secretary of state for filing an amendment to the
34 partnership's certificate of limited partnership stating:

- 1 (i) That the partnership does not have a general partner;
2 (ii) The name and street and mailing addresses of the person; and
3 (iii) That the person has been appointed pursuant to this subsection to wind up the
4 partnership.

5 (d) On the application of a partner, the superior court may order judicial supervision of the
6 winding up of a dissolved limited partnership, including the appointment of a person to wind up
7 the partnership's activities and affairs, if:

8 (1) The partnership does not have a general partner and within a reasonable time following
9 the dissolution no person has been appointed pursuant to subsection (c) of this section; or

10 (2) The applicant establishes other good cause.

11 **7-13.1-803. Rescinding dissolution.**

12 (a) A limited partnership may rescind its dissolution, unless a statement of termination
13 applicable to the partnership has become effective, the superior court has entered an order under §
14 7-13.1-801(a)(6) dissolving the partnership, or the secretary of state has dissolved the partnership
15 under § 7-13.1-811.

16 (b) Rescinding dissolution under this section requires:

17 (1) The affirmative vote or consent of each partner; and

18 (2) If the limited partnership has delivered to the secretary of state for filing an amendment
19 to the certificate of limited partnership stating that the partnership is dissolved and:

20 (i) The amendment has not become effective, delivery to the secretary of state for filing of
21 a statement of withdrawal under § 7-13.1-208 applicable to the amendment; or

22 (ii) The amendment has become effective, delivery to the secretary of state for filing of an
23 amendment to the certificate of limited partnership stating that dissolution has been rescinded under
24 this section.

25 (c) If a limited partnership rescinds its dissolution:

26 (1) The partnership resumes carrying on its activities and affairs as if dissolution had never
27 occurred;

28 (2) Subject to subsection (c)(3) of this section, any liability incurred by the partnership
29 after the dissolution and before the rescission has become effective is determined as if dissolution
30 had never occurred; and

31 (3) The rights of a third party arising out of conduct in reliance on the dissolution before
32 the third party knew or had notice of the rescission may not be adversely affected.

33 **7-13.1-804. Power to bind partnership after dissolution.**

34 (a) A limited partnership is bound by a general partner's act after dissolution which:

1 (1) Is appropriate for winding up the partnership's activities and affairs; or
2 (2) Would have bound the partnership under § 7-13.1-402 before dissolution if, at the time
3 the other party enters into the transaction, the other party does not know or have notice of the
4 dissolution.

5 (b) A person dissociated as a general partner binds a limited partnership through an act
6 occurring after dissolution if:

7 (1) At the time the other party enters into the transaction:

8 (i) Less than two (2) years has passed since the dissociation; and

9 (ii) The other party does not know or have notice of the dissociation and reasonably
10 believes that the person is a general partner; and

11 (2) The act:

12 (i) Is appropriate for winding up the partnership's activities and affairs; or

13 (ii) Would have bound the partnership under § 7-13.1-402 before dissolution and at the
14 time the other party enters into the transaction the other party does not know or have notice of the
15 dissolution.

16 **7-13.1-805. Liability after dissolution of general partner and person dissociated as**
17 **general partner.**

18 (a) If a general partner having knowledge of the dissolution causes a limited partnership to
19 incur an obligation under § 7-13.1-804(a) by an act that is not appropriate for winding up the
20 partnership's activities and affairs, the general partner is liable:

21 (1) To the partnership for any damage caused to the partnership arising from the obligation;
22 and

23 (2) If another general partner or a person dissociated as a general partner is liable for the
24 obligation, to that other general partner or person for any damage caused to that other general
25 partner or person arising from the liability.

26 (b) If a person dissociated as a general partner causes a limited partnership to incur an
27 obligation under § 7-13.1-804(b), the person is liable:

28 (1) To the partnership for any damage caused to the partnership arising from the obligation;
29 and

30 (2) If a general partner or another person dissociated as a general partner is liable for the
31 obligation, to the general partner or other person for any damage caused to the general partner or
32 other person arising from the obligation.

33 **7-13.1-806. Known claims against dissolved limited partnership.**

34 (a) Except as otherwise provided in subsection (d) of this section, a dissolved limited

1 partnership may give notice of a known claim under subsection (b) of this section, which has the
2 effect provided in subsection (c) of this section.

3 (b) A dissolved limited partnership may in a record notify its known claimants of the
4 dissolution. The notice must:

5 (1) Specify the information required to be included in a claim;

6 (2) State that a claim must be in writing and provide a mailing address to which the claim
7 is to be sent;

8 (3) State the deadline for receipt of a claim, which may not be less than one hundred twenty
9 (120) days after the date the notice is received by the claimant;

10 (4) State that the claim will be barred if not received by the deadline; and

11 (5) Unless the partnership has been throughout its existence a limited liability limited
12 partnership, state that the barring of a claim against the partnership will also bar any corresponding
13 claim against any general partner or person dissociated as a general partner which is based on § 7-
14 13.1-404.

15 (c) A claim against a dissolved limited partnership is barred if the requirements of
16 subsection (b) of this section are met and:

17 (1) The claim is not received by the specified deadline; or

18 (2) If the claim is timely received but rejected by the partnership:

19 (i) The partnership causes the claimant to receive a notice in a record stating that the claim
20 is rejected and will be barred unless the claimant commences an action against the partnership to
21 enforce the claim not later than ninety (90) days after the claimant receives the notice; and

22 (ii) The claimant does not commence the required action not later than ninety (90) days
23 after the claimant receives the notice.

24 (d) This section does not apply to a claim based on an event occurring after the date of
25 dissolution or a liability that on that date is contingent.

26 **7-13.1-807. Other claims against dissolved limited partnership.**

27 (a) A dissolved limited partnership may publish notice of its dissolution and request
28 persons having claims against the partnership to present them in accordance with the notice.

29 (b) A notice under subsection (a) of this section must:

30 (1) Be published at least once in a newspaper of general circulation in this state whether or
31 not the dissolved limited partnership's principal office is or is not located in this state;

32 (2) Describe the information required to be contained in a claim, state that the claim must
33 be in writing, and provide a mailing address to which the claim is to be sent;

34 (3) State that a claim against the partnership is barred unless an action to enforce the claim

1 is commenced not later than three (3) years after publication of the notice; and

2 (4) Unless the partnership has been throughout its existence a limited liability limited
3 partnership, state that the barring of a claim against the partnership will also bar any corresponding
4 claim against any general partner or person dissociated as a general partner which is based on § 7-
5 13.1-404.

6 (c) If a dissolved limited partnership publishes a notice in accordance with subsection (b)
7 of this section, the claim of each of the following claimants is barred unless the claimant
8 commences an action to enforce the claim against the partnership not later than three (3) years after
9 the publication date of the notice:

10 (1) A claimant that did not receive notice in a record under § 7-13.1-806;

11 (2) A claimant whose claim was timely sent to the partnership but not acted on; and

12 (3) A claimant whose claim is contingent at, or based on an event occurring after, the date
13 of dissolution.

14 (d) A claim not barred under this section or § 7-13.1-806 may be enforced:

15 (1) Against the dissolved limited partnership, to the extent of its undistributed assets;

16 (2) Except as otherwise provided in § 7-13.1-808, if assets of the partnership have been
17 distributed after dissolution, against a partner or transferee to the extent of that person's
18 proportionate share of the claim or of the partnership's assets distributed to the partner or transferee
19 after dissolution, whichever is less, but a person's total liability for all claims under this subsection
20 may not exceed the total amount of assets distributed to the person after dissolution; and

21 (3) Against any person liable on the claim under §§ 7-13.1-404 and 7-13.1-607.

22 **7-13.1-808. Court proceedings.**

23 (a) A dissolved limited partnership that has published a notice under § 7-13.1-807 may file
24 an application with the Providence County superior court for a determination of the amount and
25 form of security to be provided for payment of claims that are contingent, have not been made
26 known to the partnership, or are based on an event occurring after the date of dissolution but which,
27 based on the facts known to the partnership, are reasonably expected to arise after the date of
28 dissolution. Security is not required for any claim that is or is reasonably anticipated to be barred
29 under § 7-13.1-807.

30 (b) Not later than ten (10) days after the filing of an application under subsection (a) of this
31 section, the dissolved limited partnership shall give notice of the proceeding to each claimant
32 holding a contingent claim known to the partnership.

33 (c) In a proceeding brought under this section, the court may appoint a guardian ad litem
34 to represent all claimants whose identities are unknown. The reasonable fees and expenses of the

1 guardian, including all reasonable expert witness fees, must be paid by the dissolved limited
2 partnership.

3 (d) A dissolved limited partnership that provides security in the amount and form ordered
4 by the court under subsection (a) of this section satisfies the partnership's obligations with respect
5 to claims that are contingent, have not been made known to the partnership, or are based on an
6 event occurring after the date of dissolution, and such claims may not be enforced against a partner
7 or transferee on account of assets received in liquidation.

8 **7-13.1-809. Liability of general partner and person dissociated as general partner**
9 **when claim against limited partnership barred.**

10 If a claim against a dissolved limited partnership is barred under §§ 7-13.1-806, 7-13.1-
11 807, or 7-13.1-808, any corresponding claim under §§ 7-13.1-404 or 7-13.1-607 is also barred.

12 **7-13.1-810. Disposition of assets in winding up -- When contributions required.**

13 (a) In winding up its activities and affairs, a limited partnership shall apply its assets,
14 including the contributions required by this section, to discharge the partnership's obligations to
15 creditors, including partners that are creditors.

16 (b) After a limited partnership complies with subsection (a) of this section, any surplus
17 must be distributed in the following order, subject to any charging order in effect under § 7-13.1-
18 703:

19 (1) To each person owning a transferable interest that reflects contributions made and not
20 previously returned, an amount equal to the value of the unreturned contributions; and

21 (2) Among persons owning transferable interests in proportion to their respective rights to
22 share in distributions immediately before the dissolution of the partnership.

23 (c) If a limited partnership's assets are insufficient to satisfy all of its obligations under
24 subsection (a) of this section, with respect to each unsatisfied obligation incurred when the
25 partnership was not a limited liability limited partnership, the following rules apply:

26 (1) Each person that was a general partner when the obligation was incurred and that has
27 not been released from the obligation under § 7-13.1-607 shall contribute to the partnership for the
28 purpose of enabling the partnership to satisfy the obligation. The contribution due from each of
29 those persons is in proportion to the right to receive distributions in the capacity of a general partner
30 in effect for each of those persons when the obligation was incurred.

31 (2) If a person does not contribute the full amount required under subsection (c)(1) of this
32 section with respect to an unsatisfied obligation of the partnership, the other persons required to
33 contribute by subsection (c)(1) of this section on account of the obligation shall contribute the
34 additional amount necessary to discharge the obligation. The additional contribution due from each

1 of those other persons is in proportion to the right to receive distributions in the capacity of a general
2 partner in effect for each of those other persons when the obligation was incurred.

3 (3) If a person does not make the additional contribution required by subsection (c)(2) of
4 this section, further additional contributions are determined and due in the same manner as provided
5 in that subsection.

6 (d) A person that makes an additional contribution under subsections (c)(2) or (c)(3) of this
7 section may recover from any person whose failure to contribute under subsections (c)(1) or (c)(2)
8 of this section necessitated the additional contribution. A person may not recover under this
9 subsection more than the amount additionally contributed. A person's liability under this subsection
10 may not exceed the amount the person failed to contribute.

11 (e) All distributions made under subsections (b) and (c) of this section must be paid in
12 money.

13 **7-13.1-811. Administrative dissolution.**

14 (a) The secretary of state may commence a proceeding under subsection (b) of this section
15 to dissolve a limited partnership administratively if the partnership does not:

16 (1) Pay any fee, tax, interest, or penalty required to be paid to the secretary of state not later
17 than six (6) months after it is due;

18 (2) Deliver an annual report to the secretary of state not later than six (6) months after it is
19 due; or

20 (3) Have a registered agent in this state for sixty (60) consecutive days.

21 (b) If the secretary of state determines that one or more grounds exist for administratively
22 dissolving a limited partnership, the secretary of state shall serve the partnership with notice in a
23 record of the secretary of state's determination.

24 (c) If a limited partnership, not later than sixty (60) days after service of the notice under
25 subsection (b) of this section, does not cure or demonstrate to the satisfaction of the secretary of
26 state the nonexistence of each ground determined by the secretary of state, the secretary of state
27 shall administratively dissolve the partnership by signing a statement of administrative dissolution
28 that recites the grounds for dissolution and the effective date of dissolution. The secretary of state
29 shall file the statement and serve a copy on the partnership pursuant to § 7-13.1-121.

30 (d) A limited partnership that is administratively dissolved continues in existence as an
31 entity but may not carry on any activities except as necessary to wind up its activities and affairs
32 and liquidate its assets under §§ 7-13.1-802, 7-13.1-806, 7-13.1-807, 7-13.1-808, and 7-13.1-810,
33 or to apply for reinstatement under § 7-13.1-812.

34 (e) The administrative dissolution of a limited partnership does not terminate the authority

1 of its registered agent.

2 **7-13.1-812. Reinstatement.**

3 (a) A limited partnership that is administratively dissolved under § 7-13.1-811 may apply
4 to the secretary of state for reinstatement not later than two (2) years after the effective date of
5 dissolution. The application must state:

6 (1) The name of the partnership at the time of its administrative dissolution and, if needed,
7 a different name that satisfies § 7-13.1-114;

8 (2) The address of the principal office of the partnership and the name and street and
9 mailing addresses of its registered agent;

10 (3) The effective date of the partnership's administrative dissolution; and

11 (4) That the grounds for dissolution did not exist or have been cured.

12 (b) To be reinstated, a limited partnership must pay all fees, taxes, interest, and penalties
13 that were due to the secretary of state at the time of the partnership's administrative dissolution and
14 all fees, taxes, interest, and penalties that would have been due to the secretary of state while the
15 partnership was administratively dissolved.

16 (c) If the secretary of state determines that an application under subsection (a) of this
17 section contains the required information, is satisfied that the information is correct, and determines
18 that all payments required to be made to the secretary of state by subsection (b) of this section have
19 been made, the secretary of state shall:

20 (1) Cancel the statement of administrative dissolution and prepare a statement of
21 reinstatement that states the secretary of state's determination and the effective date of
22 reinstatement; and

23 (2) File the statement of reinstatement and serve a copy on the limited partnership.

24 (d) When reinstatement under this section has become effective, the following rules apply:

25 (1) The reinstatement relates back to and takes effect as of the effective date of the
26 administrative dissolution.

27 (2) The limited partnership resumes carrying on its activities and affairs as if the
28 administrative dissolution had not occurred.

29 (3) The rights of a person arising out of an act or omission in reliance on the dissolution
30 before the person knew or had notice of the reinstatement are not affected.

31 **7-13.1-813. Judicial review of denial of reinstatement.**

32 (a) If the secretary of state denies a limited partnership's application for reinstatement
33 following administrative dissolution, the secretary of state shall serve the partnership with a notice
34 in a record that explains the reasons for the denial.

1 (b) A limited partnership may seek judicial review of denial of reinstatement in the
2 Providence County superior court not later than thirty (30) days after service of the notice of denial.

3 ARTICLE 9

4 ACTIONS BY PARTNERS

5 **7-13.1-901. Direct action by partner.**

6 (a) Subject to subsection (b) of this section, a partner may maintain a direct action against
7 another partner or the limited partnership, with or without an accounting as to the partnership's
8 activities and affairs, to enforce the partner's rights and otherwise protect the partner's interests,
9 including rights and interests under the partnership agreement or this chapter or arising
10 independently of the partnership relationship.

11 (b) A partner maintaining a direct action under this section must plead and prove an actual
12 or threatened injury that is not solely the result of an injury suffered or threatened to be suffered by
13 the limited partnership.

14 (c) A right to an accounting on a dissolution and winding up does not revive a claim barred
15 by law.

16 **7-13.1-902. Derivative action.**

17 A partner may maintain a derivative action to enforce a right of a limited partnership if:

18 (1) The partner first makes a demand on the general partners, requesting that they cause
19 the partnership to bring an action to enforce the right, and the general partners do not bring the
20 action within a reasonable time; or

21 (2) A demand under subsection (1) of this section would be futile.

22 **7-13.1-903. Proper plaintiff.**

23 A derivative action to enforce a right of a limited partnership may be maintained only by a
24 person that is a partner at the time the action is commenced and:

25 (1) Was a partner when the conduct giving rise to the action occurred; or

26 (2) Whose status as a partner devolved on the person by operation of law or pursuant to the
27 terms of the partnership agreement from a person that was a partner at the time of the conduct.

28 **7-13.1-904. Pleading.**

29 In a derivative action, the complaint must state with particularity:

30 (1) The date and content of plaintiff's demand and the response to the demand by the
31 general partner; or

32 (2) Why demand should be excused as futile.

33 **7-13.1-905. Special litigation committee.**

34 (a) If a limited partnership is named as or made a party in a derivative proceeding, the

1 partnership may appoint a special litigation committee to investigate the claims asserted in the
2 proceeding and determine whether pursuing the action is in the best interests of the partnership. If
3 the partnership appoints a special litigation committee, on motion by the committee made in the
4 name of the partnership, except for good cause shown, the court shall stay discovery for the time
5 reasonably necessary to permit the committee to make its investigation. This subsection does not
6 prevent the court from:

7 (1) Enforcing a person's right to information under §§ 7-13.1-304 or 7-13.1-407; or

8 (2) Granting extraordinary relief in the form of a temporary restraining order or preliminary
9 injunction.

10 (b) A special litigation committee must be composed of one or more disinterested and
11 independent individuals, who may be partners.

12 (c) A special litigation committee may be appointed:

13 (1) By a majority of the general partners not named as parties in the proceeding; or

14 (2) If all general partners are named as parties in the proceeding, by a majority of the
15 general partners named as defendants.

16 (d) After appropriate investigation, a special litigation committee may determine that it is
17 in the best interests of the limited partnership that the proceeding:

18 (1) Continue under the control of the plaintiff;

19 (2) Continue under the control of the committee;

20 (3) Be settled on terms approved by the committee; or

21 (4) Be dismissed.

22 (e) After making a determination under subsection (d) of this section, a special litigation
23 committee shall file with the court a statement of its determination and its report supporting its
24 determination and shall serve each party with a copy of the determination and report. The court
25 shall determine whether the members of the committee were disinterested and independent and
26 whether the committee conducted its investigation and made its recommendation in good faith,
27 independently, and with reasonable care, with the committee having the burden of proof. If the
28 court finds that the members of the committee were disinterested and independent and that the
29 committee acted in good faith, independently, and with reasonable care, the court shall enforce the
30 determination of the committee. Otherwise, the court shall dissolve the stay of discovery entered
31 under subsection (a) of this section and allow the action to continue under the control of the
32 plaintiff.

33 **7-13.1-906. Proceeds and expenses.**

34 (a) Except as otherwise provided in subsection (b) of this section:

1 (1) Any proceeds or other benefits of a derivative action, whether by judgment,
2 compromise, or settlement, belong to the limited partnership and not to the plaintiff; and

3 (2) If the plaintiff receives any proceeds, the plaintiff shall remit them immediately to the
4 partnership.

5 (b) If a derivative action is successful in whole or in part, the court may award the plaintiff
6 reasonable expenses, including reasonable attorneys' fees and costs, from the recovery of the
7 limited partnership.

8 (c) A derivative action on behalf of a limited partnership may not be voluntarily dismissed
9 or settled without the court's approval.

10 ARTICLE 10

11 FOREIGN LIMITED PARTNERSHIPS

12 **7-13.1-1001. Governing law.**

13 (a) The law of the jurisdiction of formation of a foreign limited partnership governs:

14 (1) The internal affairs of the partnership;

15 (2) The liability of a partner as partner for a debt, obligation, or other liability of the
16 partnership; and

17 (3) The liability of a series of the partnership.

18 (b) A foreign limited partnership is not precluded from registering to do business in this
19 state because of any difference between the law of its jurisdiction of formation and the law of this
20 state.

21 (c) Registration of a foreign limited partnership to do business in this state does not
22 authorize the foreign partnership to engage in any activities and affairs or exercise any power that
23 a limited partnership may not engage in or exercise in this state.

24 **7-13.1-1002. Registration to do business in this state.**

25 (a) A foreign limited partnership may not do business in this state until it registers with the
26 secretary of state under this article.

27 (b) A foreign limited partnership doing business in this state may not maintain an action or
28 proceeding in this state unless it is registered to do business in this state.

29 (c) The failure of a foreign limited partnership to register to do business in this state does
30 not impair the validity of a contract or act of the partnership or preclude it from defending an action
31 or proceeding in this state.

32 (d) A limitation on the liability of a general partner or limited partner of a foreign limited
33 partnership is not waived solely because the partnership does business in this state without
34 registering to do business in this state.

1 (e) Section 7-13.1-1001(a) and 7-13.1-1001(b) applies even if the foreign limited
2 partnership fails to register under this article.

3 **7-13.1-1003. Foreign registration statement.**

4 To register to do business in this state, a foreign limited partnership must deliver a foreign
5 registration statement to the secretary of state for filing. The statement must state:

6 (1) The name of the partnership and, if the name does not comply with § 7-13.1-114, an
7 alternate name adopted pursuant to § 7-13.1-1006(a);

8 (2) That the partnership is a foreign limited partnership;

9 (3) The partnership's jurisdiction of formation;

10 (4) The street and mailing addresses of the partnership's principal office and, if the law of
11 the partnership's jurisdiction of formation requires the partnership to maintain an office in that
12 jurisdiction, the street and mailing addresses of the required office; and

13 (5) The name and street and mailing addresses of the partnership's registered agent in this
14 state.

15 **7-13.1-1004. Amendment of foreign registration statement.**

16 A registered foreign limited partnership shall deliver to the secretary of state for filing an
17 amendment to its foreign registration statement if there is a change in:

18 (1) The name of the partnership;

19 (2) The partnership's jurisdiction of formation;

20 (3) An address required by § 7-13.1-1003(4); or

21 (4) The information required by § 7-13.1-1003(5).

22 **7-13.1-1005. Activities not constituting doing business.**

23 (a) Activities of a foreign limited partnership which do not constitute doing business in this
24 state under this article include:

25 (1) Maintaining, defending, mediating, arbitrating, or settling an action or proceeding;

26 (2) Carrying on any activity concerning its internal affairs, including holding meetings of
27 its partners;

28 (3) Maintaining accounts in financial institutions;

29 (4) Maintaining offices or agencies for the transfer, exchange, and registration of securities
30 of the partnership or maintaining trustees or depositories with respect to those securities;

31 (5) Selling through independent contractors;

32 (6) Soliciting or obtaining orders by any means if the orders require acceptance outside this
33 state before they become contracts;

34 (7) Creating or acquiring indebtedness, mortgages, or security interests in property;

1 (8) Securing or collecting debts or enforcing mortgages or security interests in property
2 securing the debts and holding, protecting, or maintaining property;

3 (9) Conducting an isolated transaction that is not in the course of similar transactions;

4 (10) Owning, without more, property; and

5 (11) Doing business in interstate commerce.

6 (b) A person does not do business in this state solely by being a partner of a foreign limited
7 partnership that does business in this state.

8 (c) This section does not apply in determining the contacts or activities that may subject a
9 foreign limited partnership to service of process, taxation, or regulation under law of this state other
10 than this chapter.

11 **7-13.1-1006. Noncomplying name of foreign limited partnership.**

12 (a) A foreign limited partnership whose name does not comply with § 7-13.1-114 may not
13 register to do business in this state until it adopts, for the purpose of doing business in this state, an
14 alternate name that complies with § 7-13.1-114. A partnership that registers under an alternate name
15 under this subsection need not comply with §§ 7-16-9 or 7-1.2-402. After registering to do business
16 in this state with an alternate name, a partnership shall do business in this state under:

17 (1) The alternate name;

18 (2) The partnership's name, with the addition of its jurisdiction of formation; or

19 (3) A name the partnership is authorized to use under §§ 7-16-9 or 7-1.2-402.

20 (b) If a registered foreign limited partnership changes its name to one that does not comply
21 with § 7-13.1-114, it may not do business in this state until it complies with subsection (a) of this
22 section by amending its registration to adopt an alternate name that complies with § 7-13.1-114.

23 **7-13.1-1007. Withdrawal deemed on conversion to domestic filing entity or domestic**
24 **limited liability partnership.**

25 A registered foreign limited partnership that converts to a domestic limited liability
26 partnership or to a domestic entity whose formation requires delivery of a record to the secretary
27 of state for filing is deemed to have withdrawn its registration on the effective date of the
28 conversion.

29 **7-13.1-1008. Withdrawal on dissolution or conversion to nonfiling entity other than**
30 **limited liability partnership.**

31 (a) A registered foreign limited partnership that has dissolved and completed winding up
32 or has converted to a domestic or foreign entity whose formation does not require the public filing
33 of a record, other than a limited liability partnership, shall deliver a statement of withdrawal to the
34 secretary of state for filing. The statement must state:

- 1 (1) In the case of a partnership that has completed winding up:
2 (i) Its name and jurisdiction of formation;
3 (ii) That the partnership surrenders its registration to do business in this state; and
4 (2) In the case of a partnership that has converted:
5 (i) The name of the converting partnership and its jurisdiction of formation;
6 (ii) The type of entity to which the partnership has converted and its jurisdiction of
7 formation;
8 (iii) That the converted entity surrenders the converting partnership's registration to do
9 business in this state and revokes the authority of the converting partnership's registered agent to
10 act as registered agent in this state on behalf of the partnership or the converted entity; and
11 (iv) A mailing address to which service of process may be made under subsection (b) of
12 this section.

13 (b) After a withdrawal under this section has become effective, service of process in any
14 action or proceeding based on a cause of action arising during the time the foreign limited
15 partnership was registered to do business in this state may be made pursuant to § 7-13.1-121.

16 **7-13.1-1009. Transfer of registration.**

17 (a) When a registered foreign limited partnership has merged into a foreign entity that is
18 not registered to do business in this state or has converted to a foreign entity required to register
19 with the secretary of state to do business in this state, the foreign entity shall deliver to the secretary
20 of state for filing an application for transfer of registration. The application must state:

- 21 (1) The name of the registered foreign limited partnership before the merger or conversion;
22 (2) That before the merger or conversion the registration pertained to a foreign limited
23 partnership;
24 (3) The name of the applicant foreign entity into which the foreign limited partnership has
25 merged or to which it has been converted and, if the name does not comply with § 7-13.1-114, an
26 alternate name adopted pursuant to § 7-13.1-1006(a);
27 (4) The type of entity of the applicant foreign entity and its jurisdiction of formation;
28 (5) The street and mailing addresses of the principal office of the applicant foreign entity
29 and, if the law of the entity's jurisdiction of formation requires the entity to maintain an office in
30 that jurisdiction, the street and mailing addresses of that office; and
31 (6) The name and street and mailing addresses of the applicant foreign entity's registered
32 agent in this state.

33 (b) When an application for transfer of registration takes effect, the registration of the
34 foreign limited partnership to do business in this state is transferred without interruption to the

1 foreign entity into which the partnership has merged or to which it has been converted.

2 **7-13.1-1010. Termination of registration.**

3 (a) The secretary of state may terminate the registration of a registered foreign limited
4 partnership in the manner provided in subsections (b) and (c) of this section if the partnership does
5 not:

6 (1) Pay, not later than sixty (60) days after the due date, any fee, tax, interest, or penalty
7 required to be paid to the secretary of state under this chapter or law other than this chapter;

8 (2) Deliver to the secretary of state for filing, not later than sixty (60) days after the due
9 date, an annual report required under § 7-13.1-212;

10 (3) Have a registered agent as required by § 7-13.1-117; or

11 (4) Deliver to the secretary of state for filing a statement of a change under § 7-13.1-118
12 not later than thirty (30) days after a change has occurred in the name or address of the registered
13 agent.

14 (b) The secretary of state may terminate the registration of a registered foreign limited
15 partnership by:

16 (1) Filing a notice of termination or noting the termination in the records of the secretary
17 of state; and

18 (2) Delivering a copy of the notice or the information in the notation to the partnership's
19 registered agent or, if the partnership does not have a registered agent, to the partnership's principal
20 office.

21 (c) The notice must state or the information in the notation must include:

22 (1) The effective date of the termination, which must be at least sixty (60) days after the
23 date the secretary of state delivers the copy; and

24 (2) The grounds for termination under subsection (a) of this section.

25 (d) The authority of the registered foreign limited partnership to do business in this state
26 ceases on the effective date of the notice of termination or notation under subsection (b) of this
27 section, unless before that date the partnership cures each ground for termination stated in the notice
28 or notation. If the partnership cures each ground, the secretary of state shall file a record so stating.

29 **7-13.1-1011. Withdrawal of registration of registered foreign limited partnership.**

30 (a) A registered foreign limited partnership may withdraw its registration by delivering a
31 statement of withdrawal to the secretary of state for filing. The statement of withdrawal must state:

32 (1) The name of the partnership and its jurisdiction of formation;

33 (2) That the partnership is not doing business in this state and that it withdraws its
34 registration to do business in this state;

1 (3) That the partnership revokes the authority of its registered agent to accept service on its
2 behalf in this state; and

3 (4) An address to which service of process may be made under subsection (b) of this
4 section.

5 (b) After the withdrawal of the registration of a foreign limited partnership, service of
6 process in any action or proceeding based on a cause of action arising during the time the
7 partnership was registered to do business in this state may be made pursuant to § 7-13.1-121.

8 **7-13.1-1012. Action by attorney general.**

9 The attorney general may maintain an action to enjoin a foreign limited partnership from
10 doing business in this state in violation of this article.

11 ARTICLE 11

12 MERGER, INTEREST EXCHANGE, CONVERSION, AND DOMESTICATION

13 PART 1

14 GENERAL PROVISIONS

15 **7-13.1-11.11. Definitions.**

16 As used in this article:

17 (1) "Acquired entity" means the entity, all of one or more classes or series of interests of
18 which are acquired in an interest exchange.

19 (2) "Acquiring entity" means the entity that acquires all of one or more classes or series of
20 interests of the acquired entity in an interest exchange.

21 (3) "Conversion" means a transaction authorized by §§ 7-13.1-11.41 through 7-13.1-11.46.

22 (4) "Converted entity" means the converting entity as it continues in existence after a
23 conversion.

24 (5) "Converting entity" means the domestic entity that approves a plan of conversion
25 pursuant to § 7-13.1-11.43 or the foreign entity that approves a conversion pursuant to the law of
26 its jurisdiction of formation.

27 (6) "Distributional interest" means the right under an unincorporated entity's organic law
28 and organic rules to receive distributions from the entity.

29 (7) "Domestic", with respect to an entity, means governed as to its internal affairs by the
30 law of this state.

31 (8) "Domesticated limited partnership" means the domesticating limited partnership as it
32 continues in existence after a domestication.

33 (9) "Domesticating limited partnership" means the domestic limited partnership that
34 approves a plan of domestication pursuant to § 7-13.1-11.53 or the foreign limited partnership that

1 approves a domestication pursuant to the law of its jurisdiction of formation.

2 (10) "Domestication" means a transaction authorized by §§ 7-13.1-11.51 through 7-13.1-

3 11.56.

4 (11) "Entity":

5 (i) Means:

6 (A) A business corporation;

7 (B) A nonprofit corporation;

8 (C) A general partnership, including a limited liability partnership;

9 (D) A limited partnership, including a limited liability limited partnership;

10 (E) A limited liability company;

11 (F) A general cooperative association;

12 (G) A limited cooperative association;

13 (H) An unincorporated nonprofit association;

14 (I) A statutory trust, business trust, or common-law business trust; or

15 (J) Any other person that has:

16 (I) A legal existence separate from any interest holder of that person; or

17 (II) The power to acquire an interest in real property in its own name; and

18 (ii) Does not include:

19 (A) An individual;

20 (B) A trust with a predominantly donative purpose or a charitable trust;

21 (C) An association or relationship that is not an entity listed in subsection (11)(i) of this

22 section and is not a partnership under the rules stated in § 7-12.1-202(c) or a similar provision of

23 the law of another jurisdiction;

24 (D) A decedent's estate; or

25 (E) A government or a governmental subdivision, agency, or instrumentality.

26 (12) "Filing entity" means an entity whose formation requires the filing of a public organic

27 record. The term does not include a limited liability partnership.

28 (13) "Foreign", with respect to an entity, means an entity governed as to its internal affairs

29 by the law of a jurisdiction other than this state.

30 (14) "Governance interest" means a right under the organic law or organic rules of an

31 unincorporated entity, other than as a governor, agent, assignee, or proxy, to:

32 (i) Receive or demand access to information concerning, or the books and records of, the

33 entity;

34 (ii) Vote for or consent to the election of the governors of the entity; or

1 (iii) Receive notice of or vote on or consent to an issue involving the internal affairs of the
2 entity.

3 (15) "Governor" means:

4 (i) A director of a business corporation;

5 (ii) A director or trustee of a nonprofit corporation;

6 (iii) A general partner of a general partnership;

7 (iv) A general partner of a limited partnership;

8 (v) A manager of a manager-managed limited liability company;

9 (vi) A member of a member-managed limited liability company;

10 (vii) A director of a general cooperative association;

11 (viii) A director of a limited cooperative association;

12 (ix) A manager of an unincorporated nonprofit association;

13 (x) A trustee of a statutory trust, business trust, or common-law business trust; or

14 (xi) Any other person under whose authority the powers of an entity are exercised and
15 under whose direction the activities and affairs of the entity are managed pursuant to the organic
16 law and organic rules of the entity.

17 (16) "Interest" means:

18 (i) A share in a business corporation;

19 (ii) A membership in a nonprofit corporation;

20 (iii) A partnership interest in a general partnership;

21 (iv) A partnership interest in a limited partnership;

22 (v) A membership interest in a limited liability company;

23 (vi) A share in a general cooperative association;

24 (vii) A member's interest in a limited cooperative association;

25 (viii) A membership in an unincorporated nonprofit association;

26 (ix) A beneficial interest in a statutory trust, business trust, or common-law business trust;

27 or

28 (x) A governance interest or distributional interest in any other type of unincorporated
29 entity.

30 (17) "Interest exchange" means a transaction authorized by §§ 7-13.1-11.31 through 7-
31 13.1-11.36.

32 (18) "Interest holder" means:

33 (i) A shareholder of a business corporation;

34 (ii) A member of a nonprofit corporation;

- 1 (iii) A general partner of a general partnership;
- 2 (iv) A general partner of a limited partnership;
- 3 (v) A limited partner of a limited partnership;
- 4 (vi) A member of a limited liability company;
- 5 (vii) A shareholder of a general cooperative association;
- 6 (viii) A member of a limited cooperative association;
- 7 (ix) A member of an unincorporated nonprofit association;
- 8 (x) A beneficiary or beneficial owner of a statutory trust, business trust, or common-law
- 9 business trust; or
- 10 (xi) Any other direct holder of an interest.
- 11 (19) "Interest holder liability" means:
- 12 (i) Personal liability for a liability of an entity which is imposed on a person:
- 13 (A) Solely by reason of the status of the person as an interest holder; or
- 14 (B) By the organic rules of the entity which make one or more specified interest holders or
- 15 categories of interest holders liable in their capacity as interest holders for all or specified liabilities
- 16 of the entity; or
- 17 (ii) An obligation of an interest holder under the organic rules of an entity to contribute to
- 18 the entity.
- 19 (20) "Merger" means a transaction authorized by §§ 7-13.1-11.21 through 7-13.1-11.26.
- 20 (21) "Merging entity" means an entity that is a party to a merger and exists immediately
- 21 before the merger becomes effective.
- 22 (22) "Organic law" means the law of an entity's jurisdiction of formation governing the
- 23 internal affairs of the entity.
- 24 (23) "Organic rules" means the public organic record and private organic rules of an entity.
- 25 (24) "Plan" means a plan of merger, plan of interest exchange, plan of conversion, or plan
- 26 of domestication.
- 27 (25) "Plan of conversion" means a plan under § 7-13.1-11.42.
- 28 (26) "Plan of domestication" means a plan under § 7-13.1-11.52.
- 29 (27) "Plan of interest exchange" means a plan under § 7-13.1-11.32.
- 30 (28) "Plan of merger" means a plan under § 7-13.1-11.22.
- 31 (29) "Private organic rules" means the rules, whether or not in a record, that govern the
- 32 internal affairs of an entity, are binding on all its interest holders, and are not part of its public
- 33 organic record, if any. The term includes:
- 34 (i) The bylaws of a business corporation;

- 1 [\(ii\) The bylaws of a nonprofit corporation;](#)
- 2 [\(iii\) The partnership agreement of a general partnership;](#)
- 3 [\(iv\) The partnership agreement of a limited partnership;](#)
- 4 [\(v\) The operating agreement of a limited liability company;](#)
- 5 [\(vi\) The bylaws of a general cooperative association;](#)
- 6 [\(vii\) The bylaws of a limited cooperative association;](#)
- 7 [\(viii\) The governing principles of an unincorporated nonprofit association; and](#)
- 8 [\(ix\) The trust instrument of a statutory trust or similar rules of a business trust or a common-](#)
- 9 [law business trust.](#)
- 10 [\(30\) "Protected agreement" means:](#)
- 11 [\(i\) A record evidencing indebtedness and any related agreement in effect on the effective](#)
- 12 [date of this chapter;](#)
- 13 [\(ii\) An agreement that is binding on an entity on the effective date of this chapter;](#)
- 14 [\(iii\) The organic rules of an entity in effect on the effective date of this chapter; or](#)
- 15 [\(iv\) An agreement that is binding on any of the governors or interest holders of an entity](#)
- 16 [on the effective date of this chapter.](#)
- 17 [\(31\) "Public organic record" means the record the filing of which by the secretary of state](#)
- 18 [is required to form an entity and any amendment to or restatement of that record. The term includes:](#)
- 19 [\(i\) The articles of incorporation of a business corporation;](#)
- 20 [\(ii\) The articles of incorporation of a nonprofit corporation;](#)
- 21 [\(iii\) The certificate of limited partnership of a limited partnership;](#)
- 22 [\(iv\) The certificate of organization of a limited liability company;](#)
- 23 [\(v\) The articles of incorporation of a general cooperative association;](#)
- 24 [\(vi\) The articles of organization of a limited cooperative association; and](#)
- 25 [\(vii\) The certificate of trust of a statutory trust or similar record of a business trust.](#)
- 26 [\(32\) "Registered foreign entity" means a foreign entity that is registered to do business in](#)
- 27 [this state pursuant to a record filed by the secretary of state.](#)
- 28 [\(33\) "Statement of conversion" means a statement under § 7-13.1-11.45.](#)
- 29 [\(34\) "Statement of domestication" means a statement under § 7-13.1-11.55.](#)
- 30 [\(35\) "Statement of interest exchange" means a statement under § 7-13.1-11.35.](#)
- 31 [\(36\) "Statement of merger" means a statement under § 7-13.1-11.25.](#)
- 32 [\(37\) "Surviving entity" means the entity that continues in existence after or is created by a](#)
- 33 [merger.](#)
- 34 [\(38\) "Type of entity" means a generic form of entity;](#)

- 1 (i) Recognized at common law; or
2 (ii) Formed under an organic law, whether or not some entities formed under that organic
3 law are subject to provisions of that law that create different categories of the form of entity.

4 **7-13.1-11.12. Relationship of article to other laws.**

5 (a) This article does not authorize an act prohibited by, and does not affect the application
6 or requirements of, law other than this article.

7 (b) A transaction effected under this article may not create or impair a right, duty, or
8 obligation of a person under the statutory law of this state relating to a change in control, takeover,
9 business combination, control-share acquisition, or similar transaction involving a domestic
10 merging, acquired, converting, or domesticating business corporation unless:

11 (1) If the corporation does not survive the transaction, the transaction satisfies any
12 requirements of the law; or

13 (2) If the corporation survives the transaction, the approval of the plan is by a vote of the
14 shareholders or directors which would be sufficient to create or impair the right, duty, or obligation
15 directly under the law.

16 **7-13.1-11.13. Required notice or approval.**

17 (a) A domestic or foreign entity that is required to give notice to, or obtain the approval of,
18 a governmental agency or officer of this state to be a party to a merger must give the notice or
19 obtain the approval to be a party to an interest exchange, conversion, or domestication.

20 (b) Property held for a charitable purpose under the law of this state by a domestic or
21 foreign entity immediately before a transaction under this article becomes effective may not, as a
22 result of the transaction, be diverted from the objects for which it was donated, granted, devised,
23 or otherwise transferred unless, to the extent required by or pursuant to the law of this state
24 concerning cy pres or other law dealing with nondiversion of charitable assets, the entity obtains
25 an appropriate order of the superior court specifying the disposition of the property.

26 (c) A bequest, devise, gift, grant, or promise contained in a will or other instrument of
27 donation, subscription, or conveyance which is made to a merging entity that is not the surviving
28 entity and which takes effect or remains payable after the merger inures to the surviving entity.

29 (d) A trust obligation that would govern property if transferred to a nonsurviving entity
30 applies to property that is transferred to the surviving entity under this section.

31 **7-13.1-11.14. Nonexclusivity.**

32 The fact that a transaction under this article produces a certain result does not preclude the
33 same result from being accomplished in any other manner permitted by law other than this article.

34 **7-13.1-11.15. Reference to external facts.**

1 A plan may refer to facts ascertainable outside the plan if the manner in which the facts
2 will operate upon the plan is specified in the plan. The facts may include the occurrence of an event
3 or a determination or action by a person, whether or not the event, determination, or action is within
4 the control of a party to the transaction.

5 **7-13.1-11.16. Appraisal rights.**

6 An interest holder of a domestic merging, acquired, converting, or domesticating limited
7 partnership is entitled to contractual appraisal rights in connection with a transaction under this
8 article to the extent provided in:

9 (1) The partnership agreement; or

10 (2) The plan.

11 PART 2

12 MERGER

13 **7-13.1-11.21. Merger authorized.**

14 (a) By complying with this part:

15 (1) One or more domestic limited partnerships may merge with one or more domestic or
16 foreign entities into a domestic or foreign surviving entity; and

17 (2) Two (2) or more foreign entities may merge into a domestic limited partnership.

18 (b) By complying with the provisions of this part applicable to foreign entities, a foreign
19 entity may be a party to a merger under this part or may be the surviving entity in such a merger if
20 the merger is authorized by the law of the foreign entity's jurisdiction of formation.

21 **7-13.1-11.22. Plan of merger.**

22 (a) A domestic limited partnership may become a party to a merger under this part by
23 approving a plan of merger. The plan must be in a record and contain:

24 (1) As to each merging entity, its name, jurisdiction of formation, and type of entity;

25 (2) If the surviving entity is to be created in the merger, a statement to that effect and the
26 entity's name, jurisdiction of formation, and type of entity;

27 (3) The manner of converting the interests in each party to the merger into interests,
28 securities, obligations, money, other property, rights to acquire interests or securities, or any
29 combination of the foregoing;

30 (4) If the surviving entity exists before the merger, any proposed amendments to:

31 (i) Its public organic record, if any; and

32 (ii) Its private organic rules that are, or are proposed to be, in a record;

33 (5) If the surviving entity is to be created in the merger:

34 (i) Its proposed public organic record, if any; and

1 (ii) The full text of its private organic rules that are proposed to be in a record;
2 (6) The other terms and conditions of the merger; and
3 (7) Any other provision required by the law of a merging entity's jurisdiction of formation
4 or the organic rules of a merging entity.

5 (b) In addition to the requirements of subsection (a) of this section, a plan of merger may
6 contain any other provision not prohibited by law.

7 **7-13.1-11.23. Approval of merger.**

8 (a) A plan of merger is not effective unless it has been approved:

9 (1) By a domestic merging limited partnership, by all the partners of the partnership entitled
10 to vote on or consent to any matter; and

11 (2) In a record, by each partner of a domestic merging limited partnership which will have
12 interest holder liability for debts, obligations, and other liabilities that are incurred after the merger
13 becomes effective, unless:

14 (i) The partnership agreement of the partnership provides in a record for the approval of a
15 merger in which some or all of its partners become subject to interest holder liability by the
16 affirmative vote or consent of fewer than all the partners; and

17 (ii) The partner consented in a record to or voted for that provision of the partnership
18 agreement or became a partner after the adoption of that provision.

19 (b) A merger involving a domestic merging entity that is not a limited partnership is not
20 effective unless the merger is approved by that entity in accordance with its organic law.

21 (c) A merger involving a foreign merging entity is not effective unless the merger is
22 approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of
23 formation.

24 **7-13.1-11.24. Amendment or abandonment of plan of merger.**

25 (a) A plan of merger may be amended only with the consent of each party to the plan,
26 except as otherwise provided in the plan.

27 (b) A domestic merging limited partnership may approve an amendment of a plan of
28 merger:

29 (1) In the same manner as the plan was approved, if the plan does not provide for the
30 manner in which it may be amended; or

31 (2) By its partners in the manner provided in the plan, but a partner that was entitled to vote
32 on or consent to approval of the merger is entitled to vote on or consent to any amendment of the
33 plan that will change:

34 (i) The amount or kind of interests, securities, obligations, money, other property, rights to

1 acquire interests or securities, or any combination of the foregoing, to be received by the interest
2 holders of any party to the plan;

3 (ii) The public organic record, if any, or private organic rules of the surviving entity that
4 will be in effect immediately after the merger becomes effective, except for changes that do not
5 require approval of the interest holders of the surviving entity under its organic law or organic rules;
6 or

7 (iii) Any other terms or conditions of the plan, if the change would adversely affect the
8 partner in any material respect.

9 (c) After a plan of merger has been approved and before a statement of merger becomes
10 effective, the plan may be abandoned as provided in the plan. Unless prohibited by the plan, a
11 domestic merging limited partnership may abandon the plan in the same manner as the plan was
12 approved.

13 (d) If a plan of merger is abandoned after a statement of merger has been delivered to the
14 secretary of state for filing and before the statement becomes effective, a statement of
15 abandonment, signed by a party to the plan, must be delivered to the secretary of state for filing
16 before the statement of merger becomes effective. The statement of abandonment takes effect on
17 filing, and the merger is abandoned and does not become effective. The statement of abandonment
18 must contain:

- 19 (1) The name of each party to the plan of merger;
20 (2) The date on which the statement of merger was filed by the secretary of state; and
21 (3) A statement that the merger has been abandoned in accordance with this section.

22 **7-13.1-11.25. Statement of merger -- Effective date of merger.**

23 (a) A statement of merger must be signed by each merging entity and delivered to the
24 secretary of state for filing.

25 (b) A statement of merger must contain:

26 (1) The name, jurisdiction of formation, and type of entity of each merging entity that is
27 not the surviving entity;

28 (2) The name, jurisdiction of formation, and type of entity of the surviving entity;

29 (3) A statement that the merger was approved by each domestic merging entity, if any, in
30 accordance with this part and by each foreign merging entity, if any, in accordance with the law of
31 its jurisdiction of formation;

32 (4) If the surviving entity exists before the merger and is a domestic filing entity, any
33 amendment to its public organic record approved as part of the plan of merger;

34 (5) If the surviving entity is created by the merger and is a domestic filing entity, its public

1 organic record, as an attachment; and

2 (6) If the surviving entity is created by the merger and is a domestic limited liability
3 partnership, its statement of qualification, as an attachment.

4 (c) In addition to the requirements of subsection (b) of this section, a statement of merger
5 may contain any other provision not prohibited by law.

6 (d) If the surviving entity is a domestic entity, its public organic record, if any, must satisfy
7 the requirements of the law of this state, except that the public organic record does not need to be
8 signed.

9 (e) A plan of merger that is signed by all the merging entities and meets all the requirements
10 of subsection (b) of this section may be delivered to the secretary of state for filing instead of a
11 statement of merger and on filing has the same effect. If a plan of merger is filed as provided in this
12 subsection, references in this article to a statement of merger refer to the plan of merger filed under
13 this subsection.

14 (f) If the surviving entity is a domestic limited partnership, the merger becomes effective
15 when the statement of merger is effective. In all other cases, the merger becomes effective on the
16 later of:

17 (1) The date and time provided by the organic law of the surviving entity; and

18 (2) When the statement is effective.

19 **7-13.1-11.26. Effect of merger.**

20 (a) When a merger becomes effective:

21 (1) The surviving entity continues or comes into existence;

22 (2) Each merging entity that is not the surviving entity ceases to exist;

23 (3) All property of each merging entity vests in the surviving entity without transfer,
24 reversion, or impairment;

25 (4) All debts, obligations, and other liabilities of each merging entity are debts, obligations,
26 and other liabilities of the surviving entity;

27 (5) Except as otherwise provided by law or the plan of merger, all the rights, privileges,
28 immunities, powers, and purposes of each merging entity vest in the surviving entity;

29 (6) If the surviving entity exists before the merger:

30 (i) All its property continues to be vested in it without transfer, reversion, or impairment;

31 (ii) It remains subject to all its debts, obligations, and other liabilities; and

32 (iii) All its rights, privileges, immunities, powers, and purposes continue to be vested in it;

33 (7) The name of the surviving entity may be substituted for the name of any merging entity
34 that is a party to any pending action or proceeding;

1 (8) If the surviving entity exists before the merger:

2 (i) Its public organic record, if any, is amended to the extent provided in the statement of
3 merger; and

4 (ii) Its private organic rules that are to be in a record, if any, are amended to the extent
5 provided in the plan of merger;

6 (9) If the surviving entity is created by the merger, its private organic rules become
7 effective and:

8 (i) If it is a filing entity, its public organic record becomes effective; and

9 (ii) If it is a limited liability partnership, its statement of qualification becomes effective;
10 and

11 (10) The interests in each merging entity which are to be converted in the merger are
12 converted, and the interest holders of those interests are entitled only to the rights provided to them
13 under the plan of merger and to any appraisal rights they have under § 7-13.1-11.16 and the merging
14 entity's organic law.

15 (b) Except as otherwise provided in the organic law or organic rules of a merging entity,
16 the merger does not give rise to any rights that an interest holder, governor, or third party would
17 have upon a dissolution, liquidation, or winding up of the merging entity.

18 (c) When a merger becomes effective, a person that did not have interest holder liability
19 with respect to any of the merging entities and becomes subject to interest holder liability with
20 respect to a domestic entity as a result of the merger has interest holder liability only to the extent
21 provided by the organic law of that entity and only for those debts, obligations, and other liabilities
22 that are incurred after the merger becomes effective.

23 (d) When a merger becomes effective, the interest holder liability of a person that ceases
24 to hold an interest in a domestic merging limited partnership with respect to which the person had
25 interest holder liability is subject to the following rules:

26 (1) The merger does not discharge any interest holder liability under this chapter to the
27 extent the interest holder liability was incurred before the merger became effective.

28 (2) The person does not have interest holder liability under this chapter for any debt,
29 obligation, or other liability that is incurred after the merger becomes effective.

30 (3) This chapter continues to apply to the release, collection, or discharge of any interest
31 holder liability preserved under subsection (d)(1) of this section as if the merger had not occurred.

32 (4) The person has whatever rights of contribution from any other person as are provided
33 by this chapter, law other than this chapter, or the partnership agreement of the domestic merging
34 limited partnership with respect to any interest holder liability preserved under subsection (d)(1) of

1 this section as if the merger had not occurred.

2 (e) When a merger becomes effective, a foreign entity that is the surviving entity may be
3 served with process in this state for the collection and enforcement of any debts, obligations, or
4 other liabilities of a domestic merging limited partnership as provided in § 7-13.1-121.

5 (f) When a merger becomes effective, the registration to do business in this state of any
6 foreign merging entity that is not the surviving entity is canceled.

7 PART 3

8 INTEREST EXCHANGE

9 **7-13.1-11.31. Interest exchange authorized.**

10 (a) By complying with this part:

11 (1) A domestic limited partnership may acquire all of one or more classes or series of
12 interests of another domestic entity or a foreign entity in exchange for interests, securities,
13 obligations, money, other property, rights to acquire interests or securities, or any combination of
14 the foregoing; or

15 (2) All of one or more classes or series of interests of a domestic limited partnership may
16 be acquired by another domestic entity or a foreign entity in exchange for interests, securities,
17 obligations, money, other property, rights to acquire interests or securities, or any combination of
18 the foregoing.

19 (b) By complying with the provisions of this part applicable to foreign entities, a foreign
20 entity may be the acquiring or acquired entity in an interest exchange under this part if the interest
21 exchange is authorized by the law of the foreign entity's jurisdiction of formation.

22 (c) If a protected agreement contains a provision that applies to a merger of a domestic
23 limited partnership but does not refer to an interest exchange, the provision applies to an interest
24 exchange in which the domestic limited partnership is the acquired entity as if the interest exchange
25 were a merger until the provision is amended after the effective date of this chapter.

26 **7-13.1-11.32. Plan of interest exchange.**

27 (a) A domestic limited partnership may be the acquired entity in an interest exchange under
28 this part by approving a plan of interest exchange. The plan must be in a record and contain:

29 (1) The name of the acquired entity;

30 (2) The name, jurisdiction of formation, and type of entity of the acquiring entity;

31 (3) The manner of converting the interests in the acquired entity into interests, securities,
32 obligations, money, other property, rights to acquire interests or securities, or any combination of
33 the foregoing;

34 (4) Any proposed amendments to:

- 1 (i) The certificate of limited partnership of the acquired entity; and
2 (ii) The partnership agreement of the acquired entity that are, or are proposed to be, in a
3 record;
4 (5) The other terms and conditions of the interest exchange; and
5 (6) Any other provision required by the law of this state or the partnership agreement of
6 the acquired entity.

7 (b) In addition to the requirements of subsection (a) of this section, a plan of interest
8 exchange may contain any other provision not prohibited by law.

9 **7-13.1-11.33. Approval of interest exchange.**

10 (a) A plan of interest exchange is not effective unless it has been approved:

11 (1) By all the partners of a domestic acquired limited partnership entitled to vote on or
12 consent to any matter; and

13 (2) In a record, by each partner of the domestic acquired limited partnership that will have
14 interest holder liability for debts, obligations, and other liabilities that are incurred after the interest
15 exchange becomes effective, unless:

16 (i) The partnership agreement of the partnership provides in a record for the approval of an
17 interest exchange or a merger in which some or all its partners become subject to interest holder
18 liability by the affirmative vote or consent of fewer than all of the partners; and

19 (ii) The partner consented in a record to or voted for that provision of the partnership
20 agreement or became a partner after the adoption of that provision.

21 (b) An interest exchange involving a domestic acquired entity that is not a limited
22 partnership is not effective unless it is approved by the domestic entity in accordance with its
23 organic law.

24 (c) An interest exchange involving a foreign acquired entity is not effective unless it is
25 approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of
26 formation.

27 (d) Except as otherwise provided in its organic law or organic rules, the interest holders of
28 the acquiring entity are not required to approve the interest exchange.

29 **7-13.1-11.34. Amendment or abandonment of plan of interest exchange.**

30 (a) A plan of interest exchange may be amended only with the consent of each party to the
31 plan, except as otherwise provided in the plan.

32 (b) A domestic acquired limited partnership may approve an amendment of a plan of
33 interest exchange:

34 (1) In the same manner as the plan was approved, if the plan does not provide for the

1 manner in which it may be amended; or

2 (2) By its partners in the manner provided in the plan, but a partner that was entitled to vote
3 on or consent to approval of the interest exchange is entitled to vote on or consent to any amendment
4 of the plan that will change;

5 (i) The amount or kind of interests, securities, obligations, money, other property, rights to
6 acquire interests or securities, or any combination of the foregoing, to be received by any of the
7 partners of the acquired partnership under the plan;

8 (ii) The certificate of limited partnership or partnership agreement of the acquired
9 partnership that will be in effect immediately after the interest exchange becomes effective, except
10 for changes that do not require approval of the partners of the acquired partnership under this
11 chapter or the partnership agreement; or

12 (iii) Any other terms or conditions of the plan, if the change would adversely affect the
13 partner in any material respect.

14 (c) After a plan of interest exchange has been approved and before a statement of interest
15 exchange becomes effective, the plan may be abandoned as provided in the plan. Unless prohibited
16 by the plan, a domestic acquired limited partnership may abandon the plan in the same manner as
17 the plan was approved.

18 (d) If a plan of interest exchange is abandoned after a statement of interest exchange has
19 been delivered to the secretary of state for filing and before the statement becomes effective, a
20 statement of abandonment, signed by the acquired limited partnership, must be delivered to the
21 secretary of state for filing before the statement of interest exchange becomes effective. The
22 statement of abandonment takes effect on filing, and the interest exchange is abandoned and does
23 not become effective. The statement of abandonment must contain:

24 (1) The name of the acquired partnership;

25 (2) The date on which the statement of interest exchange was filed by the secretary of state;
26 and

27 (3) A statement that the interest exchange has been abandoned in accordance with this
28 section.

29 **7-13.1-11.35. Statement of interest exchange -- Effective date of interest exchange.**

30 (a) A statement of interest exchange must be signed by a domestic acquired limited
31 partnership and delivered to the secretary of state for filing.

32 (b) A statement of interest exchange must contain:

33 (1) The name of the acquired limited partnership;

34 (2) The name, jurisdiction of formation, and type of entity of the acquiring entity;

1 (3) A statement that the plan of interest exchange was approved by the acquired limited
2 partnership in accordance with this part; and

3 (4) Any amendments to the acquired limited partnership's certificate of limited partnership
4 approved as part of the plan of interest exchange.

5 (c) In addition to the requirements of subsection (b) of this section, a statement of interest
6 exchange may contain any other provision not prohibited by law.

7 (d) A plan of interest exchange that is signed by a domestic acquired limited partnership
8 and meets all the requirements of subsection (b) of this section may be delivered to the secretary of
9 state for filing instead of a statement of interest exchange and on filing has the same effect. If a
10 plan of interest exchange is filed as provided in this subsection, references in this article to a
11 statement of interest exchange refer to the plan of interest exchange filed under this subsection.

12 (e) An interest exchange becomes effective when the statement of interest exchange is
13 effective.

14 **7-13.1-11.36. Effect of interest exchange.**

15 (a) When an interest exchange in which the acquired entity is a domestic limited
16 partnership becomes effective:

17 (1) The interests in the acquired partnership which are the subject of the interest exchange
18 are converted, and the partners holding those interests are entitled only to the rights provided to
19 them under the plan of interest exchange and to any appraisal rights they have under § 7-13.1-
20 11.16;

21 (2) The acquiring entity becomes the interest holder of the interests in the acquired
22 partnership stated in the plan of interest exchange to be acquired by the acquiring entity;

23 (3) The certificate of limited partnership of the acquired partnership is amended to the
24 extent provided in the statement of interest exchange; and

25 (4) The provisions of the partnership agreement of the acquired partnership that are to be
26 in a record, if any, are amended to the extent provided in the plan of interest exchange.

27 (b) Except as otherwise provided in the certificate of limited partnership or partnership
28 agreement of a domestic acquired limited partnership, the interest exchange does not give rise to
29 any rights that a partner or third party would have upon a dissolution, liquidation, or winding up of
30 the acquired partnership.

31 (c) When an interest exchange becomes effective, a person that did not have interest holder
32 liability with respect to a domestic acquired limited partnership and becomes subject to interest
33 holder liability with respect to a domestic entity as a result of the interest exchange has interest
34 holder liability only to the extent provided by the organic law of the entity and only for those debts,

1 obligations, and other liabilities that are incurred after the interest exchange becomes effective.

2 (d) When an interest exchange becomes effective, the interest holder liability of a person
3 that ceases to hold an interest in a domestic acquired limited partnership with respect to which the
4 person had interest holder liability is subject to the following rules:

5 (1) The interest exchange does not discharge any interest holder liability under this chapter
6 to the extent the interest holder liability was incurred before the interest exchange became effective.

7 (2) The person does not have interest holder liability under this chapter for any debt,
8 obligation, or other liability that is incurred after the interest exchange becomes effective.

9 (3) This chapter continues to apply to the release, collection, or discharge of any interest
10 holder liability preserved under subsection (d)(1) of this section as if the interest exchange had not
11 occurred.

12 (4) The person has whatever rights of contribution from any other person as are provided
13 by this chapter, law other than this chapter, or the partnership agreement of the domestic acquired
14 partnership with respect to any interest holder liability preserved under subsection (d)(1) of this
15 section as if the interest exchange had not occurred.

16 PART 4

17 CONVERSION

18 **7-13.1-11.41. Conversion authorized.**

19 (a) By complying with this part, a domestic limited partnership may become:

20 (1) A domestic entity that is a different type of entity; or

21 (2) A foreign entity that is a different type of entity, if the conversion is authorized by the
22 law of the foreign entity's jurisdiction of formation.

23 (b) By complying with the provisions of this part applicable to foreign entities, a foreign
24 entity that is not a foreign limited partnership may become a domestic limited partnership if the
25 conversion is authorized by the law of the foreign entity's jurisdiction of formation.

26 (c) If a protected agreement contains a provision that applies to a merger of a domestic
27 limited partnership but does not refer to a conversion, the provision applies to a conversion of the
28 partnership as if the conversion were a merger until the provision is amended after the effective
29 date of this chapter.

30 **7-13.1-11.42. Plan of conversion.**

31 (a) A domestic limited partnership may convert to a different type of entity under this part
32 by approving a plan of conversion. The plan must be in a record and contain:

33 (1) The name of the converting limited partnership;

34 (2) The name, jurisdiction of formation, and type of entity of the converted entity;

1 (3) The manner of converting the interests in the converting limited partnership into
2 interests, securities, obligations, money, other property, rights to acquire interests or securities, or
3 any combination of the foregoing;

4 (4) The proposed public organic record of the converted entity if it will be a filing entity;

5 (5) The full text of the private organic rules of the converted entity which are proposed to
6 be in a record;

7 (6) The other terms and conditions of the conversion; and

8 (7) Any other provision required by the law of this state or the partnership agreement of
9 the converting limited partnership.

10 (b) In addition to the requirements of subsection (a) of this section, a plan of conversion
11 may contain any other provision not prohibited by law.

12 **7-13.1-11.43. Approval of conversion.**

13 (a) A plan of conversion is not effective unless it has been approved:

14 (1) By a domestic converting limited partnership, by all the partners of the limited
15 partnership entitled to vote on or consent to any matter; and

16 (2) In a record, by each partner of a domestic converting limited partnership which will
17 have interest holder liability for debts, obligations, and other liabilities that are incurred after the
18 conversion becomes effective, unless:

19 (i) The partnership agreement of the partnership provides in a record for the approval of a
20 conversion or a merger in which some or all of its partners become subject to interest holder liability
21 by the affirmative vote or consent of fewer than all the partners; and

22 (ii) The partner voted for or consented in a record to that provision of the partnership
23 agreement or became a partner after the adoption of that provision.

24 (b) A conversion involving a domestic converting entity that is not a limited partnership is
25 not effective unless it is approved by the domestic converting entity in accordance with its organic
26 law.

27 (c) A conversion of a foreign converting entity is not effective unless it is approved by the
28 foreign entity in accordance with the law of the foreign entity's jurisdiction of formation.

29 **7-13.1-11.44. Amendment or abandonment of plan of conversion.**

30 (a) A plan of conversion of a domestic converting limited partnership may be amended:

31 (1) In the same manner as the plan was approved, if the plan does not provide for the
32 manner in which it may be amended; or

33 (2) By its partners in the manner provided in the plan, but a partner that was entitled to vote
34 on or consent to approval of the conversion is entitled to vote on or consent to any amendment of

1 the plan that will change:

2 (i) The amount or kind of interests, securities, obligations, money, other property, rights to
3 acquire interests or securities, or any combination of the foregoing, to be received by any of the
4 partners of the converting partnership under the plan;

5 (ii) The public organic record, if any, or private organic rules of the converted entity which
6 will be in effect immediately after the conversion becomes effective, except for changes that do not
7 require approval of the interest holders of the converted entity under its organic law or organic
8 rules; or

9 (iii) Any other terms or conditions of the plan, if the change would adversely affect the
10 partner in any material respect.

11 (b) After a plan of conversion has been approved by a domestic converting limited
12 partnership and before a statement of conversion becomes effective, the plan may be abandoned as
13 provided in the plan. Unless prohibited by the plan, a domestic converting limited partnership may
14 abandon the plan in the same manner as the plan was approved.

15 (c) If a plan of conversion is abandoned after a statement of conversion has been delivered
16 to the secretary of state for filing and before the statement becomes effective, a statement of
17 abandonment, signed by the converting entity, must be delivered to the secretary of state for filing
18 before the statement of conversion becomes effective. The statement of abandonment takes effect
19 on filing, and the conversion is abandoned and does not become effective. The statement of
20 abandonment must contain:

21 (1) The name of the converting limited partnership;

22 (2) The date on which the statement of conversion was filed by the secretary of state; and

23 (3) A statement that the conversion has been abandoned in accordance with this section.

24 **7-13.1-11.45. Statement of conversion -- Effective date of conversion.**

25 (a) A statement of conversion must be signed by the converting entity and delivered to the
26 secretary of state for filing.

27 (b) A statement of conversion must contain:

28 (1) The name, jurisdiction of formation, and type of entity of the converting entity;

29 (2) The name, jurisdiction of formation, and type of entity of the converted entity;

30 (3) If the converting entity is a domestic limited partnership, a statement that the plan of
31 conversion was approved in accordance with this part or, if the converting entity is a foreign entity,
32 a statement that the conversion was approved by the foreign entity in accordance with the law of
33 its jurisdiction of formation;

34 (4) If the converted entity is a domestic filing entity, its public organic record, as an

1 attachment; and

2 (5) If the converted entity is a domestic limited liability partnership, its statement of
3 qualification, as an attachment.

4 (c) In addition to the requirements of subsection (b) of this section, a statement of
5 conversion may contain any other provision not prohibited by law.

6 (d) If the converted entity is a domestic entity, its public organic record, if any, must satisfy
7 the requirements of the law of this state, except that the public organic record does not need to be
8 signed.

9 (e) A plan of conversion that is signed by a domestic converting limited partnership and
10 meets all the requirements of subsection (b) of this section may be delivered to the secretary of
11 state for filing instead of a statement of conversion and on filing has the same effect. If a plan of
12 conversion is filed as provided in this subsection, references in this article to a statement of
13 conversion refer to the plan of conversion filed under this subsection.

14 (f) If the converted entity is a domestic limited partnership, the conversion becomes
15 effective when the statement of conversion is effective. In all other cases, the conversion becomes
16 effective on the later of:

17 (1) The date and time provided by the organic law of the converted entity; and

18 (2) When the statement is effective.

19 **7-13.1-11.46. Effect of conversion.**

20 (a) When a conversion becomes effective:

21 (1) The converted entity is:

22 (i) Organized under and subject to the organic law of the converted entity; and

23 (ii) The same entity without interruption as the converting entity;

24 (2) All property of the converting entity continues to be vested in the converted entity
25 without transfer, reversion, or impairment;

26 (3) All debts, obligations, and other liabilities of the converting entity continue as debts,
27 obligations, and other liabilities of the converted entity;

28 (4) Except as otherwise provided by law or the plan of conversion, all the rights, privileges,
29 immunities, powers, and purposes of the converting entity remain in the converted entity;

30 (5) The name of the converted entity may be substituted for the name of the converting
31 entity in any pending action or proceeding;

32 (6) The certificate of limited partnership of the converted entity becomes effective;

33 (7) The provisions of the partnership agreement of the converted entity which are to be in
34 a record, if any, approved as part of the plan of conversion become effective; and

1 (8) The interests in the converting entity are converted, and the interest holders of the
2 converting entity are entitled only to the rights provided to them under the plan of conversion and
3 to any appraisal rights they have under § 7-13.1-11.16.

4 (b) Except as otherwise provided in the partnership agreement of a domestic converting
5 limited partnership, the conversion does not give rise to any rights that a partner or third party
6 would have upon a dissolution, liquidation, or winding up of the converting entity.

7 (c) When a conversion becomes effective, a person that did not have interest holder liability
8 with respect to the converting entity and becomes subject to interest holder liability with respect to
9 a domestic entity as a result of the conversion has interest holder liability only to the extent provided
10 by the organic law of the entity and only for those debts, obligations, and other liabilities that are
11 incurred after the conversion becomes effective.

12 (d) When a conversion becomes effective, the interest holder liability of a person that
13 ceases to hold an interest in a domestic converting limited partnership with respect to which the
14 person had interest holder liability is subject to the following rules:

15 (1) The conversion does not discharge any interest holder liability under this chapter to the
16 extent the interest holder liability was incurred before the conversion became effective.

17 (2) The person does not have interest holder liability under this chapter for any debt,
18 obligation, or other liability that is incurred after the conversion becomes effective.

19 (3) This chapter continues to apply to the release, collection, or discharge of any interest
20 holder liability preserved under subsection (d)(1) of this section as if the conversion had not
21 occurred.

22 (4) The person has whatever rights of contribution from any other person as are provided
23 by this chapter, law other than this chapter, or the organic rules of the converting entity with respect
24 to any interest holder liability preserved under subsection (d)(1) of this section as if the conversion
25 had not occurred.

26 (e) When a conversion becomes effective, a foreign entity that is the converted entity may
27 be served with process in this state for the collection and enforcement of any of its debts,
28 obligations, and other liabilities as provided in § 7-13.1-121.

29 (f) If the converting entity is a registered foreign entity, its registration to do business in
30 this state is canceled when the conversion becomes effective.

31 (g) A conversion does not require the entity to wind up its affairs and does not constitute
32 or cause the dissolution of the entity.

PART 5

DOMESTICATION

1 **7-13.1-11.51. Domestication authorized.**

2 (a) By complying with this part, a domestic limited partnership may become a foreign
3 limited partnership if the domestication is authorized by the law of the foreign jurisdiction.

4 (b) By complying with the provisions of this part applicable to foreign limited partnerships,
5 a foreign limited partnership may become a domestic limited partnership if the domestication is
6 authorized by the law of the foreign limited partnership's jurisdiction of formation.

7 (c) If a protected agreement contains a provision that applies to a merger of a domestic
8 limited partnership but does not refer to a domestication, the provision applies to a domestication
9 of the limited partnership as if the domestication were a merger until the provision is amended after
10 the effective date of this chapter.

11 **7-13.1-11.52. Plan of domestication.**

12 (a) A domestic limited partnership may become a foreign limited partnership in a
13 domestication by approving a plan of domestication. The plan must be in a record and contain:

14 (1) The name of the domesticating limited partnership;

15 (2) The name and jurisdiction of formation of the domesticated limited partnership;

16 (3) The manner of converting the interests in the domesticating limited partnership into
17 interests, securities, obligations, money, other property, rights to acquire interests or securities, or
18 any combination of the foregoing;

19 (4) The proposed certificate of limited partnership of the domesticated limited partnership;

20 (5) The full text of the provisions of the partnership agreement of the domesticated limited
21 partnership, that are proposed to be in a record;

22 (6) The other terms and conditions of the domestication; and

23 (7) Any other provision required by the law of this state or the partnership agreement of
24 the domesticating limited partnership.

25 (b) In addition to the requirements of subsection (a) of this section, a plan of domestication
26 may contain any other provision not prohibited by law.

27 **7-13.1-11.53. Approval of domestication.**

28 (a) A plan of domestication of a domestic domesticating limited partnership is not effective
29 unless it has been approved:

30 (1) By all the partners entitled to vote on or consent to any matter; and

31 (2) In a record, by each partner that will have interest holder liability for debts, obligations,
32 and other liabilities that are incurred after the domestication becomes effective, unless:

33 (i) The partnership agreement of the domesticating partnership in a record provides for the
34 approval of a domestication or merger in which some or all of its partners become subject to interest

1 holder liability by the affirmative vote or consent of fewer than all the partners; and

2 (ii) The partner voted for or consented in a record to that provision of the partnership
3 agreement or became a partner after the adoption of that provision.

4 (b) A domestication of a foreign domesticating limited partnership is not effective unless
5 it is approved in accordance with the law of the foreign limited partnership's jurisdiction of
6 formation.

7 **7-13.1-11.54. Amendment or abandonment of plan of domestication.**

8 (a) A plan of domestication of a domestic domesticating limited partnership may be
9 amended:

10 (1) In the same manner as the plan was approved, if the plan does not provide for the
11 manner in which it may be amended; or

12 (2) By its partners in the manner provided in the plan, but a partner that was entitled to vote
13 on or consent to approval of the domestication is entitled to vote on or consent to any amendment
14 of the plan that will change:

15 (i) The amount or kind of interests, securities, obligations, money, other property, rights to
16 acquire interests or securities, or any combination of the foregoing, to be received by any of the
17 partners of the domesticating limited partnership under the plan;

18 (ii) The certificate of limited partnership or partnership agreement of the domesticated
19 limited partnership that will be in effect immediately after the domestication becomes effective,
20 except for changes that do not require approval of the partners of the domesticated limited
21 partnership under its organic law or partnership agreement; or

22 (iii) Any other terms or conditions of the plan, if the change would adversely affect the
23 partner in any material respect.

24 (b) After a plan of domestication has been approved by a domestic domesticating limited
25 partnership and before a statement of domestication becomes effective, the plan may be abandoned
26 as provided in the plan. Unless prohibited by the plan, a domestic domesticating limited partnership
27 may abandon the plan in the same manner as the plan was approved.

28 (c) If a plan of domestication is abandoned after a statement of domestication has been
29 delivered to the secretary of state for filing and before the statement becomes effective, a statement
30 of abandonment, signed by the domesticating limited partnership, must be delivered to the secretary
31 of state for filing before the statement of domestication becomes effective. The statement of
32 abandonment takes effect on filing, and the domestication is abandoned and does not become
33 effective. The statement of abandonment must contain:

34 (1) The name of the domesticating limited partnership;

1 (2) The date on which the statement of domestication was filed by the secretary of state;
2 and

3 (3) A statement that the domestication has been abandoned in accordance with this section.

4 **7-13.1-11.55. Statement of domestication -- Effective date of domestication.**

5 (a) A statement of domestication must be signed by the domesticating limited partnership
6 and delivered to the secretary of state for filing.

7 (b) A statement of domestication must contain:

8 (1) The name and jurisdiction of formation of the domesticating limited partnership;

9 (2) The name and jurisdiction of formation of the domesticated limited partnership;

10 (3) If the domesticating limited partnership is a domestic limited partnership, a statement
11 that the plan of domestication was approved in accordance with this part or, if the domesticating
12 limited partnership is a foreign limited partnership, a statement that the domestication was approved
13 in accordance with the law of its jurisdiction of formation; and

14 (4) The certificate of limited partnership of the domesticated limited partnership, as an
15 attachment.

16 (c) In addition to the requirements of subsection (b) of this section, a statement of
17 domestication may contain any other provision not prohibited by law.

18 (d) The certificate of limited partnership of a domesticated domestic limited partnership
19 must satisfy the requirements of this chapter, but the certificate does not need to be signed.

20 (e) A plan of domestication that is signed by a domesticating domestic limited partnership
21 and meets all the requirements of subsection (b) of this section may be delivered to the secretary of
22 state for filing instead of a statement of domestication and on filing has the same effect. If a plan
23 of domestication is filed as provided in this subsection, references in this article to a statement of
24 domestication refer to the plan of domestication filed under this subsection.

25 (f) If the domesticated entity is a domestic limited partnership, the domestication becomes
26 effective when the statement of domestication is effective. If the domesticated entity is a foreign
27 limited partnership, the domestication becomes effective on the later of:

28 (1) The date and time provided by the organic law of the domesticated entity; and

29 (2) When the statement is effective.

30 **7-13.1-11.56. Effect of domestication.**

31 (a) When a domestication becomes effective:

32 (1) The domesticated entity is:

33 (i) Organized under and subject to the organic law of the domesticated entity; and

34 (ii) The same entity without interruption as the domesticating entity;

1 (2) All property of the domesticating entity continues to be vested in the domesticated
2 entity without transfer, reversion, or impairment;

3 (3) All debts, obligations, and other liabilities of the domesticating entity continue as debts,
4 obligations, and other liabilities of the domesticated entity;

5 (4) Except as otherwise provided by law or the plan of domestication, all the rights,
6 privileges, immunities, powers, and purposes of the domesticating entity remain in the
7 domesticated entity;

8 (5) The name of the domesticated entity may be substituted for the name of the
9 domesticating entity in any pending action or proceeding;

10 (6) The certificate of limited partnership of the domesticated entity becomes effective;

11 (7) The provisions of the partnership agreement of the domesticated entity that are to be in
12 a record, if any, approved as part of the plan of domestication become effective; and

13 (8) The interests in the domesticating entity are converted to the extent and as approved in
14 connection with the domestication, and the partners of the domesticating entity are entitled only to
15 the rights provided to them under the plan of domestication and to any appraisal rights they have
16 under § 7-13.1-11.16.

17 (b) Except as otherwise provided in the organic law or partnership agreement of the
18 domesticating limited partnership, the domestication does not give rise to any rights that a partner
19 or third party would have upon a dissolution, liquidation, or winding up of the domesticating
20 partnership.

21 (c) When a domestication becomes effective, a person that did not have interest holder
22 liability with respect to the domesticating limited partnership and becomes subject to interest holder
23 liability with respect to a domestic limited partnership as a result of the domestication has interest
24 holder liability only to the extent provided by this chapter and only for those debts, obligations, and
25 other liabilities that are incurred after the domestication becomes effective.

26 (d) When a domestication becomes effective, the interest holder liability of a person that
27 ceases to hold an interest in a domestic domesticating limited partnership with respect to which the
28 person had interest holder liability is subject to the following rules:

29 (1) The domestication does not discharge any interest holder liability under this chapter to
30 the extent the interest holder liability was incurred before the domestication became effective.

31 (2) A person does not have interest holder liability under this chapter for any debt,
32 obligation, or other liability that is incurred after the domestication becomes effective.

33 (3) This chapter continues to apply to the release, collection, or discharge of any interest
34 holder liability preserved under subsection (1) of this section as if the domestication had not

1 occurred.

2 (4) A person has whatever rights of contribution from any other person as are provided by
3 this chapter, law other than this chapter, or the partnership agreement of the domestic domesticating
4 limited partnership with respect to any interest holder liability preserved under subsection (d)(1) of
5 this section as if the domestication had not occurred.

6 (e) When a domestication becomes effective, a foreign limited partnership that is the
7 domesticated partnership may be served with process in this state for the collection and
8 enforcement of any of its debts, obligations, and other liabilities as provided in § 7-13.1-121.

9 (f) If the domesticating limited partnership is a registered foreign entity, the registration of
10 the partnership is canceled when the domestication becomes effective.

11 (g) A domestication does not require a domestic domesticating limited partnership to wind
12 up its affairs and does not constitute or cause the dissolution of the partnership.

13 ARTICLE 12

14 MISCELLANEOUS PROVISIONS

15 **7-13.1-1201. Relation to electronic signatures in global and national commerce act.**

16 This chapter modifies, limits, and supersedes the Electronic Signatures in Global and
17 National Commerce Act, 15 U.S.C. Section 7001 et seq., but does not modify, limit, or supersede
18 Section 101(c) of that act, 15 U.S.C. Section 7001(c), or authorize electronic delivery of any of the
19 notices described in Section 103(b) of that act, 15 U.S.C. Section 7003(b).

20 **7-13.1-1202. Savings clause.**

21 This chapter does not affect an action commenced, proceeding brought, or right accrued
22 before the effective date of this chapter.

23 **7-13.1-1203. Severability clause.**

24 If any provision of this chapter or its application to any person or circumstance is held
25 invalid, the invalidity does not affect other provisions or applications of this chapter which can be
26 given effect without the invalid provision or application, and to this end the provisions of this
27 chapter are severable.

28 SECTION 2. Chapter 7-13 of the General Laws entitled "Limited Partnerships" is hereby
29 repealed in its entirety.

30 ~~CHAPTER 7-13~~

31 ~~Limited Partnerships~~

32 ~~**7-13-1. Definitions:**~~

33 ~~As used in this chapter, unless the context otherwise requires:~~

34 ~~(1) "Certificates of limited partnership" means the certificate referred to in § 7-13-8 and~~

1 ~~the certificate as amended or restated.~~

2 ~~(2) "Contribution" means any cash, property, services rendered, or a promissory note or~~
3 ~~other binding obligation to contribute cash or property or to perform services, which a partner~~
4 ~~contributes to a limited partnership in his or her capacity as a partner.~~

5 ~~(3) "Delivering/Delivered" means either physically transferring a paper document to the~~
6 ~~secretary of state or transferring a document to the secretary of state by electronic transmission~~
7 ~~through a medium provided and authorized by the secretary of state.~~

8 ~~(4) "Electronic transmission" means any form of communication, not directly involving~~
9 ~~the physical transmission of paper, that creates a record that may be retained, retrieved, and~~
10 ~~reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a~~
11 ~~recipient through an automated process.~~

12 ~~(5) "Event of withdrawal of a general partner" means an event that causes a person to cease~~
13 ~~to be a general partner as provided in § 7-13-23.~~

14 ~~(6) "Filing" means delivered to the secretary of state in either paper format or electronic~~
15 ~~transmission through a medium provided and authorized by the secretary of state.~~

16 ~~(7) "Foreign limited partnership" means a partnership formed under the laws of any state~~
17 ~~other than the state of Rhode Island and having as partners one or more general partners and one~~
18 ~~or more limited partners.~~

19 ~~(8) "General partner" means a person who has been admitted to a limited partnership as a~~
20 ~~general partner in accordance with the partnership agreement and named in the certificate of limited~~
21 ~~partnership as a general partner.~~

22 ~~(9) "Limited partner" means a person who has been admitted to a limited partnership as a~~
23 ~~limited partner in accordance with the partnership agreement and named in the certificate of limited~~
24 ~~partnership as a limited partner.~~

25 ~~(10) "Limited partnership" and "domestic limited partnership" mean a partnership formed~~
26 ~~by two or more persons under the laws of this state and having one or more general partners and~~
27 ~~one or more limited partners.~~

28 ~~(11) "Partner" means a limited or general partner.~~

29 ~~(12) "Partnership agreement" means any written or oral agreement of the partners as to the~~
30 ~~affairs of a limited partnership and the conduct of its business. A written partnership agreement or~~
31 ~~another written agreement or writing:~~

32 ~~(i) May provide that a person is admitted as a limited partner of a limited partnership, or~~
33 ~~becomes an assignee of a partnership interest or other rights or powers of a limited partner to the~~
34 ~~extent assigned, and becomes bound by the partnership agreement,~~

1 ~~(A) If the person (or a representative authorized by the person orally, in writing, or by other~~
2 ~~action such as payment for a partnership interest) executes the partnership agreement or any other~~
3 ~~writing evidencing the intent of the person to become a limited partner or assignee, or~~

4 ~~(B) Without execution, if the person (or a representative authorized by the person orally,~~
5 ~~in writing, or by other action such as payment for a partnership interest) complies with the~~
6 ~~conditions for becoming a limited partner or assignee as stated in the partnership agreement or any~~
7 ~~other writing and requests (orally, in writing, or by other action such as payment for a partnership~~
8 ~~interest) that the records of the limited partnership reflect the admission or assignment, and~~

9 ~~(ii) Shall not be unenforceable by reason of its not having been signed by a person being~~
10 ~~admitted as a limited partner or becoming an assignee as provided in subdivision (12)(i), or by~~
11 ~~reason of its having been signed by a representative as provided in this title.~~

12 ~~(13) "Partnership interest" means a partner's share of the profits and losses of a limited~~
13 ~~partnership and the right to receive distributions of partnership assets.~~

14 ~~(14) "Person" means a natural person, partnership, limited partnership (domestic or~~
15 ~~foreign), trust, estate, association, or corporation.~~

16 ~~(15) "State" means a state, territory, or possession of the United States, the District of~~
17 ~~Columbia, or the Commonwealth of Puerto Rico.~~

18 ~~(16) "Signature" or "Signed" or "Executed" means an original signature, facsimile, or an~~
19 ~~electronically transmitted signature submitted through a medium provided and authorized by the~~
20 ~~secretary of state.~~

21 ~~**7-13-2. Name.**~~

22 ~~(a) The name of each limited partnership as presented in its certificate of limited~~
23 ~~partnership:~~

24 ~~(1) Shall contain the words "limited partnership", or the abbreviation "L.P." or "LP";~~

25 ~~(2) May not contain the name of a limited partner unless:~~

26 ~~(i) It is also the name of a general partner or the corporate name of a corporate general~~
27 ~~partner, or~~

28 ~~(ii) The business of the limited partnership had been carried on under that name before the~~
29 ~~admission of that limited partner;~~

30 ~~(3) Shall be distinguishable upon the records of the secretary of state from the name of any~~
31 ~~corporation, non business corporation or other association, domestic or foreign limited liability~~
32 ~~company, limited partnership organized under the laws of, or registered or qualified to do business~~
33 ~~in this state or any name that is filed, reserved, or registered under this title or as permitted by the~~
34 ~~laws of this state, subject to the following:~~

1 ~~(i) This provision does not apply if the applicant files with the secretary of state a certified~~
2 ~~copy of a final decree of a court of competent jurisdiction establishing the prior right of the~~
3 ~~applicant to the use of the name in this state; and~~

4 ~~(ii) The name may be the same as the name of a corporation, non-business corporation or~~
5 ~~other association the certificate of incorporation or organization of which has been revoked by the~~
6 ~~secretary of state as permitted by law, and the revocation has not been withdrawn within one year~~
7 ~~from the date of the revocation.~~

8 ~~(iii) Words and/or abbreviations that are required by statute to identify the particular type~~
9 ~~of business entity shall be disregarded when determining if a name is distinguishable upon the~~
10 ~~records of the secretary of state.~~

11 ~~(iv) The secretary of state shall promulgate rules and regulations defining the term~~
12 ~~"distinguishable upon the record" for the administration of this chapter.~~

13 ~~(b)(1) Any domestic or foreign limited partnership formed under the laws of, or registered~~
14 ~~to do business in this state may transact business in this state under a fictitious name provided that~~
15 ~~it files a fictitious business name statement in accordance with this subsection prior to the time it~~
16 ~~commences to conduct business under the fictitious name.~~

17 ~~(2) A fictitious business name statement shall be filed with the secretary of state, and shall~~
18 ~~be executed, in the case of a domestic limited partnership, by an authorized person and, in the case~~
19 ~~of a foreign limited partnership, by a person with authority to do so under the laws of the state or~~
20 ~~other jurisdiction of its formation, and shall state:~~

21 ~~(i) The fictitious business name to be used; and~~

22 ~~(ii) The name of the applicant limited partnership or foreign limited partnership, and the~~
23 ~~state and date of its formation.~~

24 ~~(3) The fictitious business name statement expires upon the filing of a statement of~~
25 ~~abandonment of use of a fictitious business name registered in accordance with this subsection or~~
26 ~~upon the dissolution of the domestic limited partnership or the cancellation of registration of the~~
27 ~~foreign limited partnership.~~

28 ~~(4) The statement of abandonment of use of a fictitious business name under this subsection~~
29 ~~shall be filed with the secretary of state, shall be executed in the same manner provided in~~
30 ~~subdivision (2) and shall state:~~

31 ~~(i) The fictitious business name being abandoned;~~

32 ~~(ii) The date on which the original fictitious business name statement being abandoned was~~
33 ~~filed; and~~

34 ~~(iii) The information presented in subdivision (2)(ii) of subsection (b).~~

1 ~~(5) No domestic or foreign limited partnership transacting business under a fictitious~~
2 ~~business name contrary to the provisions of this section, or its assignee, may maintain any action~~
3 ~~upon or on account of any contract made, or transaction had, in the fictitious business name in any~~
4 ~~court of the state until a fictitious business name statement has been filed in accordance with this~~
5 ~~section.~~

6 ~~(6) No domestic or foreign limited partnership may be permitted to transact business under~~
7 ~~a fictitious business name pursuant to this section that is the same as the name of any corporation,~~
8 ~~non-business corporation or other association, domestic or foreign limited partnership or domestic~~
9 ~~or foreign limited liability company organized under the laws of, or registered or qualified to do~~
10 ~~business in this state or any name that is filed, reserved, or registered under this title or as permitted~~
11 ~~by the laws of this state, subject to the following:~~

12 ~~(i) This provision does not apply if the applicant files with the secretary of state a certified~~
13 ~~copy of a final decree of a court of competent jurisdiction establishing the prior right of the~~
14 ~~applicant to the use of the name in this state; and~~

15 ~~(ii) The name may be the same as the name of a corporation, non-business corporation or~~
16 ~~other association the certificate of incorporation or organization of which has been revoked by the~~
17 ~~secretary of state as permitted by law and the revocation has not been withdrawn within one year~~
18 ~~from the date of revocation.~~

19 ~~(iii) Words and/or abbreviations that are required by statute to identify the particular type~~
20 ~~of business entity shall be disregarded when determining if a name is distinguishable upon the~~
21 ~~records of the secretary of state.~~

22 ~~(iv) The secretary of state shall promulgate rules and regulations defining the term~~
23 ~~"distinguishable upon the record" for the administration of this chapter.~~

24 **7-13-3. Reservation of name.**

25 (a) ~~The exclusive right to the use of a name may be reserved by:~~

26 ~~(1) Any person intending to organize a limited partnership under this chapter and to adopt~~
27 ~~that name;~~

28 ~~(2) Any domestic limited partnership or any foreign limited partnership registered in this~~
29 ~~state which, in either case, intends to adopt that name;~~

30 ~~(3) Any foreign limited partnership intending to register in this state and adopt that name;~~
31 ~~and~~

32 ~~(4) Any person intending to organize a foreign limited partnership and intending to have it~~
33 ~~register in this state and adopt that name.~~

34 (b) ~~The reservation is made by filing with the secretary of state an application, executed by~~

1 ~~the applicant, to reserve a specified name. If the secretary of state finds that the name is available~~
2 ~~for use by a domestic or foreign limited partnership, he or she reserves the name for the exclusive~~
3 ~~use of the applicant for a period of one hundred and twenty (120) days. Once having reserved a~~
4 ~~name, that applicant may not again reserve the same name until more than sixty (60) days after the~~
5 ~~expiration of the last one hundred and twenty day (120) period for which that applicant reserved~~
6 ~~that name. The right to the exclusive use of a reserved name may be transferred to any other person~~
7 ~~by filing in the office of the secretary of state a notice of the transfer, executed by the applicant for~~
8 ~~whom the name was reserved and specifying the name and address of the transferee.~~

9 **7-13-4. Specified office and agent.**

10 ~~Each limited partnership shall continuously maintain in this state:~~

11 ~~(1) An office, which may but need not be a place of its business in this state, at which is~~
12 ~~kept the records required by § 7-13-5 to be maintained; and~~

13 ~~(2) An agent for service of process on the limited partnership, which agent must be an~~
14 ~~individual resident of this state, a domestic corporation, or a foreign corporation authorized to do~~
15 ~~business in this state.~~

16 **7-13-5. Records to be kept.**

17 ~~Each limited partnership shall keep at the office referred to in § 7-13-4(1) the following:~~

18 ~~(1) A current list of the full name and last known business address of all partners separately~~
19 ~~identifying in alphabetical order, the general partners and limited partners;~~

20 ~~(2) A copy of the certificate of limited partnership and all certificates of amendment to it,~~
21 ~~together with executed copies of any powers of attorney pursuant to which any certificate has been~~
22 ~~executed;~~

23 ~~(3) Copies of the limited partnership's federal, state, and local income tax returns and~~
24 ~~reports, if any, for the three (3) most recent years;~~

25 ~~(4) Copies of any then effective written partnership agreements and of any financial~~
26 ~~statements of the limited partnerships for the three (3) most recent years. Those records are subject~~
27 ~~to inspection and copying at the reasonable request, and at the expense, of any partner during~~
28 ~~ordinary business hours;~~

29 ~~(5) Unless contained in a written partnership agreement, a writing setting out:~~

30 ~~(i) The amount of cash and a description and statement of the agreed value of the other~~
31 ~~property or services contributed by each partner and that each partner has agreed to contribute;~~

32 ~~(ii) The times at which or events on the happening of which any additional contributions~~
33 ~~agreed to be made by each partner are to be made;~~

34 ~~(iii) Any right of a partner to receive distribution, or of a general partner to make~~

1 ~~distributions to a partner, that include a return of all or any part of the partner's contribution; and~~

2 ~~(iv) Any events upon the happening of which the limited partnership is to be dissolved and~~
3 ~~its affairs wound up.~~

4 ~~**7-13-6. Nature of business.**~~

5 ~~A limited partnership may carry on any business that a partnership without limited partners~~
6 ~~may carry on.~~

7 ~~**7-13-7. Business transactions of partner with partnership.**~~

8 ~~Except as provided in the partnership agreement, a partner may lend money to and transact~~
9 ~~any other business with the limited partnership and, subject to other applicable law, has the same~~
10 ~~rights and obligations with respect to that transaction of business as a person who is not a partner.~~

11 ~~**7-13-8. Formation -- Certificate of limited partnership.**~~

12 ~~In order to form a limited partnership, a certificate of limited partnership shall be executed~~
13 ~~and filed in the office of the secretary of state, stating:~~

14 ~~(1) The name of the limited partnership;~~

15 ~~(2) The address of the office and the name and address of the agent for service of process~~
16 ~~required to be maintained by § 7-13-4;~~

17 ~~(3) The name and the business address of each general partner;~~

18 ~~(4) A mailing address for the limited partnership;~~

19 ~~(5) Any other matters the partners determine to include in the certificate.~~

20 ~~**7-13-8.1. Conversion of certain entities to a limited partnership.**~~

21 ~~(a) As used in this section, the term "other entity" means a corporation, business trust or~~
22 ~~association, a real estate investment trust, a common law trust, or any other unincorporated~~
23 ~~business or entity including a limited liability company or a partnership, whether general or limited~~
24 ~~(including a registered limited liability partnership).~~

25 ~~(b) Any other entity may convert to a domestic limited partnership by complying with~~
26 ~~subsection (h) of this section and filing in the office of the secretary of state in accordance with §~~
27 ~~7-13-13:~~

28 ~~(1) A certificate of conversion to limited partnership that has been executed by one or more~~
29 ~~authorized persons in accordance with § 7-13-11; and~~

30 ~~(2) A certificate of limited partnership that complies with § 7-13-8 and has been executed~~
31 ~~by one or more authorized persons in accordance with § 7-13-11.~~

32 ~~(c) The certificate of conversion to a limited partnership shall state:~~

33 ~~(1) The date on which and jurisdiction where the other entity was first created, formed, or~~
34 ~~otherwise came into being and, if it has changed, its jurisdiction immediately prior to its conversion~~

1 ~~to a domestic limited partnership;~~

2 ~~(2) The name and type of the other entity immediately prior to the filing of the certificate~~
3 ~~of conversion to limited partnership;~~

4 ~~(3) The name of the limited partnership as set forth in its certificate of limited partnership~~
5 ~~filed in accordance with subsection (b) of this section; and~~

6 ~~(4) The future effective date or time (which shall be a date or time certain) of the conversion~~
7 ~~to a limited partnership if it is not to be effective upon the filing of the certificate of conversion to~~
8 ~~limited partnership and the certificate of limited partnership.~~

9 ~~(d) Upon the filing in the office of the secretary of state of the certificate of conversion to~~
10 ~~limited partnership and the certificate of formation or upon the future effective date or time of the~~
11 ~~certificate of conversion to limited partnership and the certificate of limited partnership, the other~~
12 ~~entity shall be converted into a domestic limited partnership and the limited partnership shall~~
13 ~~thereafter be subject to all of the provisions of this chapter, except that, notwithstanding § 7-13-8,~~
14 ~~the existence of the limited partnership shall be deemed to have commenced on the date the other~~
15 ~~entity commenced its existence in the jurisdiction in which the other entity was first created,~~
16 ~~formed, or otherwise came into being.~~

17 ~~(e) The conversion of any other entity into a domestic limited partnership shall not be~~
18 ~~deemed to affect any obligations or liabilities of the other entity incurred prior to its conversion to~~
19 ~~a domestic limited partnership or the personal liability of any person incurred prior to the~~
20 ~~conversion.~~

21 ~~(f) When any conversion becomes effective under this section, for all purposes of the laws~~
22 ~~of the state of Rhode Island, all of the rights, privileges, and powers of the other entity that has~~
23 ~~converted, and all property, real, personal, and mixed, and all debts due to the other entity, as well~~
24 ~~as all other things and causes of action belonging to the other entity, are vested in the domestic~~
25 ~~limited partnership and are thereafter the property of the domestic limited partnership as they were~~
26 ~~of the other entity that has converted, and the title to any real property vested by deed or otherwise~~
27 ~~in the other entity shall not revert to such other entity or be in any way impaired by reason of this~~
28 ~~chapter, but all rights of creditors and all liens upon any property of the other entity shall be~~
29 ~~preserved unimpaired, and all debts, liabilities, and duties of the other entity that has converted are~~
30 ~~attached to the domestic limited partnership and may be enforced against it to the same extent as if~~
31 ~~those debts, liabilities, and duties were incurred or contracted by it.~~

32 ~~(g) Unless otherwise agreed, or as required under applicable non-Rhode Island law, the~~
33 ~~converting other entity is not required to wind up its affairs or pay its liabilities and distribute its~~
34 ~~assets, and the conversion shall not be deemed to constitute a dissolution of the other entity and~~

1 ~~constitutes a continuation of the existence of the converting other entity in the form of a domestic~~
2 ~~limited partnership.~~

3 ~~(h) Prior to filing a certificate of conversion to limited partnership with the office of the~~
4 ~~secretary of state, the conversion shall be approved in the manner provided for by the document,~~
5 ~~instrument, agreement, or other writing, as the case may be, governing the internal affairs of the~~
6 ~~other entity and the conduct of its business or by applicable law, as appropriate, and a partnership~~
7 ~~agreement shall be approved by the same authorization required to approve the conversion.~~

8 ~~(i) The provisions of this section shall not be construed to limit the accomplishment of a~~
9 ~~change in the law governing, or the domicile of, another entity to the state of Rhode Island by any~~
10 ~~other means provided for in a partnership agreement or other agreement or as otherwise permitted~~
11 ~~by law, including by the amendment of a partnership agreement or other agreement.~~

12 **7-13-8.2. Approval of conversion of a limited partnership.**

13 ~~(a) A domestic limited partnership may convert to a corporation, a business trust or~~
14 ~~association, a real estate investment trust, a common law trust, or any other unincorporated~~
15 ~~business or entity including a partnership, whether general or limited (including a registered~~
16 ~~limited liability partnership) or a limited liability company, organized, formed, or created under~~
17 ~~the laws of the state of Rhode Island, upon the authorization of that conversion in accordance with~~
18 ~~this section. If the partnership agreement specified the manner of authorizing a conversion of the~~
19 ~~limited partnership, the conversion shall be authorized as specified in the partnership agreement. If~~
20 ~~the partnership agreement does not specify the manner of authorizing a conversion of the limited~~
21 ~~partnership and does not prohibit a conversion of the limited partnership, the conversion shall be~~
22 ~~authorized in the same manner as is specified in the partnership agreement for authorizing a merger~~
23 ~~or consolidation that involves the limited partnership as a constituent party to the merger or~~
24 ~~consolidation. If the partnership agreement does not specify the manner of authorizing a conversion~~
25 ~~of the limited partnership or a merger or consolidation that involved the limited partnership as a~~
26 ~~constituent party and does not prohibit a conversion of the limited partnership, the conversion shall~~
27 ~~be authorized by the approval (1) by all general partners, and (2) by the limited partners or, if there~~
28 ~~is more than one class or group of limited partners, then by each class or group of limited partners,~~
29 ~~in either case, by limited partners who own more than fifty percent (50%) of the then current~~
30 ~~percentage or other interest in the profits of the domestic limited partnership owned by all of the~~
31 ~~limited partners or by the limited partners in each class or group, as appropriate.~~

32 ~~(b) If a limited partnership shall convert in accordance with this section to another entity~~
33 ~~or business form organized, formed, or created under the laws of a jurisdiction other than the state~~
34 ~~of Rhode Island or to a Rhode Island unincorporated "other entity", a certificate of conversion to a~~

1 ~~non-Rhode Island entity shall be filed in the office of the secretary of state. The certificate of~~
2 ~~conversion to a non-Rhode Island entity shall state:~~

3 ~~(1) The name of the limited partnership and, if it has been changed, the name under which~~
4 ~~its certificate of formation was originally filed;~~

5 ~~(2) The date of filing of its original certificate of formation with the secretary of state;~~

6 ~~(3) The jurisdiction in which the entity or business form, to which the limited partnership~~
7 ~~shall be converted, is organized, formed, or created, and the name and type of such entity or~~
8 ~~business form;~~

9 ~~(4) The future effective date or time, which shall be a date or time certain, of the conversion~~
10 ~~if it is not to be effective upon the filing of the certificate of conversion to a non-Rhode Island~~
11 ~~entity;~~

12 ~~(5) That the conversion has been approved in accordance with this section; and~~

13 ~~(6) The agreement of the limited partnership that it may be served with process in the state~~
14 ~~of Rhode Island in any action, suit, or proceeding for enforcement of any obligation to the limited~~
15 ~~partnership arising while it was a limited partnership of the state of Rhode Island, and that it~~
16 ~~irrevocably appoints the secretary of state as its agent to accept service of process in any such~~
17 ~~action, suit, or proceeding.~~

18 ~~(c) Upon the filing in the office of the secretary of state of the certificate of conversion to~~
19 ~~a non-Rhode Island entity or upon the future effective date or time of the certificate of conversion~~
20 ~~to a non-Rhode Island entity and upon payment of all fees due by the limited partnership, as~~
21 ~~evidenced by an appropriate certificate of good standing issued by the Rhode Island division of~~
22 ~~taxation, the secretary of state shall certify that the limited partnership has filed all documents and~~
23 ~~paid all fees required by this chapter, and thereupon the limited partnership shall cease to exist as~~
24 ~~a limited partnership of the state of Rhode Island. Such certificate of the secretary of state shall be~~
25 ~~prima facie evidence of the conversion by such limited partnership out of the state of Rhode Island.~~

26 ~~(d) The conversion of a limited partnership out of the state of Rhode Island in accordance~~
27 ~~with this section and the resulting cessation of its existence as a limited partnership of the state of~~
28 ~~Rhode Island pursuant to a certificate of conversion to a non-Rhode Island entity shall not be~~
29 ~~deemed to affect any obligations or liabilities of the limited partnership incurred prior to such~~
30 ~~conversion or the personal liability of any person incurred prior to such conversion, nor shall it be~~
31 ~~deemed to affect the choice of laws applicable to the limited partnership with respect to matters~~
32 ~~arising prior to such conversion.~~

33 ~~(e) When a limited partnership has been converted to another entity or business form~~
34 ~~pursuant to this section, the other entity or business form shall, for all purposes of the laws of the~~

1 ~~state of Rhode Island, be deemed to be the same entity as the limited partnership. When any~~
2 ~~conversion shall have become effective under this section, for all purposes of the laws of the state~~
3 ~~of Rhode Island, all of the rights, privileges, and powers of the limited partnership that has~~
4 ~~converted, and all property, real, personal, and mixed, and all such debts due to such limited~~
5 ~~partnership, as well as all other things and causes of action belonging to such limited partnership,~~
6 ~~shall remain vested in the other entity or business form to which such limited partnership has~~
7 ~~converted and shall be the property of such other entity or business form, and the title to any real~~
8 ~~property vested by deed or otherwise in such limited partnership shall not revert to such limited~~
9 ~~partnership or be in any way impaired by reason of this chapter, but all rights of creditors and all~~
10 ~~liens upon any property of such limited partnership shall be preserved unimpaired, and all debts,~~
11 ~~liabilities, and duties of the limited partnership that has converted shall remain attached to the other~~
12 ~~entity or business form to which such limited partnership has converted, and may be enforced~~
13 ~~against it to the same extent as if said debts, liabilities, and duties had originally been incurred or~~
14 ~~contracted by it in its capacity as such other entity or business form. The rights, privileges, powers,~~
15 ~~and interests in property of the limited partnership that has converted, as well as the debts, liabilities~~
16 ~~and duties of such limited partnership, shall not be deemed, as a consequence of the conversion, to~~
17 ~~have been transferred to the other entity or business form to which such limited partnership has~~
18 ~~converted for any purpose of the laws of the state of Rhode Island.~~

19 **7-13-9. Amendment to certificate.**

20 (a) ~~A certificate of limited partnership is amended by filing a certificate of amendment to~~
21 ~~it in the office of the secretary of state. The certificate shall state:~~

- 22 (1) ~~The name of the limited partnership;~~
23 (2) ~~The date of filing the certificate; and~~
24 (3) ~~The amendment to the certificate.~~

25 (b) ~~Within thirty (30) days after the happening of any of the following events, an~~
26 ~~amendment to a certificate of limited partnership reflecting the occurrence of the event or events~~
27 ~~shall be filed:~~

- 28 (1) ~~The admission of a new general partner;~~
29 (2) ~~The withdrawal of a general partner; or~~
30 (3) ~~The continuation of the business under § 7-13-44 after an event of withdrawal of a~~
31 ~~general partner.~~

32 (c) ~~A general partner who becomes aware that any statement in a certificate of limited~~
33 ~~partnership was false when made or that any arrangements or other facts described have changed,~~
34 ~~making the certificate inaccurate in any material respect, shall promptly amend the certificate.~~

1 ~~(d) A certificate of limited partnership may be amended at any time for any other proper~~
2 ~~purpose the general partners determine.~~

3 ~~(e) If an amendment to a certificate of limited partnership is filed in compliance with~~
4 ~~subsection (a) or (b), no person is subject to liability because the amendment was not filed earlier.~~

5 ~~(f) A restated certificate of limited partnership may be executed and filed in the same~~
6 ~~manner as a certificate of amendment.~~

7 ~~(g) Unless otherwise provided in this chapter or in the certificate of amendment, a~~
8 ~~certificate of amendment is effective at the time of its filing with the secretary of state.~~

9 ~~**7-13-10. Cancellation of certificate.**~~

10 ~~A certificate of limited partnership is cancelled upon the dissolution and the~~
11 ~~commencement of winding up of the partnership or at any other time there are no limited partners,~~
12 ~~or upon the conversion of a limited partnership to a limited liability company. When all fees and~~
13 ~~taxes have been paid to the tax administrator, as evidenced by an appropriate certificate of good~~
14 ~~standing issued by the Rhode Island division of taxation, a certificate of cancellation shall be filed~~
15 ~~in the office of the secretary of state and state:~~

16 ~~(1) The name of the limited partnership;~~

17 ~~(2) The date of filing of its certificate of limited partnership or certificate of conversion~~
18 ~~from a limited partnership to a limited liability company, as the case may be;~~

19 ~~(3) The reason for filing the certificate of cancellation;~~

20 ~~(4) The effective date (which shall be a date certain) of cancellation if it is not to be~~
21 ~~effective upon the filing of the certificate; and~~

22 ~~(5) Any other information the general partners filing the certificate determine.~~

23 ~~**7-13-11. Execution of certificates.**~~

24 ~~(a) Each certificate required by this chapter to be filed in the office of the secretary of state~~
25 ~~shall be executed in the following manner:~~

26 ~~(1) An original certificate of limited partnership, a certificate of cancellation, and a~~
27 ~~certificate of conversion to a limited partnership must be signed by all general partners; and~~

28 ~~(2) A certificate of amendment must be signed by at least one general partner and by each~~
29 ~~other general partner designated in the certificate as a new general partner.~~

30 ~~(b) Any person may sign a certificate by an attorney in fact, but a power of attorney to sign~~
31 ~~a certificate relating to the admission, of a general partner must specifically describe the admission~~
32 ~~or increase.~~

33 ~~(c) The execution of a certificate by a general partner constitutes an affirmation under the~~
34 ~~penalties of perjury that the facts stated in it are true.~~

1 ~~**7-13-12. Amendment or cancellation by judicial act.**~~

2 ~~If a person required by § 7-13-11 to execute a certificate of amendment or cancellation fails~~
3 ~~or refuses to do so, any other partner, and any assignee of a partnership interest, who is adversely~~
4 ~~affected by the failure or refusal, may petition the superior court to direct the amendment or~~
5 ~~cancellation. If the court finds that the amendment or cancellation is proper and that any person so~~
6 ~~designated has failed or refused to execute the certificate, it shall order the secretary of state to~~
7 ~~record an appropriate certificate of amendment or cancellation.~~

8 ~~**7-13-13. Filing in office of secretary of state -- Certificate of conversion to a limited**~~
9 ~~**partnership.**~~

10 ~~(a) The certificate of limited partnership and of any certificates of amendments or~~
11 ~~cancellation (or of any judicial decree of amendment or cancellation) shall be delivered to the~~
12 ~~secretary of state. A person who executes a certificate as an agent, attorney in fact, or fiduciary~~
13 ~~need not exhibit evidence of his or her authority as a prerequisite to filing. Any signature on any~~
14 ~~certificate authorized to be filed with the secretary of state under any provision of this chapter may~~
15 ~~be a facsimile. Unless the secretary of state finds that any certificate does not conform to law, upon~~
16 ~~receipt of all filing fees required by law the secretary shall:~~

17 ~~(1) Endorse on the original the word "Filed" and the day, month, and year of the filing of~~
18 ~~it;~~

19 ~~(2) File the original in his or her office.~~

20 ~~(3) [Deleted by P.L. 2005, ch. 36, § 8 and P.L. 2005, ch. 72, § 8.]~~

21 ~~(b) Upon the filing of a certificate of amendment (or judicial decree of amendment) in the~~
22 ~~office of the secretary of state, the certificate of limited partnership or certificate of conversion as~~
23 ~~the case may be shall be amended as presented in the certificate, and on the effective date of a~~
24 ~~certificate of cancellation (or a judicial decree of cancellation), the certificate of limited partnership~~
25 ~~or certificate of conversion to a limited partnership is cancelled.~~

26 ~~**7-13-14. Liability for false statement in certificate.**~~

27 ~~If any certificate of limited partnership or certificate of amendment or cancellation contains~~
28 ~~a false statement, one who suffers loss by reliance on the statement may recover damages for the~~
29 ~~loss from:~~

30 ~~(1) Any person who executes the certificate, or causes another to execute it on his or her~~
31 ~~behalf, and knew, and any general partner who knew or should have known, the statement to be~~
32 ~~false at the time the certificate was executed; and~~

33 ~~(2) Any general partner who subsequently knows or should have known that any~~
34 ~~arrangement or other fact described in the certificate has changed, making the statement inaccurate~~

1 ~~in any respect within a sufficient time before the statement was relied upon reasonably to have~~
2 ~~enabled that general partner to cancel or amend the certificate, or to file a petition for its cancellation~~
3 ~~or amendment under § 7-13-12.~~

4 **7-13-15. Notice.**

5 The fact that a certificate of limited partnership is on file in the office of the secretary of
6 state is notice that the partnership is a limited partnership and the persons designated in it as general
7 partners are general partners, but it is not notice of any other fact.

8 **7-13-16. Delivery of certificates to limited partners.**

9 Upon the return by the secretary of state pursuant to § 7-13-13 of a certificate marked
10 "Filed", the general partners shall promptly deliver or mail a copy of the certificate of limited
11 partnership and each certificate of amendment or cancellation to each limited partner unless the
12 partnership agreement provides otherwise.

13 **7-13-17. Admission of limited partners.**

14 (a) A person becomes a limited partner on the later of:

15 (1) The date the original certificate of limited partnership is filed; or

16 (2) The date stated in the records of the limited partnership as the date that person will
17 become a limited partner.

18 (b) After the filing of a limited partnership's original certificate of limited partnership, a
19 person may be admitted as an additional limited partner.

20 (1) In the case of a person acquiring a partnership interest directly from the limited
21 partnership, on the compliance with the partnership agreement, or if the partnership agreement does
22 not so provide, on the written consent of all partners; and

23 (2) In the case of an assignee of a partnership interest of a partner who has the power, as
24 provided in § 7-13-42, to grant the assignee the right to become a limited partner, on the exercise
25 of that power and compliance with any conditions limiting the grant or exercise of the power.

26 **7-13-18. Voting -- Rights of limited partners.**

27 Subject to the provisions of § 7-13-19, the partnership agreement may grant to all or a
28 specified group of the limited partners the right to vote (on a per capita or other basis) on any matter.

29 **7-13-19. Liability to third parties.**

30 (a) Except as provided in subsection (d), a limited partner is not liable for the obligations
31 of a limited partnership unless he or she is also a general partner or, in addition to the exercise of
32 his or her rights and powers as a limited partner, he or she participates in the control of the business.
33 However, if the limited partner participates in the control of the business, he or she is liable only to
34 persons who establish by clear and convincing evidence that they transacted business with the

1 ~~limited partnership reasonably believing, based on the limited partner's active conduct, that the~~
2 ~~limited partner is a general partner.~~

3 ~~(b) A limited partner does not participate in the control of the business regardless of the~~
4 ~~nature, extent, scope, number or frequency of the limited partner's possessing or, regardless of~~
5 ~~whether or not the limited partner has the rights or powers, exercising or attempting to exercise one~~
6 ~~or more of the rights or powers or having or, regardless of whether or not the limited partner has~~
7 ~~the rights or powers, acting or attempting to act in one or more of the following capacities:~~

8 ~~(1) Being an independent contractor for or transacting business with, including being a~~
9 ~~contractor for, or being an agent or employee of, the limited partnership or a general partner, or~~
10 ~~being an officer, director or stockholder of a corporate general partner, or being a partner of a~~
11 ~~partnership that is a general partner of the limited partnership, or being a fiduciary or beneficiary~~
12 ~~of an estate or trust that is a general partner;~~

13 ~~(2) Consulting with or advising a general partner regarding any matter, including the~~
14 ~~business of the limited partnership;~~

15 ~~(3) Acting as surety, guarantor or endorser for the limited partnership or a general partner,~~
16 ~~guaranteeing or assuming one or more obligations of a limited partnership or a general partner,~~
17 ~~borrowing money from the limited partnership or a general partner, lending money to the limited~~
18 ~~partnership or a general partner, or providing collateral for the limited partnership or a general~~
19 ~~partner;~~

20 ~~(4) Approving or disapproving an amendment to the partnership agreement;~~

21 ~~(5) Acting or causing the taking or refraining from the taking of any action, including by~~
22 ~~proposing, approving, consenting, or disapproving, by voting or otherwise, with respect to one or~~
23 ~~more of the following matters:~~

24 ~~(i) The dissolution and winding up of the limited partnership or an election to continue the~~
25 ~~limited partnership or an election to continue the business of a limited partnership;~~

26 ~~(ii) The sale, exchange, lease, mortgage, pledge, or other transfer of or granting of a security~~
27 ~~interest in any asset or assets of the limited partnership;~~

28 ~~(iii) The incurrence, renewal, refinancing, or repayment or other discharge of indebtedness~~
29 ~~by the limited partnership;~~

30 ~~(iv) A change in the nature of the business;~~

31 ~~(v) The admission, removal, or retention of a general partner;~~

32 ~~(vi) An amendment to the partnership agreement or certificate of limited partnership;~~

33 ~~(vii) A matter related to the business of the limited partnership not otherwise enumerated~~
34 ~~in this subsection that the partnership agreement states, in writing, is subject to the approval or~~

1 ~~disapproval of limited partners;~~

2 ~~(viii) Winding up the limited partnership pursuant to this chapter;~~

3 ~~(ix) Exercising any right or power permitted to limited partners under this chapter and not~~

4 ~~specifically enumerated in this subsection;~~

5 ~~(x) The admission, removal, or retention of a limited partner;~~

6 ~~(xi) A transaction or other matter involving an actual or potential conflict of interest;~~

7 ~~(xii) The merger or consolidation of a limited partnership;~~

8 ~~(xiii) As to a limited partnership that is registered as an investment company under the~~

9 ~~Investment Company Act of 1940, as amended, any matter required by the Investment Company~~

10 ~~Act of 1940, 15 U.S.C. § 80a-1 et seq., as amended, or the rules and regulations of the Securities~~

11 ~~and Exchange Commission under that Act, to be approved by the holders of beneficial interests in~~

12 ~~an investment company, including the election of directors or trustees of the investment company,~~

13 ~~the approving or terminating of investment advisory or underwriting contracts, and the approving~~

14 ~~of auditors;~~

15 ~~(xiv) The indemnification of any partner or any other person; or~~

16 ~~(xv) Any other matters that are stated in the partnership agreement or in any other~~

17 ~~agreement or in writing;~~

18 ~~(6) Taking any action required or permitted by law to bring or pursue or settle or otherwise~~

19 ~~terminate a derivative action in the right of the limited partnership;~~

20 ~~(7) Calling, requesting, attending, or participating in a meeting of partners or limited~~

21 ~~partners;~~

22 ~~(8) Serving on a committee of the limited partnership or the limited partners;~~

23 ~~(9) Serving on the board of directors or a committee of, consulting with or advising, being~~

24 ~~an officer, director, stockholder, partner, agent or employee of, or being a fiduciary for, any person~~

25 ~~in which the limited partnership has an interest; or~~

26 ~~(10) Exercising any right or power granted or permitted to limited partners under this~~

27 ~~chapter and not specifically enumerated in this subsection.~~

28 ~~(c) The enumeration in subsection (b) does not mean that the possession or exercise of any~~

29 ~~other powers by a limited partner constitutes participation by him or her in the business of the~~

30 ~~limited partnership.~~

31 ~~(d) A limited partner does not participate in the control of the business within the meaning~~

32 ~~of subsection (a) by virtue of the fact that all or any part of the name of the limited partner is~~

33 ~~included in the name of the limited partnership.~~

34 ~~(e) This section does not create rights or powers of limited partners. The rights and powers~~

1 ~~may be created only by a certificate of limited partnership, a partnership agreement or any other~~
2 ~~agreement or in writing, or by other sections of this chapter.~~

3 **7-13-20. Person erroneously believing him or herself a limited partner.**

4 (a) ~~Except as provided in subsection (b), a person who makes a contribution to a business~~
5 ~~enterprise and erroneously but in good faith believes that he or she has become a limited partner in~~
6 ~~the enterprise is not a general partner in the enterprise and is not bound by its obligations by reason~~
7 ~~of making the contribution, receiving distributions from the enterprise, or exercising any rights of~~
8 ~~a limited partner, if, on ascertaining the mistake, he or she:~~

9 (1) ~~Causes an appropriate certificate of limited partnership or a certificate of amendment~~
10 ~~to be executed and filed; or~~

11 (2) ~~Withdraws from future equity participation in the enterprise by executing and filing in~~
12 ~~the office of the secretary of state a certificate declaring withdrawal under this section.~~

13 (b) ~~A person who makes a contribution of the kind described in subsection (a) is liable as~~
14 ~~a general partner to any third party who transacts business with the enterprise:~~

15 (i) ~~Before the person withdraws and an appropriate certificate is filed to show withdrawal,~~
16 ~~or~~

17 (ii) ~~Before an appropriate certificate is filed to show his or her status as a limited partner~~
18 ~~and, in the case of an amendment, after expiration of the thirty (30) day period for filing an~~
19 ~~amendment relating to the person as a limited partner under § 7-13-9, but in either case only if the~~
20 ~~third party actually believed in good faith that the person was a general partner at the time of the~~
21 ~~transaction.~~

22 **7-13-21. Information.**

23 Each limited partner has the right to:

24 (1) ~~Inspect and copy any of the partnership records required to be maintained by § 7-13-5;~~
25 ~~and~~

26 (2) ~~Obtain from the general partners from time to time upon reasonable demand:~~

27 (i) ~~True and full information regarding the state of the business and financial condition of~~
28 ~~the limited partnership,~~

29 (ii) ~~Promptly after becoming available, a copy of the limited partnership's federal, state,~~
30 ~~and local income tax returns for each year, and~~

31 (iii) ~~Other information regarding the affairs of the limited partnership that is just and~~
32 ~~reasonable.~~

33 **7-13-22. Admission of additional general partners.**

34 ~~After the filing of a limited partnership's original certificate of limited partnership,~~

1 ~~additional general partners may be admitted as provided in the partnership agreement or, if the~~
2 ~~partnership agreement does not provide for the admission of additional general partners, with the~~
3 ~~written consent of all partners.~~

4 **7-13-23. Events of withdrawal.**

5 ~~Except as approved by the specific written consent of all partners at the time, a person~~
6 ~~ceases to be a general partner of a limited partnership on the happening of any of the following~~
7 ~~events:~~

8 ~~(1) The general partner withdraws from the limited partnership as provided in § 7-13-32;~~

9 ~~(2) The general partner ceases to be a member of the limited partnership as provided in §~~
10 ~~7-13-40;~~

11 ~~(3) The general partner is removed as a general partner in accordance with the partnership~~
12 ~~agreement;~~

13 ~~(4) Unless otherwise provided in writing in the partnership agreement, the general partner:~~

14 ~~(i) Makes an assignment for the benefit of creditors;~~

15 ~~(ii) Files a voluntary petition in bankruptcy;~~

16 ~~(iii) Is adjudicated a bankrupt or insolvent;~~

17 ~~(iv) Files a petition or answer seeking for himself or herself any reorganization,~~
18 ~~arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute,~~
19 ~~law, or regulation;~~

20 ~~(v) Files an answer or other pleading admitting or failing to contest the material allegation~~
21 ~~of a petition filed against him or her in any proceeding of this nature; or~~

22 ~~(vi) Seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator~~
23 ~~of the general partner or of all or any substantial part of his or her properties;~~

24 ~~(5) Unless otherwise provided in writing in the partnership agreement, one hundred and~~
25 ~~twenty (120) days after the commencement of any proceeding against the general partner seeking~~
26 ~~reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief~~
27 ~~under any statute, law, or regulation, the proceeding has not been dismissed, or if within ninety (90)~~
28 ~~days after the appointment without his or her consent or acquiescence of a trustee, receiver, or~~
29 ~~liquidator of the general partner or of all or any substantial part of his or her properties, the~~
30 ~~appointment is not vacated or stayed or within ninety (90) days after the expiration of any stay, the~~
31 ~~appointment is not vacated;~~

32 ~~(6) In the case of a general partner who is a natural person:~~

33 ~~(i) His or her death; or~~

34 ~~(ii) The entry of an order by a court of competent jurisdiction adjudicating him or her~~

1 ~~incompetent to manage his or her person or his or her estate;~~

2 ~~(7) In the case of a general partner who is acting as a general partner by virtue of being a~~
3 ~~trustee of a trust, the termination of the trust (but not merely the substitution of a new trustee);~~

4 ~~(8) In the case of a general partner that is a separate partnership, the dissolution and~~
5 ~~commencement of winding up of the separate partnership;~~

6 ~~(9) In the case of a general partner that is a corporation, the filing of a certificate of~~
7 ~~dissolution, or its equivalent, for the corporation or the revocation of its charter; or~~

8 ~~(10) In the case of an estate, the distribution by the fiduciary of the estate's entire interest~~
9 ~~in the partnership.~~

10 **7-13-24. General rights, powers, and liabilities.**

11 ~~(a) Except as provided in this chapter or in the partnership agreement, a general partner of~~
12 ~~a limited partnership has the rights and powers and is subject to the restrictions of a partner in a~~
13 ~~partnership without limited partners.~~

14 ~~(b) Except as provided in this chapter a general partner of a limited partnership has the~~
15 ~~liabilities of a partner in a partnership without limited partners to persons other than the partnership~~
16 ~~and the other partners. Except as provided in this chapter or in the partnership agreement, a general~~
17 ~~partner of a limited partnership has the liabilities of a partner in a partnership without limited~~
18 ~~partners to the partnership and to the other partners.~~

19 **7-13-25. Contributions by general partner.**

20 ~~A general partner of a limited partnership may make contributions to the partnership and~~
21 ~~share in the profits and losses of, and in distributions from, the limited partnership as a general~~
22 ~~partner. A general partner also may make contributions to and share in profits, losses, and~~
23 ~~distributions as a limited partner. A person who is both a general partner and a limited partner has~~
24 ~~the rights and powers, and is subject to the restrictions and liabilities, of a general partner and,~~
25 ~~except as provided in the partnership agreement, also has the powers, and is subject to the~~
26 ~~restrictions, of a limited partner to the extent of his or her participation in the partnership as a~~
27 ~~limited partner.~~

28 **7-13-26. Voting rights of general partners.**

29 ~~The partnership agreement may grant to all or certain identified general partners the right~~
30 ~~to vote, on a per capita or any other basis, separately or with all or any class of the limited partners,~~
31 ~~on any matter.~~

32 **7-13-27. Form of contribution.**

33 ~~The contribution of a partner may be in cash, property, or services rendered, or a~~
34 ~~promissory note or other obligation to contribute cash or property or to perform services.~~

1 **7-13-28. Liability for contribution.**

2 ~~(a) Except as provided in the partnership agreement, a partner is obligated to the limited~~
3 ~~partnership to perform any promise to contribute cash or property or to perform services, even if~~
4 ~~he or she is unable to perform because of death, disability, or any other reason. If a partner does~~
5 ~~not make the required contribution of property or services, he or she is obligated at the option of~~
6 ~~the limited partnership to contribute cash equal to that portion of the value (as stated in the records~~
7 ~~to be kept pursuant to § 7-13-5) of the stated contribution that has not been made.~~

8 ~~(b) Unless otherwise provided in the partnership agreement, the obligation of a partner to~~
9 ~~make a contribution or return money or other property paid or distributed in violation of this chapter~~
10 ~~may be compromised only by consent of all the partners. Notwithstanding the compromise, a~~
11 ~~creditor of a limited partnership who extends credit, or whose claim arises, after the filing of the~~
12 ~~certificate of limited partnership or an amendment to it that, in either case, reflects the obligation,~~
13 ~~and before the amendment or cancellation of it to reflect the compromise, may enforce the original~~
14 ~~obligation.~~

15 **7-13-29. Sharing of profits and losses.**

16 ~~The profits and losses of a limited partnership shall be allocated among the partners and~~
17 ~~the classes of partners in the manner provided in the partnership agreement. If the partnership~~
18 ~~agreement does not provide for allocation, profits and losses shall be allocated on the basis of the~~
19 ~~value, as stated in the partnership records required to be kept pursuant to § 7-13-5, of the~~
20 ~~contributions made by each partner to the extent they have been received by the partnership and~~
21 ~~have not been returned.~~

22 **7-13-30. Sharing of distributions.**

23 ~~Distributions of cash or other assets of a limited partnership shall be allocated among the~~
24 ~~partners, and among classes of partners, in the manner provided in the partnership agreement. If~~
25 ~~the partnership agreement does not provide for allocation, distributions shall be made on the basis~~
26 ~~of the value, as stated in the partnership records required to be kept pursuant to § 7-13-5, of the~~
27 ~~contributions made by each partner to the extent they have been received by the partnership and~~
28 ~~have not been returned.~~

29 **7-13-31. Interim distributions.**

30 ~~Except as provided in this chapter, a partner is entitled to receive distributions from a~~
31 ~~limited partnership before his or her withdrawal from the limited partnership and before the~~
32 ~~dissolution and winding up of the limited partnership to the extent and at the times or upon the~~
33 ~~happening of the events specified in the partnership agreement.~~

34 **7-13-32. Withdrawal of general partner.**

1 ~~A general partner may withdraw from a limited partnership at any time by giving written~~
2 ~~notice to the other partners, but if the withdrawal violates the partnership agreement, the limited~~
3 ~~partnership may recover from the withdrawing general partner damages for breach of the~~
4 ~~partnership agreement and offset the damages against the amount otherwise distributable to him or~~
5 ~~her.~~

6 **7-13-33. Withdrawal of limited partner.**

7 ~~A limited partner may withdraw from a limited partnership only at the time or upon the~~
8 ~~occurrence of events specified in writing in the partnership agreement and in accordance with the~~
9 ~~partnership agreement. Notwithstanding anything to the contrary under applicable law, unless a~~
10 ~~partnership agreement provides otherwise, a limited partner may not withdraw from a limited~~
11 ~~partnership prior to the dissolution and winding up of the limited partnership.~~

12 **7-13-34. Distribution upon withdrawal.**

13 ~~Except as provided in this chapter, upon withdrawal any withdrawing partner is entitled to~~
14 ~~receive any distribution to which he or she is entitled under the partnership agreement and, if not~~
15 ~~otherwise provided in the agreement, he or she is entitled to receive, within a reasonable time after~~
16 ~~withdrawal, the fair value of his or her interest in the limited partnership as of the date of withdrawal~~
17 ~~based on his or her right to share in distributions from the limited partnership.~~

18 **7-13-35. Distribution in kind.**

19 ~~Except as provided in writing in the partnership agreement, a partner, regardless of the~~
20 ~~nature of his or her contribution, has no right to demand and receive any distribution from a limited~~
21 ~~partnership in any form other than cash. Except as provided in the partnership agreement, a partner~~
22 ~~may not be compelled to accept a distribution of any asset in kind from a limited partnership to the~~
23 ~~extent that the percentage of the asset distributed to him or her exceeds a percentage of that asset~~
24 ~~that is equal to the percentage in which he or she shares in distributions from the limited partnership.~~

25 **7-13-36. Right to distribution.**

26 ~~Subject to §§ 7-13-37 and 7-13-47, and unless otherwise provided in the partnership~~
27 ~~agreement at the time a partner becomes entitled to receive a distribution, he or she has the status~~
28 ~~of, and is entitled to all remedies available to, a creditor of the limited partnership as to the~~
29 ~~distribution. A partnership may provide for the establishment of a record date with respect to~~
30 ~~allocations and distributions by a limited partnership.~~

31 **7-13-37. Limitations on distribution.**

32 (a) ~~A limited partnership shall not make a distribution to a partner to the extent that at the~~
33 ~~time of the distribution, after giving effect to the distribution, all liabilities of the limited~~
34 ~~partnership, other than liabilities to partners on account of their partnership interests and liabilities~~

1 ~~for which the recourse of creditors is limited to specified property of the limited partnership, exceed~~
2 ~~the fair value of the assets of the limited partnership, except that the fair value of property that is~~
3 ~~subject to a liability for which the recourse of creditors is limited shall be included in the assets of~~
4 ~~the limited partnership only to the extent that the fair value of that property exceeds that liability.~~

5 ~~(b) A limited partner who received a distribution in violation of subsection (a), and who~~
6 ~~knew or reasonably should have known at the time of the distribution that the distribution violated~~
7 ~~subsection (a), is liable to the limited partnership for the amount of the distribution. A limited~~
8 ~~partner who receives a distribution in violation of subsection (a) and who did not know and~~
9 ~~reasonably should not have known at the time of the distribution that the distribution violated~~
10 ~~subsection (a), is not liable for the amount of the distribution. Subject to subsection (c), this~~
11 ~~subsection does not affect any obligation or liability of a limited partner under a partnership~~
12 ~~agreement or other applicable law for the amount of a distribution.~~

13 ~~(c) Unless otherwise agreed, a limited partner who received a distribution from a limited~~
14 ~~partnership has no liability under this chapter or other applicable law for the amount of the~~
15 ~~distribution after the expiration of three (3) years from the date of the distribution.~~

16 ~~**7-13-38. [Repealed.]**~~

17
18 ~~**7-13-39. Nature of partnership interest.**~~

19 ~~A partnership interest is personal property.~~

20 ~~**7-13-40. Assignment of partnership interest.**~~

21 ~~Except as provided in the partnership agreement, a partnership interest is assignable in~~
22 ~~whole or in part. An assignment of a partnership interest does not dissolve a limited partnership or~~
23 ~~entitle the assignee to become or to exercise any rights of a partner. An assignment entitles the~~
24 ~~assignee to receive, to the extent assigned, only the distribution to which the assignor would be~~
25 ~~entitled. Except as provided in the partnership agreement, a partner ceases to be a partner upon~~
26 ~~assignment of all his partnership interest.~~

27 ~~**7-13-41. Rights of creditor.**~~

28 ~~On application to a court of competent jurisdiction by any judgment creditor of a partner,~~
29 ~~the court may charge the partnership interest of the partner with payment of the unsatisfied amount~~
30 ~~of the judgment with interest. To the extent charged, the judgment creditor has only the rights of~~
31 ~~an assignee of the partnership interest. This chapter does not deprive any partner of the benefit of~~
32 ~~any exemption laws applicable to his or her partnership interest.~~

33 ~~**7-13-42. Rights of assignee to become limited partner.**~~

34 ~~(a) An assignee of a partnership interest, including an assignee of a general partner, may~~

1 ~~become a limited partner if and to the extent that:~~

2 ~~(1) The assignor gives the assignee that right in accordance with authority described in the~~
3 ~~partnership agreement; or~~

4 ~~(2) All other partners consent.~~

5 ~~(b) An assignee who has become a limited partner has, to the extent assigned, the rights~~
6 ~~and powers, and is subject to the restrictions and liabilities, of a limited partner under the~~
7 ~~partnership agreement and this chapter. An assignee who becomes a limited partner also is liable~~
8 ~~for the obligations of his or her assignor to make and return contributions as provided in this~~
9 ~~chapter. However, the assignee is not obligated for liabilities unknown to the assignee at the time~~
10 ~~he or she became a limited partner.~~

11 ~~(c) If an assignee of a partnership interest becomes a limited partner, the assignor is not~~
12 ~~released from his or her liability to the limited partnership under §§ 7-13-14 and 7-13-28.~~

13 ~~**7-13-43. Power of estate of deceased or incompetent person.**~~

14 ~~If a partner who is an individual dies or a court of competent jurisdiction adjudges him or~~
15 ~~her to be incompetent to manage his or her person or his or her property, the partner's executor,~~
16 ~~administrator, guardian, conservator, or other legal representative may exercise all the partner's~~
17 ~~rights for the purpose of settling his or her estate or administering his or her property, including~~
18 ~~any power the partner had to give an assignee the right to become a limited partner. If a partner is~~
19 ~~a corporation, trust, or other entity and is dissolved or terminated, the powers of that partner may~~
20 ~~be exercised by its legal representative or successor.~~

21 ~~**7-13-44. Nonjudicial dissolution.**~~

22 ~~A limited partnership is dissolved and its affairs shall be wound up upon the happening of~~
23 ~~the first to occur of the following:~~

24 ~~(1) At the time or upon the happening of any of the events specified in the partnership~~
25 ~~agreement;~~

26 ~~(2) Written consent of all partners;~~

27 ~~(3) Unless otherwise provided in the partnership agreement, an event of withdrawal of a~~
28 ~~general partner unless at the time there is at least one other general partner and the partnership~~
29 ~~agreement permits the business of the limited partnership to be carried on by the remaining general~~
30 ~~partner and that partner does so, but the limited partnership is not dissolved and is not required to~~
31 ~~be wound up by reason of any event of withdrawal, if, within ninety (90) days after the withdrawal,~~
32 ~~a majority interest of the partners agrees in writing to continue the business of the limited~~
33 ~~partnership and to the appointment of one or more additional general partners if necessary or~~
34 ~~desired; or~~

1 ~~(4) Entry of a decree of judicial dissolution under § 7-13-45.~~

2 ~~**7-13-45. Judicial dissolution.**~~

3 ~~On application by or for a partner the superior court may decree dissolution of a limited~~
4 ~~partnership whenever it is not reasonably practicable to carry on the business in conformity with~~
5 ~~the partnership agreement.~~

6 ~~**7-13-46. Winding up.**~~

7 ~~Except as provided in the partnership agreement, the general partners who have not~~
8 ~~wrongfully dissolved a limited partnership or, if none, the limited partners, may wind up the limited~~
9 ~~partnership's affairs. The superior court may wind up the limited partnership's affairs upon~~
10 ~~application of any partner, his or her legal representative, or assignee.~~

11 ~~**7-13-47. Distribution of assets.**~~

12 ~~Upon the winding up of a limited partnership, the assets shall be distributed as follows:~~

13 ~~(1) To creditors, including partners who are creditors, to the extent permitted by law, in~~
14 ~~satisfaction of liabilities of the limited partnership other than liabilities for distributions to partners~~
15 ~~under § 7-13-31 or § 7-13-34;~~

16 ~~(2) Except as provided in the partnership agreement, to partners and former partners in~~
17 ~~satisfaction of liabilities for distributions under § 7-13-31 or 7-13-34; and~~

18 ~~(3) Except as provided in the partnership agreement, to partners, first for the return of their~~
19 ~~contributions and secondly, as to their partnership interests, in the proportions in which the partners~~
20 ~~share in distributions.~~

21 ~~**7-13-48. Applicable law.**~~

22 ~~Subject to the constitution of this state:~~

23 ~~(1) The laws of the state under which a foreign limited partnership is organized govern its~~
24 ~~organization and internal affairs and the liability of its limited partners, except as to foreign limited-~~
25 ~~liability partnerships, which shall be treated as if they were foreign limited partnerships;~~

26 ~~(2) A foreign limited partnership may not be denied registration by reason of any difference~~
27 ~~between those laws and the laws of this state; and~~

28 ~~(3) A certificate of registration does not authorize a foreign limited partnership to engage~~
29 ~~in any business or exercise any power that a limited partnership may not engage in or exercise in~~
30 ~~this state.~~

31 ~~**7-13-49. Registration.**~~

32 ~~Before transacting business in this state, a foreign limited partnership shall register with~~
33 ~~the secretary of state. In order to register, a foreign limited partnership shall submit to the secretary~~
34 ~~of state, in duplicate, an application for registration as a foreign limited partnership, signed and~~

1 ~~sworn to by a general partner and setting forth:~~

2 ~~(1) The name of the foreign limited partnership and, if different, the name under which it~~
3 ~~proposes to register and transact business in this state;~~

4 ~~(2) The state and date of its formation;~~

5 ~~(3) The general character of the business it proposes to transact in this state;~~

6 ~~(4) The name and address of any agent for service of process on the foreign limited~~
7 ~~partnership whom the foreign limited partnership elects to appoint; the agent must be an individual~~
8 ~~resident of this state, a domestic corporation, or a foreign corporation having a place of business~~
9 ~~in, and authorized to do business in this state;~~

10 ~~(5) A statement that the secretary of state is appointed the agent of the foreign limited~~
11 ~~partnership for service of process if no agent has been appointed under subdivision (4) or, if~~
12 ~~appointed, the agent's authority has been revoked or if the agent cannot be found or served with the~~
13 ~~exercise of reasonable diligence;~~

14 ~~(6) The address of the office required to be maintained in the state of its organization by~~
15 ~~the laws of that state or, if not so required, of the principal office of the foreign limited partnership;~~

16 ~~(7) The name and business address of each general partner;~~

17 ~~(8) The address of the office at which is kept a list of the names and addresses of the limited~~
18 ~~partners and their capital contributions, together with an undertaking by the foreign limited~~
19 ~~partnership to keep those records until the foreign limited partnership's registration in this state is~~
20 ~~canceled or withdrawn;~~

21 ~~(9) A mailing address for the foreign limited partnership; and~~

22 ~~(10) Additional information as may be necessary or appropriate in order to enable the~~
23 ~~secretary of state to determine whether the foreign limited partnership is entitled to a certificate of~~
24 ~~authority to transact business in this state and to determine and assess the fees payable as prescribed~~
25 ~~in this chapter.~~

26 **7-13-50. Issuance of registration.**

27 ~~(a) If the secretary of state finds that an application for registration of a foreign limited~~
28 ~~partnership conforms to law and all requisite fees have been paid, he or she shall:~~

29 ~~(1) Endorse on the application the word "Filed", and the month, day, and year of the filing~~
30 ~~of the application;~~

31 ~~(2) File in his or her office the original of the application; and~~

32 ~~(3) Issue a certificate of registration to transact business in this state.~~

33 ~~(b) The certificate of registration, together with a duplicate original of the application, shall~~
34 ~~be returned to the person who filed the application or his or her representative.~~

1 **7-13-51. Name of foreign limited partnership.**

2 ~~A foreign limited partnership may register with the secretary of state under any name,~~
3 ~~whether or not it is the name under which it is registered in its state of organization, that includes~~
4 ~~either:~~

5 ~~(1) without abbreviation the words "limited partnership" or~~

6 ~~(2) the letters and punctuation "L.P.", and that could be registered by a domestic limited~~
7 ~~partnership, and~~

8 ~~(3) Shall be distinguishable upon the records of the secretary of state from the name of any~~
9 ~~corporation, non-business corporation or other association, domestic or foreign limited liability~~
10 ~~company, limited partnership organized under the laws of, or registered or qualified to do business~~
11 ~~in this state or any name that is filed, reserved, or registered under this title or as permitted by the~~
12 ~~laws of this state, subject to the following:~~

13 ~~(i) This provision does not apply if the applicant files with the secretary of state a certified~~
14 ~~copy of a final decree of a court of competent jurisdiction establishing the prior right of the~~
15 ~~applicant to the use of the name in this state; and~~

16 ~~(ii) The name may be the same as the name of a corporation, non-business corporation or~~
17 ~~other association the certificate of incorporation or organization of which has been revoked by the~~
18 ~~secretary of state as permitted by law, and the revocation has not been withdrawn within one year~~
19 ~~from the date of the revocation.~~

20 ~~(iii) Words and/or abbreviations that are required by statute to identify the particular type~~
21 ~~of business entity shall be disregarded when determining if a name is distinguishable upon the~~
22 ~~records of the secretary of state.~~

23 ~~(iv) The secretary of state shall promulgate rules and regulations defining the term~~
24 ~~"distinguishable upon the record" for the administration of this chapter.~~

25 **7-13-52. Changes and amendments.**

26 ~~If any statement in the application for registration of a foreign limited partnership was false~~
27 ~~when made or any arrangements or other facts described have changed, making the application~~
28 ~~inaccurate in any respect, the foreign limited partnership shall promptly file in the office of the~~
29 ~~secretary of state a certificate, signed and sworn to by a general partner, correcting the statement.~~

30 **7-13-52.1. Foreign application for transfer of authority.**

31 ~~(a) A duly authorized foreign limited partnership in the state of Rhode Island that converts~~
32 ~~into any form of foreign or other entity subject to the provisions of Title 7 and the resulting entity~~
33 ~~is required to file for authority to transact business in this state may apply for a transfer of authority~~
34 ~~in the office of the secretary of state by filing:~~

1 ~~(1) An application for transfer of authority that has been executed and filed in accordance~~
2 ~~with § 7-13-11;~~

3 ~~(2) An application for authority to transact business in the state of Rhode Island for the~~
4 ~~resulting entity type; and~~

5 ~~(3) A certificate of legal existence or good standing issued by the proper officer of the state~~
6 ~~or country under the laws of which the resulting entity has been formed.~~

7 ~~(b) The application for transfer of authority shall state:~~

8 ~~(1) The name of the limited partnership;~~

9 ~~(2) The type of other entity into which it has been converted; and~~

10 ~~(3) The jurisdiction whose laws govern its internal affairs.~~

11 ~~(c) Upon the effective time and date of the application for transfer of authority, the authority~~
12 ~~of the limited partnership authorized to transact business under this chapter shall be transferred~~
13 ~~without interruption to the other entity which shall thereafter hold such authority subject to the~~
14 ~~provisions of the laws of the state of Rhode Island applicable to that type of resulting entity.~~

15 **7-13-53. Cancellation of registration.**

16 ~~When all fees and taxes have been paid to the tax administrator, as evidenced by an~~
17 ~~appropriate certificate of good standing issued by the Rhode Island division of taxation, a foreign~~
18 ~~limited partnership may cancel its registration by filing with the secretary of state a certificate of~~
19 ~~cancellation signed and sworn to by a general partner. In filing a certificate of cancellation, the~~
20 ~~foreign limited partnership revokes the authority of its registered agent to accept service of process~~
21 ~~and consents that service of process in any action, suit or proceeding based upon any cause of action~~
22 ~~arising in this state during the time the foreign limited partnership was authorized to transact~~
23 ~~business in this state may subsequently be made on the foreign limited partnership by service on~~
24 ~~the secretary of state. The certificate of cancellation must include the post office address to which~~
25 ~~the secretary of state may mail a copy of any process against the foreign limited partnership that is~~
26 ~~served on the secretary of state.~~

27 **7-13-54. Transaction of business without registration.**

28 ~~(a) A foreign limited partnership transacting business in this state may not maintain any~~
29 ~~action, suit, or proceeding in any court of this state until it has registered in this state.~~

30 ~~(b) The failure of a foreign limited partnership to register in this state does not impair the~~
31 ~~validity of any contract or act of the foreign limited partnership or prevent the foreign limited~~
32 ~~partnership from defending any action, suit, or proceeding in any court of this state.~~

33 ~~(c) A limited partner of a foreign limited partnership is not liable as a general partner of~~
34 ~~the foreign limited partnership solely by reason of having transacted business in this state without~~

1 ~~registration.~~

2 ~~(d) A foreign limited partnership, by transacting business in this state without registration,~~
3 ~~appoints the secretary of state as its agent for service of process as to claims for relief or causes of~~
4 ~~action arising out of the transaction of business in this state.~~

5 ~~(e) Without excluding other activities that may not constitute transacting business in this~~
6 ~~state, a foreign limited partnership is not considered to be transacting business in this state for~~
7 ~~purposes of this chapter by reason of carrying on in this state any one or more of the following~~
8 ~~activities:~~

9 ~~(1) Maintaining or defending any action or suit or any administrative or arbitration~~
10 ~~proceeding or effecting a settlement of it or the settlement of any claims or dispute;~~

11 ~~(2) Holding meetings of the partners or carrying on other activities concerning its internal~~
12 ~~affairs;~~

13 ~~(3) Maintaining bank accounts;~~

14 ~~(4) Maintaining offices or agencies for the transfer, exchange, and registration of~~
15 ~~partnership securities or partnership interests, or appointing and maintaining depositories with~~
16 ~~relation to its partnership interests or securities;~~

17 ~~(5) Effecting sales to independent contractors;~~

18 ~~(6) Soliciting or procuring orders whether by mail or through employees or agents or~~
19 ~~otherwise where the orders require acceptance without this state before becoming binding~~
20 ~~contracts;~~

21 ~~(7) Creating evidences of debt, mortgages, or liens on real or personal property;~~

22 ~~(8) Securing or collecting debts or enforcing any rights and property securing the debts;~~

23 ~~(9) Transacting any business in interstate commerce.~~

24 **7-13-54.1. Fees for filing documents and issuing certificates.**

25 The secretary of state shall charge and collect for:

26 ~~(1) Filing a certificate of limited partnership, one hundred dollars (\$100).~~

27 ~~(2) Filing a certificate of amendment to a certificate of limited partnership, fifty dollars~~
28 ~~(\$50.00).~~

29 ~~(3) Filing a certificate of cancellation of a certificate of limited partnership, ten dollars~~
30 ~~(\$10.00).~~

31 ~~(4) Filing an application to reserve a limited partnership name, fifty dollars (\$50.00) and~~
32 ~~for renewal, seventy five dollars (\$75.00).~~

33 ~~(5) Filing a notice of transfer of a reserved limited partnership name, fifty dollars (\$50.00).~~

34 ~~(6) Filing a statement of change of address of specified office or change of specified agent,~~

- 1 ~~twenty dollars (\$20.00).~~
- 2 ~~(7) Filing a statement of change of address only for a specified agent, without fee.~~
- 3 ~~(8) Filing an application of a foreign limited partnership to register as a foreign limited~~
- 4 ~~partnership, one hundred dollars (\$100).~~
- 5 ~~(9) Filing a certificate of correction of a registration as a foreign limited partnership, ten~~
- 6 ~~dollars (\$10.00).~~
- 7 ~~(10) Filing a certificate of cancellation of registration as a foreign limited partnership,~~
- 8 ~~twenty five dollars (\$25.00).~~
- 9 ~~(11) Filing any other document, statement or report of a domestic or foreign limited~~
- 10 ~~partnership, fifty dollars (\$50.00).~~
- 11 ~~(12) Filing a certificate of amendment of a foreign limited partnership, fifty dollars~~
- 12 ~~(\$50.00).~~
- 13 ~~(13) For issuing a certificate of good standing/letter of status, twenty dollars (\$20.00).~~
- 14 ~~(14) For issuing a certificate of fact, thirty dollars (\$30.00).~~
- 15 ~~(15) For furnishing a certified copy of any document, instrument or paper relating to a~~
- 16 ~~domestic or foreign limited partnership, a fee of fifteen cents (\$.15) per page and ten dollars~~
- 17 ~~(\$10.00) for the certificate and affirming the seal to it.~~
- 18 ~~(16) Service of process on the secretary of state as registered agent of a limited partnership,~~
- 19 ~~fifteen dollars (\$15.00) which amount may be recovered as a taxable cost by the party to the suit or~~
- 20 ~~action making the service if the party prevails in the suit or action.~~

21 **7-13-55. Action to enjoin foreign limited partnership.**

22 ~~The superior court has jurisdiction to enjoin any foreign limited partnership, or any agent~~

23 ~~of a foreign limited partnership, from transacting any business in the state if the limited partnership~~

24 ~~has failed to comply with any section of this chapter applicable to it or if the limited partnership~~

25 ~~has secured a certificate of the secretary of state under § 7-13-49 on the basis of false or misleading~~

26 ~~representation. The attorney general may bring an action to restrain a foreign limited partnership~~

27 ~~from transacting business in this state in violation of this chapter.~~

28 **7-13-56. Right of action.**

29 ~~A limited partner may bring an action in the right of a limited partnership to recover a~~

30 ~~judgment in its favor if general partners with authority to do so have refused to bring the action or~~

31 ~~if an effort to cause those general partners to bring the action is not likely to succeed.~~

32 **7-13-57. Proper plaintiff.**

33 ~~In a derivative action, the plaintiff must be a partner at the time of bringing the action and~~

34 ~~(1) at the time of the transaction of which he or she complains, or~~

1 ~~(2) his or her status as a partner had developed upon him or her by operation of law or~~
2 ~~pursuant to the terms of the partnership agreement from a person who was a partner at the time of~~
3 ~~the transaction.~~

4 **7-13-58. Pleading.**

5 ~~In a derivative action, the complaint shall set forth with particularity the effort of the~~
6 ~~plaintiff to secure initiation of the action by a general partner or the reasons for not making the~~
7 ~~effort.~~

8 **7-13-59. Expenses.**

9 ~~If a derivative action is successful, in whole or in part, or if anything is received by the~~
10 ~~plaintiff as a result of a judgment, compromise, or settlement of an action or claim, the court may~~
11 ~~award the plaintiff reasonable expenses, including reasonable attorney's fees, and shall direct him~~
12 ~~or her to remit to the limited partnership the remainder of those proceeds received by him or her.~~

13 **7-13-60. Construction and application.**

14 ~~This chapter shall be applied and construed so as to effectuate its general purpose to make~~
15 ~~uniform the law as to the subject of this chapter among states enacting it.~~

16 **7-13-61. Short title.**

17 ~~This chapter may be cited as the "Uniform Limited Partnership Act".~~

18 **7-13-62. Severability.**

19 ~~If any provision of this chapter or its application to any person or circumstance is held~~
20 ~~invalid, the invalidity does not affect other provisions or applications of the chapter that can be~~
21 ~~given effect without the invalid provision or application, and to this end the provisions of this~~
22 ~~chapter are severable.~~

23 **7-13-63. Rule for cases not provided for in this chapter.**

24 ~~In any case not provided for in this chapter, the provisions of chapter 12 of this title govern.~~

25 **7-13-64. Applications to existing limited partnerships.**

26 ~~The provisions of this chapter apply to all domestic limited partnerships existing on January~~
27 ~~1, 1987, to the extent that the partnership agreement of each partnership is not inconsistent with the~~
28 ~~provisions of this chapter. Unless otherwise agreed to by the partners, nothing in this chapter~~
29 ~~requires any domestic limited partnership validly existing on January 1, 1987, to comply with the~~
30 ~~provisions of this chapter in order to preserve or continue its status as a limited partnership.~~

31 **7-13-65. Effect of repeal of prior acts.**

32 ~~The repeal of any prior statutory provision by this chapter does not impair, or otherwise~~
33 ~~affect, the organization or the continued existence of a limited partnership existing at January 1,~~
34 ~~1986, nor is the repeal by this chapter of any prior provision to be construed so as to impair any~~

1 ~~contract or to affect any right accrued prior to January 1, 1986.~~

2 **7-13-66. Indemnification.**

3 ~~Subject to any standards and restrictions that are set forth in its partnership agreement, a~~
4 ~~limited partnership has the power to indemnify and hold harmless any partner or other person from~~
5 ~~any claims and demands.~~

6 **7-13-67. Classes and voting.**

7 ~~(a)(1) A partnership agreement may provide for classes or groups of limited partners having~~
8 ~~any relative rights, powers and duties that the partnership agreement provides, and may make~~
9 ~~provision for the future creation in the manner provided in the partnership agreement of additional~~
10 ~~classes or groups of limited partners having any relative rights, powers and duties that may from~~
11 ~~time to time be established, including rights, powers and duties senior to existing classes and groups~~
12 ~~of limited partners.~~

13 ~~(2) A partnership agreement may provide for the taking of an action, including the~~
14 ~~amendment of the partnership agreement, without the vote or approval of any limited partner or~~
15 ~~class or group of limited partners, including an action to create under the provisions of the~~
16 ~~partnership agreement a class or group of partnership interests that was not previously outstanding.~~

17 ~~(b) Subject to § 7-13-19 the partnership agreement may grant to all or certain identified~~
18 ~~limited partners or a specified class or group of the limited partners the right to vote separately or~~
19 ~~with all or any class or group of the limited partners or the general partners, on any matter. Voting~~
20 ~~by limited partners may be on a per capita, number, financial interest, class, group or any other~~
21 ~~basis.~~

22 ~~(c) A partnership agreement that grants a right to vote may set forth provisions relating to~~
23 ~~notice of the time, place or purpose of any meeting at which any matter is to be voted on by any~~
24 ~~limited partners, waiver of any such notice, action by consent without a meeting, the establishment~~
25 ~~of a record date, quorum requirements, voting in person or by proxy, or any other matter as to the~~
26 ~~exercise of the right to vote.~~

27 ~~(d) Any right or power, including voting rights, granted to limited partners as permitted~~
28 ~~under § 7-13-19 of this title is deemed to be permitted by this section.~~

29 **7-13-68. Merger and consolidation.**

30 ~~(a) As used in this section, "other business entity" means a corporation, a business trust or~~
31 ~~association, a real estate investment trust, a common law trust, a limited liability corporation,~~
32 ~~whether foreign or domestic, or an unincorporated business, including a partnership, whether~~
33 ~~general or limited, but excluding a domestic limited partnership.~~

34 ~~(b)(1) Pursuant to an agreement of merger or consolidation, a domestic limited partnership~~

1 ~~may merge or consolidate with or into one or more domestic limited partnerships or other business~~
2 ~~entities formed or organized under the laws of the state of Rhode Island or any other state or the~~
3 ~~United States or any foreign country or other foreign jurisdiction, with any domestic limited~~
4 ~~partnership or other business entity that the agreement provides being the surviving or resulting~~
5 ~~domestic limited partnership or other business entity. Unless otherwise provided in the partnership~~
6 ~~agreement, a merger or consolidation shall be approved by each domestic limited partnership that~~
7 ~~is to merge or consolidate:~~

8 (i) ~~By all general partners; and~~

9 (ii) ~~By the limited partners or, if there is more than one class or group of limited partners,~~
10 ~~then by each class or group of limited partners, in either case, by limited partners who own more~~
11 ~~than fifty percent (50%) of the then current percentage or other interest in the profits of the domestic~~
12 ~~limited partnership owned by all of the limited partners or by the limited partners in each class or~~
13 ~~group, as appropriate.~~

14 (2) ~~In connection with a merger or consolidation under this section, rights or securities of,~~
15 ~~or interests in, a limited partnership or other business entity that is not a limited partnership or other~~
16 ~~business entity that is a constituent party to the merger or consolidation may be exchanged for or~~
17 ~~converted into cash, property, rights or securities of, or interests in, the surviving or resulting~~
18 ~~limited partnership or other business entity in the merger or consolidation. Despite prior approval,~~
19 ~~an agreement of merger or consolidation may be terminated or amended pursuant to a provision for~~
20 ~~termination or amendment contained in the agreement of merger or consolidation.~~

21 (c) ~~If a domestic limited partnership is merging or consolidating under this section, the~~
22 ~~domestic limited partnership or other business entity surviving or resulting in or from the merger~~
23 ~~or consolidation shall file a certificate of merger or consolidation in the office of the secretary of~~
24 ~~state, stating:~~

25 (1) ~~The name and jurisdiction of formation or organization of each of the domestic limited~~
26 ~~partnerships or other business entities that is to merge or consolidate;~~

27 (2) ~~That an agreement of merger or consolidation has been approved and executed by each~~
28 ~~of the domestic limited partnerships or other business entities that is to merge or consolidate;~~

29 (3) ~~The name of the surviving or resulting domestic limited partnership or other business~~
30 ~~entity;~~

31 (4) ~~The future effective date or time, which shall be a date or time certain, of the merger or~~
32 ~~consolidation if it is not to be effective upon the filing of the certificate of merger or consolidation;~~

33 (5) ~~That the agreement of merger or consolidation is on file at a place of business of the~~
34 ~~surviving or resulting domestic limited partnership or other business entity, and shall state the~~

1 address of that place of business;

2 ~~(6) That a copy of the agreement of merger or consolidation will be furnished by the~~
3 ~~surviving or resulting domestic limited partnership or other business entity, on request and without~~
4 ~~cost, to any partner of any domestic limited partnership or any person holding an interest in any~~
5 ~~other business entity that is to merge or consolidate; and~~

6 ~~(7) If the surviving or resulting entity is not a domestic limited partnership or corporation~~
7 ~~organized under the laws of Rhode Island, a statement that the surviving or resulting other business~~
8 ~~entity agrees that it may be served with process in Rhode Island in any action, suit or proceeding~~
9 ~~for the enforcement of any obligation of any domestic limited partnership that is to merge or~~
10 ~~consolidate, irrevocably appointing the secretary of state as its agent to accept service of process in~~
11 ~~the action, suit or proceeding and specifying the address to which a copy of the process is to be~~
12 ~~mailed to it by the secretary of state. In the event of service under this section on the secretary of~~
13 ~~state, the procedures set forth in § 7-1.2-503 are applicable, except that the plaintiff in any action,~~
14 ~~suit or proceeding shall furnish the secretary of state with the address specified in the certificate of~~
15 ~~merger or consolidation provided for in this section and any other address that the plaintiff elects~~
16 ~~to furnish, together with copies of the process as required by the secretary of state, and the secretary~~
17 ~~of state shall notify the surviving or resulting other business entity at all addresses furnished by the~~
18 ~~plaintiff in accordance with the procedures set forth in § 7-1.2-503.~~

19 ~~(d) Any failure to file a certificate of merger or consolidation in connection with a merger~~
20 ~~or consolidation pursuant to this section that was effective prior to the effective date of this section~~
21 ~~does not affect the validity or effectiveness of the merger or consolidation.~~

22 ~~(e) Unless a future effective date or time is provided in a certificate of merger or~~
23 ~~consolidation, in which event a merger or consolidation is effective at that future effective date or~~
24 ~~time, a merger or consolidation is effective upon the filing in the office of the secretary of state of~~
25 ~~a certificate of merger or consolidation.~~

26 ~~(f) A certificate of merger or consolidation acts as a certificate of cancellation for a~~
27 ~~domestic limited partnership that is not the surviving or resulting entity in the merger or~~
28 ~~consolidation.~~

29 ~~(g)(1) Notwithstanding anything to the contrary contained in a partnership agreement, a~~
30 ~~partnership agreement containing a specific reference to this subsection may provide that an~~
31 ~~agreement of merger or consolidation approved in accordance with subsection (b) may:~~

32 ~~(i) Effect any amendment to the partnership agreement; or~~

33 ~~(ii) Effect the adoption of a new partnership agreement for a limited partnership if it is the~~
34 ~~surviving or resulting limited partnership in the merger or consolidation.~~

1 ~~(2) Any amendment to a partnership agreement or adoption of a new partnership agreement~~
2 ~~made pursuant to the preceding sentence is effective at the effective time or date of the merger or~~
3 ~~consolidation. The provisions of this subsection shall not be construed to limit the accomplishment~~
4 ~~of a merger or of any of the matters referred to in this section by any other means provided for in a~~
5 ~~partnership agreement or other agreement or as otherwise permitted by law, including that the~~
6 ~~partnership agreement of any constituent limited partnership to the merger or consolidation~~
7 ~~(including a limited partnership formed for the purpose of consummating a merger or~~
8 ~~consolidation) is the partnership agreement of the surviving or resulting limited partnership.~~

9 ~~(h) When any merger or consolidation has become effective under this section, for all~~
10 ~~purposes of the laws of the state of Rhode Island, all of the rights, privileges and powers of each of~~
11 ~~the domestic limited partnerships and other business entities that have merged or consolidated, and~~
12 ~~all property, real, personal, and mixed, and all debts due to any of those domestic limited~~
13 ~~partnerships and other business entities, as well as all other things and causes of action belonging~~
14 ~~to each of those domestic limited partnerships and other business entities, are vested in the~~
15 ~~surviving or resulting domestic limited partnership or other business entity, and are subsequently~~
16 ~~the property of the surviving or resulting domestic limited partnership or other business entity as~~
17 ~~they were of each of the domestic limited partnerships and other business entities that have merged~~
18 ~~or consolidated. The title to any real property vested by deed or otherwise, under the laws of the~~
19 ~~state of Rhode Island, in any of those domestic limited partnerships and other business entities,~~
20 ~~does not revert or in any way become impaired because of this chapter; but all rights of creditors~~
21 ~~and all liens upon any property of the domestic limited partnerships and other business entities are~~
22 ~~preserved unimpaired, and all debts, liabilities and duties of each of the domestic limited~~
23 ~~partnerships and other business entities that have merged or consolidated subsequently attach to~~
24 ~~the surviving or resulting domestic limited partnership or other business entity, and may be~~
25 ~~enforced against it to the same extent as if the debts, liabilities and duties had been incurred or~~
26 ~~contracted by it. Unless otherwise agreed, a merger or consolidation of a domestic limited~~
27 ~~partnership, including a domestic limited partnership that is not the surviving or resulting entity in~~
28 ~~the merger or consolidation, does not require the domestic limited partnership to wind up its affairs~~
29 ~~under § 7-13-46 or pay its liabilities and distribute its assets under § 7-13-47.~~

30 ~~**7-13-69. Filing of returns with the tax administrator -- Annual charge.**~~

31 ~~(a) For tax years beginning on or after January 1, 2012, a limited partnership certified under~~
32 ~~this chapter shall file a return, in the form and containing the information as prescribed by the tax~~
33 ~~administrator, as follows:~~

34 ~~(1) If the fiscal year of the limited partnership is the calendar year, on or before the fifteenth~~

1 ~~day of April in the year following the close of the fiscal year; and~~

2 ~~(2) If the fiscal year of the limited partnership is not a calendar year, on or before the~~
3 ~~fifteenth day of the fourth month following the close of the fiscal year.~~

4 ~~(b) For tax years beginning after December 31, 2015, a limited partnership certified under~~
5 ~~this chapter shall file a return, in the form and containing the information as prescribed by the tax~~
6 ~~administrator, and shall be filed on or before the date a federal tax return is due to be filed, without~~
7 ~~regard to extension.~~

8 ~~(c) An annual charge, equal to the minimum tax imposed upon a corporation under § 44-~~
9 ~~11-2(e), shall be due on the filing of the limited partnership's return filed with the tax administrator~~
10 ~~and shall be paid to the division of taxation.~~

11 ~~(d) The annual charge is delinquent if not paid by the due date for the filing of the return~~
12 ~~and an addition of one hundred dollars (\$100) to the charge is then due.~~

13 SECTION 3. This act shall take effect on January 1, 2022.

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LC002208
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS, AND PARTNERSHIPS -- THE RHODE
ISLAND LIMITED PARTNERSHIP ACT

- 1 This act would enact the Rhode Island Limited Partnership Act to govern the law of limited
- 2 partnerships in this state and repeal chapter 12 of title 7 entitled "Limited Partnerships".
- 3 This act would take effect on January 1, 2022.

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LC002208
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