

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

—————  
A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS AND PARTNERSHIPS --  
PARTNERSHIPS--RHODE ISLAND 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 12.1

4 THE RHODE ISLAND PARTNERSHIP ACT

5 ARTICLE 1

6 GENERAL PROVISIONS

7 **7-12.1-101. Short title.**

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

9 **7-12.1-102. Definitions.**

10 As used in this chapter:

11 (1) "Business" includes every trade, occupation, and profession.

12 (2) "Contribution", except in the phrase "right of contribution", means property or a benefit  
13 described in § 7-12.1-403 which is provided by a person to a partnership to become a partner or in  
14 the person's capacity as a partner.

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

16 (i) An order for relief under Title 11 of the United States Code or a comparable order under  
17 a successor statute of general application; or

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

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

3           (i) Includes:

4           (A) A redemption or other purchase by a partnership of a transferable interest; and

5           (B) A transfer to a partner in return for the partner's relinquishment of any right to  
6 participate as a partner in the management or conduct of the partnership's business or have access  
7 to records or other information concerning the partnership's business; and

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

11           (5) "Foreign limited liability partnership" means a foreign partnership whose partners have  
12 limited liability for the debts, obligations, or other liabilities of the foreign partnership under a  
13 provision similar to § 7-12.1-306(c).

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

17           (7) "Jurisdiction", used to refer to a political entity, means the United States, a state, a  
18 foreign country, or a political subdivision of a foreign country.

19           (8) "Jurisdiction of formation" means the jurisdiction whose law governs the internal  
20 affairs of an entity.

21           (9) "Limited liability partnership", except in the phrase "foreign limited liability  
22 partnership" and in Article 11 of this chapter, means a partnership that has filed a statement of  
23 qualification under § 7-12.1-901 and does not have a similar statement in effect in any other  
24 jurisdiction.

25           (10) "Partner" means a person that:

26           (i) Has become a partner in a partnership under § 7-12.1-402 or was a partner in a  
27 partnership when the partnership became subject to this chapter under § 7-12.1-110; and

28           (ii) Has not dissociated as a partner under § 7-12.1-601.

29           (11) "Partnership", except in Article 11 of this chapter, means an association of two (2) or  
30 more persons to carry on as co-owners of a business for profit formed under this chapter or that  
31 becomes subject to this chapter under Article 11 of this chapter or § 7-12.1-110. The term includes  
32 a limited liability partnership.

33           (12) "Partnership agreement" means the agreement, whether or not referred to as a  
34 partnership agreement and whether oral, implied, in a record, or in any combination thereof, of all

1 the partners of a partnership concerning the matters described in § 7-12.1-105. The term includes  
2 the agreement as amended or restated.

3 (13) "Partnership at will" means a partnership in which the partners have not agreed to  
4 remain partners until the expiration of a definite term or the completion of a particular undertaking.

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

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

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

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

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

19 (19) "Registered foreign limited liability partnership" means a foreign limited liability  
20 partnership that is registered to do business in this state pursuant to a statement of registration filed  
21 with the secretary of state.

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

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

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

26 (21) "State" means a state of the United States, the District of Columbia, Puerto Rico, the  
27 United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the  
28 United States.

29 (22) "Transfer" includes:

30 (i) An assignment;

31 (ii) A conveyance;

32 (iii) A sale;

33 (iv) A lease;

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

1 (vi) A gift; and

2 (vii) A transfer by operation of law.

3 (23) "Transferable interest" means the right, as initially owned by a person in the person's  
4 capacity as a partner, to receive distributions from a partnership, whether or not the person remains  
5 a partner or continues to own any part of the right. The term applies to any fraction of the interest,  
6 by whomever owned.

7 (24) "Transferee" means a person to which all or part of a transferable interest has been  
8 transferred, whether or not the transferor is a partner.

9 **7-12.1-103. Knowledge; Notice.**

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

11 (1) Has actual knowledge of it; or

12 (2) Is deemed to know it under subsection (d)(1) of this section or law other than this  
13 chapter.

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

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

17 (2) Is deemed to have notice of the fact under subsection (d)(2) of this section.

18 (c) Subject to § 7-12.1-117(f), a person notifies another person of a fact by taking steps  
19 reasonably required to inform the other person in ordinary course, whether or not those steps cause  
20 the other person to know the fact.

21 (d) A person not a partner is deemed:

22 (1) To know of a limitation on authority to transfer real property as provided in § 7-12.1-  
23 303(g); and

24 (2) To have notice of:

25 (i) A person's dissociation as a partner ninety (90) days after a statement of dissociation  
26 under § 7-12.1-704 becomes effective; and

27 (ii) A partnership's:

28 (A) Dissolution ninety (90) days after a statement of dissolution under § 7-12.1-802  
29 becomes effective;

30 (B) Termination ninety (90) days after a statement of termination under § 7-12.1-802  
31 becomes effective; and

32 (C) Participation in a merger, interest exchange, conversion, or domestication, ninety (90)  
33 days after articles of merger, interest exchange, conversion, or domestication under Article 11 of  
34 this chapter become effective.

1 (e) A partner's knowledge or notice of a fact relating to the partnership is effective  
2 immediately as knowledge of or notice to the partnership, except in the case of a fraud on the  
3 partnership committed by or with the consent of that partner.

4 **7-12.1-104. Governing law.**

5 The internal affairs of a partnership and the liability of a partner as a partner for a debt,  
6 obligation, or other liability of the partnership are governed by:

7 (1) In the case of a limited liability partnership, the law of this state; and

8 (2) In the case of a partnership that is not a limited liability partnership, the law of the  
9 jurisdiction in which the partnership has its principal office.

10 **7-12.1-105. Partnership agreement; Scope, Function, and Limitations.**

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

13 (1) Relations among the partners as partners and between the partners and the partnership;

14 (2) The business of the partnership and the conduct of that business; and

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

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

18 (c) A partnership agreement may not:

19 (1) Vary the law applicable under § 7-12.1-104(1);

20 (2) Vary the provisions of § 7-12.1-110;

21 (3) Vary the provisions of § 7-12.1-307;

22 (4) Unreasonably restrict the duties and rights under § 7-12.1-408, but the partnership  
23 agreement may impose reasonable restrictions on the availability and use of information obtained  
24 under that section and may define appropriate remedies, including liquidated damages, for a breach  
25 of any reasonable restriction on use;

26 (5) Alter or eliminate the duty of loyalty or the duty of care, except as otherwise provided  
27 in subsection (d) of this section;

28 (6) Eliminate the contractual obligation of good faith and fair dealing under § 7-12.1-  
29 409(d), but the partnership agreement may prescribe the standards, if not manifestly unreasonable,  
30 by which the performance of the obligation is to be measured;

31 (7) Unreasonably restrict the right of a person to maintain an action under § 7-12.1-410(b);

32 (8) Relieve or exonerate a person from liability for conduct involving bad faith, willful or  
33 intentional misconduct, or knowing violation of law;

34 (9) Vary the power of a person to dissociate as a partner under § 7-12.1-602(a), except to

1 require that the notice under § 7-12.1-601(1) to be in a record;

2 (10) Vary the grounds for expulsion specified in § 7-12.1-601(5);

3 (11) Vary the causes of dissolution specified in § 7-12.1-801(4) or (5);

4 (12) Vary the requirement to wind up the partnership's business as specified in § 7-12.1-

5 802(a), (b)(1), and (d);

6 (13) Vary the right of a partner under § 7-12.1-901(f) to vote on or consent to a cancellation

7 of a statement of qualification;

8 (14) Vary the right of a partner to approve a merger, interest exchange, conversion, or

9 domestication under §§ 7-12.1-11.23(a)(2), 7-12.1-11.33(a)(2), 7-12.1-11.43(a)(2), or 7-12.1-

10 11.53(a)(2);

11 (15) Vary the required contents of a plan of merger under § 7-12.1-11.22(a), plan of interest

12 exchange under § 7-12.1-11.32(a), plan of conversion under § 7-12.1-11.42(a), or plan of

13 domestication under § 7-12.1-11.52(a);

14 (16) Vary any requirement, procedure, or other provision of this chapter pertaining to:

15 (i) Registered agents; or

16 (ii) The secretary of state, including provisions pertaining to records authorized or required

17 to be filed with the secretary of state under this chapter; or

18 (17) Except as otherwise provided in §§ 7-12.1-106 and 7-12.1-107(b), restrict the rights

19 under this chapter of a person other than a partner.

20 (d) Subject to subsection (c)(8) of this section, without limiting other terms that may be

21 included in a partnership agreement, the following rules apply:

22 (1) The partnership agreement may:

23 (i) Specify the method by which a specific act or transaction that would otherwise violate

24 the duty of loyalty may be authorized or ratified by one or more disinterested and independent

25 persons after full disclosure of all material facts; and

26 (ii) Alter the prohibition in § 7-12.1-406(a)(2) to the extent the prohibition requires only

27 that the partnership's total assets not be less than the sum of its total liabilities.

28 (2) To the extent the partnership agreement expressly relieves a partner of a responsibility

29 that the partner would otherwise have under this chapter and imposes the responsibility on one or

30 more other partners, the agreement also may eliminate or limit any fiduciary duty of the partner

31 relieved of the responsibility which would have pertained to the responsibility.

32 (3) If not manifestly unreasonable, the partnership agreement may:

33 (i) Alter or eliminate the aspects of the duty of loyalty stated in § 7-12.1-409(b);

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

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

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

4 (e) The court shall decide as a matter of law whether a term of a partnership agreement is  
5 manifestly unreasonable under subsection (c)(6) or (d)(3) of this section. The Providence County  
6 superior court:

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

9 (2) May invalidate the term only if, in light of the purposes and business of the partnership,  
10 it is readily apparent that:

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

12 (ii) The term is an unreasonable means to achieve the term's objective.

13 **7-12.1-106. Partnership agreement -- Effect on partnership and person becoming**  
14 **partner -- Preformation agreement.**

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

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

18 (c) Two (2) or more persons intending to become the initial partners of a partnership may  
19 make an agreement providing that upon the formation of the partnership the agreement will become  
20 the partnership agreement.

21 **7-12.1-107. Partnership agreement -- Effect on third parties and relationship to**  
22 **records effective on behalf of partnership.**

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

26 (b) The obligations of a partnership and its partners to a person in the person's capacity as  
27 a transferee or person dissociated as a partner are governed by the partnership agreement. Subject  
28 only to a court order issued under § 7-12.1-504(b)(2) to effectuate a charging order, an amendment  
29 to the partnership agreement made after a person becomes a transferee or is dissociated as a partner:

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

33 (2) Is not effective to the extent the amendment:

34 (i) Imposes a new debt, obligation, or other liability on the transferee or person dissociated

1 as a partner; or

2 (ii) Prejudices the rights under § 7-12.1-701 of a person that dissociated as a partner before  
3 the amendment was made.

4 (c) If a record delivered by a partnership to the secretary of state for filing becomes  
5 effective and contains a provision that would be ineffective under §§ 7-12.1-105(c) or 7-12.1-  
6 105(d)(3) if contained in the partnership agreement, the provision is ineffective in the record.

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

10 (1) The agreement prevails as to partners, persons dissociated as partners, and transferees;  
11 and

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

13 **7-12.1-108. Signing of records to be delivered for filing to secretary of state.**

14 (a) A record filed with the secretary of state pursuant to this chapter must be signed as  
15 follows:

16 (1) Except as otherwise provided in subsections (a)(2) and (a)(3) of this section, a record  
17 signed by a partnership must be signed by a person authorized by the partnership.

18 (2) A record filed on behalf of a dissolved partnership that has no partner must be signed  
19 by the person winding up the partnership's business under § 7-12.1-802(c) or a person appointed  
20 under § 7-12.1-802(d) to wind up the business.

21 (3) A statement of denial by a person under § 7-12.1-304 must be signed by that person.

22 (4) Any other record delivered on behalf of a person to the secretary of state for filing must  
23 be signed by that person.

24 (b) A record filed under this chapter may be signed by an agent. Whenever this chapter  
25 requires a particular individual to sign a record and the individual is deceased or incompetent, the  
26 record may be signed by a legal representative of the individual.

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

29 **7-12.1-109. Liability for inaccurate information in filed record.**

30 (a) If a record filed with the secretary of state under this chapter and filed by the secretary  
31 of state contains inaccurate information, a person that suffers loss by reliance on the information  
32 may recover damages for the loss from:

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



1           (2) Subject to subsection (b) of this section, a partner if:  
2           (i) The record was delivered for filing on behalf of the partnership; and  
3           (ii) The partner knew or had notice of the inaccuracy for a reasonably sufficient time before  
4 the information was relied upon so that, before the reliance, the partner reasonably could have:  
5           (A) Effected an amendment under § 7-12.1-901(f);  
6           (B) Filed a petition under § 7-12.1-112; or  
7           (C) Filed with the secretary of state a statement of change under § 7-12.1-909 or a statement  
8 of correction under § 7-12.1-116.  
9           (b) To the extent the partnership agreement expressly relieves a partner of responsibility  
10 for maintaining the accuracy of information contained in records delivered on behalf of the  
11 partnership to the secretary of state for filing under this chapter and imposes that responsibility on  
12 one or more other partners, the liability stated in subsection (a)(2) of this section applies to those  
13 other partners and not to the partner that the partnership agreement relieves of the responsibility.  
14           (c) An individual who signs a record authorized or required to be filed under this chapter  
15 affirms under penalty of perjury that the information stated in the record is accurate.  
16           **7-12.1-110. Application to existing relationships -- Effect of repeal of prior acts.**  
17           (a) This chapter governs only:  
18           (1) A partnership formed on or after January 1, 2022; and  
19           (2) Except as otherwise provided in subsection (c) of this section, a partnership formed  
20 before January 1, 2022, which elects, in the manner provided in its partnership agreement or by law  
21 for amending the partnership agreement, to be subject to this chapter.  
22           (b) Except as otherwise provided in subsection (c) of this section, on and after January 1,  
23 2022, this chapter governs all partnerships.  
24           (c) With respect to a partnership that elects pursuant to subsection (a)(2) of this section to  
25 be subject to this chapter, after the election takes effect the provisions of this chapter relating to the  
26 liability of the partnership's partners to third parties apply to:  
27           (1) A third party that had not done business with the partnership in the year before the  
28 election took effect; and  
29           (2) A third party that had done business with the partnership in the year before the election  
30 took effect only if the third party knows or has been notified of the election; and  
31           (d) On and after January 1, 2022, the liability of the partnership's partner to third parties  
32 shall apply to all third parties, but except for any obligation incurred prior to the third party  
33 acquiring notice of the election pursuant to the provisions of subsection (c)(2) of this section.  
34           (e) The repeal of a prior act by this chapter does not impair, diminish or affect any right,

1 privilege or immunity accrued or established, any suit pending, any right of action conferred, or  
2 any duty, restriction, liability or penalty imposed or required, under the provisions of the act, prior  
3 to the repeal.

4 **7-12.1-111. Delivery of record.**

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

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

9 **7-12.1-112. Signing and filing pursuant to judicial order.**

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

13 (1) The person to sign the record;

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

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

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

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

20 **7-12.1-113. Filing requirements.**

21 (a) To be filed by the secretary of state pursuant to this chapter, a record must be received  
22 by the secretary of state, comply with this chapter, and satisfy the following:

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

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

26 (3) The words in the record must be in English, and numbers must be in Arabic or Roman  
27 numerals, but the name of an entity need not be in English if written in English letters or Arabic or  
28 Roman numerals;

29 (4) The record must be signed by a person authorized or required under this chapter to sign  
30 the record; and

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

34 (b) If any law other than this chapter prohibits the disclosure by the secretary of state of

1 information contained in a record filed with the secretary of state, the secretary of state shall file  
2 the record if the record otherwise complies with this chapter but may redact the information.

3 (c) When a record is filed with the secretary of state, any fee required under this chapter  
4 and any fee, tax, interest, or penalty required to be paid under this chapter or law other than this  
5 chapter must be paid in a manner permitted by the secretary of state or by that law.

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

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

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

13 **7-12.1-114. Effective date and time.**

14 Except as otherwise provided in § 7-12.1-115 and subject to § 7-12.1-116(c), a record filed  
15 under this chapter is effective:

16 (1) On the date and at the time of its filing by the secretary of state, as provided in § 7-  
17 12.1-117(b);

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

20 (3) At a specified delayed effective date and time, which may not be more than ninety (90)  
21 days after the date of filing; or

22 (4) If a delayed effective date is specified, but no time is specified, at one minute past  
23 twelve am (12:01 a.m.) on the date specified, which may not be more than ninety (90) days after  
24 the date of filing.

25 **7-12.1-115. Withdrawal of filed record before effectiveness.**

26 (a) Except as otherwise provided in §§ 7-12.1-11.24, 7-12.1-11.34, 7-12.1-11.44, and 7-  
27 12.1-11.54, a record filed with the secretary of state may be withdrawn before it takes effect by  
28 delivering to the secretary of state for filing a statement of withdrawal.

29 (b) A statement of withdrawal must:

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

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

33 (3) If signed by fewer than all the persons that signed the record being withdrawn, state  
34 that the record is withdrawn in accordance with the agreement of all the persons that signed the

1 record.

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

4 **7-12.1-116. Correcting filed record.**

5 (a) A person on whose behalf a filed record was filed with the secretary of state may correct  
6 the record if:

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

8 (2) The record was defectively signed; or

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

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

12 (c) A statement of correction:

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

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

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

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

17 (5) Must correct the inaccuracy or defect.

18 (d) A statement of correction is effective as of the effective date of the filed record that it  
19 corrects except for purposes of § 7-12.1-103(d) and as to persons relying on the uncorrected filed  
20 record and adversely affected by the correction. For those purposes and as to those persons, the  
21 statement of correction is effective when filed.

22 **7-12.1-117. Duty of secretary of state to file -- Review of refusal to file -- Delivery of**  
23 **record by secretary of state.**

24 (a) The secretary of state shall file a record filed with the secretary of state which satisfies  
25 this chapter. The duty of the secretary of state under this section is ministerial.

26 (b) When the secretary of state files a record, the secretary of state shall record it as filed  
27 on the date and at the time of its delivery. After filing a record, the secretary of state shall deliver  
28 to the person that submitted the record a copy of the record with an acknowledgment of the date  
29 and time of filing and, in the case of a statement of denial, also to the partnership to which the  
30 statement pertains.

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

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

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

1 (d) If the secretary of state refuses to file a record, the person that submitted the record may  
2 petition the superior court to compel filing of the record. The record and the explanation of the  
3 secretary of state of the refusal to file must be attached to the petition. The Providence County  
4 superior court may decide the matter in a summary proceeding.

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

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

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

8 (f) Except as otherwise provided by § 7-12.1-909 or by law other than this chapter, the  
9 secretary of state may deliver any record to a person by delivering it:

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

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

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

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

14 **7-12.1-118. Reservation of power to amend or repeal.**

15 The general assembly has power to amend or repeal all or part of this chapter at any time,  
16 and all limited liability partnerships and foreign limited liability partnerships subject to this chapter  
17 shall be governed by the amendment or repeal.

18 **7-12.1-119. Supplemental principles of law.**

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

21 ARTICLE 2

22 NATURE OF PARTNERSHIP

23 **7-12.1-201. Partnership as entity.**

24 (a) A partnership is an entity distinct from its partners.

25 (b) A partnership is the same entity regardless of whether the partnership has a statement  
26 of qualification in effect under § 7-12.1-901.

27 **7-12.1-202. Formation of partnership.**

28 (a) Except as otherwise provided in subsection (b) of this section, the association of two  
29 (2) or more persons to carry on as co-owners a business for profit forms a partnership, whether or  
30 not the persons intend to form a partnership.

31 (b) An association formed under a statute other than this chapter, a predecessor statute, or  
32 a comparable statute of another jurisdiction is not a partnership under this chapter.

33 (c) In determining whether a partnership is formed, the following rules apply:

34 (1) Joint tenancy, tenancy in common, tenancy by the entireties, joint property, common

1 property, or part ownership does not by itself establish a partnership, even if the co-owners share  
2 profits made by the use of the property;

3 (2) The sharing of gross returns does not by itself establish a partnership, even if the persons  
4 sharing them have a joint or common right or interest in property from which the returns are  
5 derived; and

6 (3) A person who receives a share of the profits of a business is presumed to be a partner  
7 in the business, unless the profits were received in payment:

8 (i) Of a debt by installments or otherwise;

9 (ii) For services as an independent contractor or of wages or other compensation to an  
10 employee;

11 (iii) Of rent;

12 (iv) Of an annuity or other retirement or health benefit to a deceased or retired partner or a  
13 beneficiary, representative, or designee of a deceased or retired partner;

14 (v) Of interest or other charge on a loan, even if the amount of payment varies with the  
15 profits of the business, including a direct or indirect present or future ownership of the collateral,  
16 or rights to income, proceeds, or increase in value derived from the collateral; or

17 (vi) For the sale of the goodwill of a business or other property by installments or otherwise.

18 **7-12.1-203. Partnership property.**

19 Property acquired by a partnership is property of the partnership and not of the partners  
20 individually.

21 **7-12.1-204. When property is partnership property.**

22 (a) Property is partnership property if acquired in the name of:

23 (1) The partnership; or

24 (2) One or more partners with an indication in the instrument transferring title to the  
25 property of the person's capacity as a partner or of the existence of a partnership but without an  
26 indication of the name of the partnership.

27 (b) Property is acquired in the name of the partnership by a transfer to:

28 (1) The partnership in its name; or

29 (2) One or more partners in their capacity as partners in the partnership, if the name of the  
30 partnership is indicated in the instrument transferring title to the property.

31 (c) Property is presumed to be partnership property if purchased with partnership assets,  
32 even if not acquired in the name of the partnership or of one or more partners with an indication in  
33 the instrument transferring title to the property of the person's capacity as a partner or of the  
34 existence of a partnership.



1 (a)(1) and (a)(2) of this section, proves that the subsequent transferee knew or had been notified  
2 that the person who signed the instrument of initial transfer lacked authority to bind the partnership;  
3 or

4 (2) As to a transferee who gave value for property transferred under subsection (a)(3) of  
5 this section, proves that the transferee knew or had been notified that the property was partnership  
6 property and that the person who signed the instrument of initial transfer lacked authority to bind  
7 the partnership.

8 (c) A partnership may not recover partnership property from a subsequent transferee if the  
9 partnership would not have been entitled to recover the property, under subsection (b) of this  
10 section, from any earlier transferee of the property.

11 (d) If a person holds all the partners' interests in the partnership, all the partnership property  
12 vests in that person. The person may sign a record in the name of the partnership to evidence vesting  
13 of the property in that person and may file or record the record.

14 **7-12.1-303. Statement of partnership authority.**

15 (a) A partnership may deliver to the secretary of state for filing a statement of partnership  
16 authority. The statement:

17 (1) Must include the name of the partnership and:

18 (i) If the partnership is not a limited liability partnership, the street and mailing addresses  
19 of its principal office; or

20 (ii) If the partnership is a limited liability partnership, the name and street and mailing  
21 addresses of its registered agent;

22 (2) With respect to any position that exists in or with respect to the partnership, may state  
23 the authority, or limitations on the authority, of all persons holding the position to:

24 (i) Sign an instrument transferring real property held in the name of the partnership; or

25 (ii) Enter into other transactions on behalf of, or otherwise act for or bind, the partnership;

26 and

27 (3) May state the authority, or limitations on the authority, of a specific person to:

28 (i) Sign an instrument transferring real property held in the name of the partnership; or

29 (ii) Enter into other transactions on behalf of, or otherwise act for or bind, the partnership.

30 (b) To amend or cancel a statement of authority filed by the secretary of state, a partnership  
31 must deliver to the secretary of state for filing an amendment or cancellation stating:

32 (1) The name of the partnership;

33 (2) If the partnership is not a limited liability partnership, the street and mailing addresses  
34 of the partnership's principal office;



1           (3) If the partnership is a limited liability partnership, the name and street and mailing  
2 addresses of its registered agent;

3           (4) The date the statement being affected became effective; and

4           (5) The contents of the amendment or a declaration that the statement is canceled.

5           (c) A statement of authority affects only the power of a person to bind a partnership to  
6 persons that are not partners.

7           (d) Subject to subsection (c) of this section and § 7-12.1-103(d)(1), and except as otherwise  
8 provided in subsections (f), (g), and (h) of this section, a limitation on the authority of a person or  
9 a position contained in an effective statement of authority is not by itself evidence of any person's  
10 knowledge or notice of the limitation.

11           (e) Subject to subsection (c) of this section, a grant of authority not pertaining to transfers  
12 of real property and contained in an effective statement of authority is conclusive in favor of a  
13 person that gives value in reliance on the grant, except to the extent that if the person gives value:

14           (1) The person has knowledge to the contrary;

15           (2) The statement has been canceled or restrictively amended under subsection (b) of this  
16 section; or

17           (3) A limitation on the grant is contained in another statement of authority that became  
18 effective after the statement containing the grant became effective.

19           (f) Subject to subsection (c) of this section, an effective statement of authority that grants  
20 authority to transfer real property held in the name of the partnership, a certified copy of which  
21 statement is recorded in the office for recording transfers of the real property, is conclusive in favor  
22 of a person that gives value in reliance on the grant without knowledge to the contrary, except to  
23 the extent that when the person gives value:

24           (1) The statement has been canceled or restrictively amended under subsection (b) of this  
25 section, and a certified copy of the cancellation or restrictive amendment has been recorded in the  
26 office for recording transfers of the real property; or

27           (2) A limitation on the grant is contained in another statement of authority that became  
28 effective after the statement containing the grant became effective, and a certified copy of the later-  
29 effective statement is recorded in the office for recording transfers of the real property.

30           (g) Subject to subsection (c) of this section, if a certified copy of an effective statement  
31 containing a limitation on the authority to transfer real property held in the name of a partnership  
32 is recorded in the office for recording transfers of that real property, all persons are deemed to know  
33 of the limitation.

34           (h) Subject to subsection (i) of this section, an effective statement of dissolution is a

1 cancellation of any filed statement of authority for the purposes of subsection (f) of this section and  
2 is a limitation on authority for purposes of subsection (g) of this section.

3 (i) After a statement of dissolution becomes effective, a partnership may deliver to the  
4 secretary of state for filing and, if appropriate, may record a statement of authority that is designated  
5 as a post-dissolution statement of authority. The statement operates as provided in subsections (f)  
6 and (g) of this section.

7 (j) Unless canceled earlier, an effective statement of authority is canceled by operation of  
8 law five (5) years after the date on which the statement, or its most recent amendment, becomes  
9 effective. The cancellation is effective without recording under subsection (f) or (g) of this section.

10 (k) An effective statement of denial operates as a restrictive amendment under this section  
11 and may be recorded by certified copy for purposes of subsection (f)(1) of this section.

12 **7-12.1-304. Statement of denial.**

13 A person named in a filed statement of authority granting that person authority may deliver  
14 to the secretary of state for filing a statement of denial that:

15 (1) Provides the name of the partnership and the caption of the statement of authority to  
16 which the statement of denial pertains; and

17 (2) Denies the grant of authority.

18 **7-12.1-305. Partnership liable for partner's actionable conduct.**

19 (a) A partnership is liable for loss or injury caused to a person, or for a penalty incurred, as  
20 a result of a wrongful act or omission, or other actionable conduct, of a partner acting in the ordinary  
21 course of business of the partnership or with the actual or apparent authority of the partnership.

22 (b) If, in the course of the partnership's business or while acting with actual or apparent  
23 authority of the partnership, a partner receives or causes the partnership to receive money or  
24 property of a person not a partner, and the money or property is misapplied by a partner, the  
25 partnership is liable for the loss.

26 **7-12.1-306. Partner's liability.**

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

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

32 (c) A debt, obligation, or other liability of a partnership incurred while the partnership is a  
33 limited liability partnership is solely the debt, obligation, or other liability of the limited liability  
34 partnership. A partner is not personally liable, directly or indirectly, by way of contribution or

1 otherwise, for a debt, obligation, or other liability of the limited liability partnership solely by  
2 reason of being or acting as a partner. This subsection applies:

3 (1) Despite anything inconsistent in the partnership agreement that existed immediately  
4 before the vote or consent required to become a limited liability partnership under § 7-12.1-901(b);  
5 and

6 (2) Regardless of the dissolution of the limited liability partnership.

7 (d) The failure of a limited liability partnership to observe formalities relating to the  
8 exercise of its powers or management of its business is not a ground for imposing liability on a  
9 partner for a debt, obligation, or other liability of the partnership.

10 (e) The cancellation or administrative revocation of a limited liability partnership's  
11 statement of qualification does not affect the limitation in this section on the liability of a partner  
12 for a debt, obligation, or other liability of the partnership incurred while the statement was in effect.

13 **7-12.1-307. Actions by and against partnership and partners.**

14 (a) A partnership may sue and be sued in the name of the partnership.

15 (b) To the extent not inconsistent with § 7-12.1-306, a partner may be joined in an action  
16 against the partnership or named in a separate action.

17 (c) A judgment against a partnership is not by itself a judgment against a partner. A  
18 judgment against a partnership may not be satisfied from a partner's assets unless there is also a  
19 judgment against the partner.

20 (d) A judgment creditor of a partner may not levy execution against the assets of the partner  
21 to satisfy a judgment based on a claim against the partnership unless the partner is personally liable  
22 for the claim under § 7-12.1-306 and:

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

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

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

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

31 (5) Liability is imposed on the partner by law or contract independent of the existence of  
32 the partnership.

33 (e) This section applies to any debt, liability, or other obligation of a partnership which  
34 results from a representation by a partner or purported partner under § 7-12.1-308.

1           **7-12.1-308. Liability of purported partner.**

2           (a) If a person, by words or conduct, purports to be a partner, or consents to being  
3 represented by another as a partner, in a partnership or with one or more persons not partners, the  
4 purported partner is liable to a person to whom the representation is made, if that person, relying  
5 on the representation, enters into a transaction with the actual or purported partnership. If the  
6 representation, either by the purported partner or by a person with the purported partner's consent,  
7 is made in a public manner, the purported partner is liable to a person who relies upon the purported  
8 partnership even if the purported partner is not aware of being held out as a partner to the claimant.  
9 If partnership liability results, the purported partner is liable with respect to that liability as if the  
10 purported partner were a partner. If no partnership liability results, the purported partner is liable  
11 with respect to that liability jointly and severally with any other person consenting to the  
12 representation.

13           (b) If a person is thus represented to be a partner in an existing partnership, or with one or  
14 more persons not partners, the purported partner is an agent of persons consenting to the  
15 representation to bind them to the same extent and in the same manner as if the purported partner  
16 were a partner with respect to persons who enter into transactions in reliance upon the  
17 representation. If all the partners of the existing partnership consent to the representation, a  
18 partnership act or obligation results. If fewer than all the partners of the existing partnership consent  
19 to the representation, the person acting and the partners consenting to the representation are jointly  
20 and severally liable.

21           (c) A person is not liable as a partner merely because the person is named by another as a  
22 partner in a statement of partnership authority.

23           (d) A person does not continue to be liable as a partner merely because of a failure to file  
24 a statement of dissociation or to amend a statement of partnership authority to indicate the person's  
25 dissociation as a partner.

26           (e) Except as otherwise provided in subsections (a) and (b) of this section, persons who are  
27 not partners as to each other are not liable as partners to other persons.

28   ARTICLE 4

29                           RELATIONS OF PARTNERS TO EACH OTHER AND TO PARTNERSHIP

30           **7-12.1-401. Partner's rights and duties.**

31           (a) Each partner is entitled to an equal share of the partnership distributions and, except in  
32 the case of a limited liability partnership, is chargeable with a share of the partnership losses in  
33 proportion to the partner's share of the distributions.

34           (b) A partnership shall reimburse a partner for any payment made by the partner in the

1 course of the partner's activities on behalf of the partnership, if the partner complied with this  
2 section and § 7-12.1-409 in making the payment.

3 (c) A partnership shall indemnify and hold harmless a person with respect to any claim or  
4 demand against the person and any debt, obligation, or other liability incurred by the person by  
5 reason of the person's former or present capacity as a partner, if the claim, demand, debt, obligation,  
6 or other liability does not arise from the person's breach of this section or §§ 7-12.1-407 or 7-12.1-  
7 409.

8 (d) In the ordinary course of its business, a partnership may advance reasonable expenses,  
9 including attorneys' fees and costs, incurred by a person in connection with a claim or demand  
10 against the person by reason of the person's former or present capacity as a partner, if the person  
11 promises to repay the partnership if the person ultimately is determined not to be entitled to be  
12 indemnified under subsection (c) of this section.

13 (e) A partnership may purchase and maintain insurance on behalf of a partner against  
14 liability asserted against or incurred by the partner in that capacity or arising from that status even  
15 if, under § 7-12.1-105(c)(7), the partnership agreement could not eliminate or limit the person's  
16 liability to the partnership for the conduct giving rise to the liability.

17 (f) A partnership shall reimburse a partner for an advance to the partnership beyond the  
18 amount of capital the partner agreed to contribute.

19 (g) A payment or advance made by a partner which gives rise to a partnership obligation  
20 under subsections (b) or (f) of this section constitutes a loan to the partnership which accrues  
21 interest from the date of the payment or advance.

22 (h) Each partner has equal rights in the management and conduct of the partnership's  
23 business.

24 (i) A partner may use or possess partnership property only on behalf of the partnership.

25 (j) A partner is not entitled to remuneration for services performed for the partnership,  
26 except for reasonable compensation for services rendered in winding up the business of the  
27 partnership.

28 (k) A difference arising as to a matter in the ordinary course of business of a partnership  
29 may be decided by a majority of the partners. An act outside the ordinary course of business of a  
30 partnership and an amendment to the partnership agreement may be undertaken only with the  
31 affirmative vote or consent of all the partners.

32 **7-12.1-402. Becoming partner.**

33 (a) Upon formation of a partnership, a person becomes a partner under § 7-12.1-202(a).

34 (b) After formation of a partnership, a person becomes a partner:

- 1           (1) As provided in the partnership agreement;  
2           (2) As a result of a transaction effective under Article 11 of this chapter; or  
3           (3) With the affirmative vote or consent of all the partners.

4           (c) A person may become a partner without:

- 5           (1) Acquiring a transferable interest; or  
6           (2) Making or being obligated to make a contribution to the partnership.

7           **7-12.1-403. Form of contribution.**

8           A contribution may consist of property transferred to, services performed for, or another  
9           benefit provided to the partnership or an agreement to transfer property to, perform services for, or  
10           provide another benefit to the partnership.

11           **7-12.1-404. Liability for contribution.**

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

14           (b) If a person does not fulfill an obligation to make a contribution other than money, the  
15           person is obligated at the option of the partnership to contribute money equal to the value of the  
16           part of the contribution which has not been made.

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

22           **7-12.1-405. Sharing of and right to distributions before dissolution.**

23           (a) Any distribution made by a partnership before its dissolution and winding up must be  
24           in equal shares among partners, except to the extent necessary to comply with a transfer effective  
25           under § 7-12.1-503 or charging order in effect under § 7-12.1-504.

26           (b) Subject to § 7-12.1-701, a person has a right to a distribution before the dissolution and  
27           winding up of a partnership only if the partnership decides to make an interim distribution.

28           (c) A person does not have a right to demand or receive a distribution from a partnership  
29           in any form other than money. Except as otherwise provided in § 7-12.1-806, a partnership may  
30           distribute an asset in kind only if each part of the asset is fungible with each other part and each  
31           person receives a percentage of the asset equal in value to the person's share of distributions.

32           (d) If a partner or transferee becomes entitled to receive a distribution, the partner or  
33           transferee has the status of, and is entitled to all remedies available to, a creditor of the partnership  
34           with respect to the distribution. However, the partnership's obligation to make a distribution is

1 subject to offset for any amount owed to the partnership by the partner or a person dissociated as  
2 partner on whose account the distribution is made.

3 **7-12.1-406. Limitations on distributions by limited liability partnership.**

4 (a) A limited liability partnership may not make a distribution, including a distribution  
5 under § 7-12.1-806, if after the distribution:

6 (1) The partnership would not be able to pay its debts as they become due in the ordinary  
7 course of the partnership's business; or

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

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

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

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

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

19 (1) In the case of a distribution as defined in § 7-12.1-102(4)(i), as of the earlier of:

20 (i) The date money or other property is transferred or debt is incurred by the limited liability  
21 partnership; or

22 (ii) The date the person entitled to the distribution ceases to own the interest or rights being  
23 acquired by the partnership in return for the distribution;

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

26 (3) In all other cases, as of the date:

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

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

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

34 (e) A limited liability partnership's indebtedness, including indebtedness issued as a

1 distribution, is not a liability for purposes of subsection (a) of this section if the terms of the  
2 indebtedness provide that payment of principal and interest is made only if and to the extent that a  
3 payment of a distribution could then be made under this section. If the indebtedness is issued as a  
4 distribution, each payment of principal or interest is treated as a distribution, the effect of which is  
5 measured on the date the payment is made.

6 (f) In measuring the effect of a distribution under § 7-12.1-806, the liabilities of a dissolved  
7 limited liability partnership do not include any claim that has been disposed of under §§ 7-12.1-  
8 807, 7-12.1-808, or 7-12.1-809.

9 **7-12.1-407. Liability for improper distributions by limited liability partnership.**

10 (a) Except as otherwise provided in subsection (b) of this section, if a partner of a limited  
11 liability partnership consents to a distribution made in violation of § 7-12.1-406 and in consenting  
12 to the distribution fails to comply with § 7-12.1-409, the partner is personally liable to the  
13 partnership for the amount of the distribution which exceeds the amount that could have been  
14 distributed without the violation of § 7-12.1-406.

15 (b) To the extent the partnership agreement of a limited liability partnership expressly  
16 relieves a partner of the authority and responsibility to consent to distributions and imposes that  
17 authority and responsibility on one or more other partners, the liability stated in subsection (a) of  
18 this section applies to the other partners and not to the partner that the partnership agreement  
19 relieves of the authority and responsibility.

20 (c) A person that receives a distribution knowing that the distribution violated § 7-12.1-  
21 406 is personally liable to the limited liability partnership but only to the extent that the distribution  
22 received by the person exceeded the amount that could have been properly paid under § 7-12.1-  
23 406.

24 (d) A person against which an action is commenced because the person is liable under  
25 subsection (a) of this section may:

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

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

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

33 **7-12.1-408. Rights to information of partners and persons dissociated as partner.**

34 (a) A partnership shall keep its books and records, if any, at its principal office.



1           **(b) On reasonable notice, a partner may inspect and copy during regular business hours, at**  
2 **a reasonable location specified by the partnership, any record maintained by the partnership**  
3 **regarding the partnership's business, financial condition, and other circumstances, to the extent the**  
4 **information is material to the partner's rights and duties under the partnership agreement or this**  
5 **chapter.**

6           **(c) The partnership shall furnish to each partner:**

7           **(1) Without demand, any information concerning the partnership's business, financial**  
8 **condition, and other circumstances which the partnership knows and is material to the proper**  
9 **exercise of the partner's rights and duties under the partnership agreement or this chapter, except to**  
10 **the extent the partnership can establish that it reasonably believes the partner already knows the**  
11 **information; and**

12           **(2) On demand, any other information concerning the partnership's business, financial**  
13 **condition, and other circumstances, except to the extent the demand or the information demanded**  
14 **is unreasonable or otherwise improper under the circumstances.**

15           **(d) The duty to furnish information under subsection (c) of this section also applies to each**  
16 **partner to the extent the partner knows any of the information described in subsection (c) of this**  
17 **section.**

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

21           **(1) The information pertains to the period during which the person was a partner;**

22           **(2) The person seeks the information in good faith; and**

23           **(3) The person satisfies the requirements imposed on a partner by subsection (b) of this**  
24 **section.**

25           **(f) Not later than ten (10) days after receiving a demand under subsection (e) of this section,**  
26 **the partnership in a record shall inform the person that made the demand of:**

27           **(1) The information that the partnership will provide in response to the demand and when**  
28 **and where the partnership will provide the information; and**

29           **(2) The partnership's reasons for declining, if the partnership declines to provide any**  
30 **demand information.**

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

33           **(h) A partner or person dissociated as a partner may exercise the rights under this section**  
34 **through an agent or, in the case of an individual under legal disability, a legal representative. Any**

1 restriction or condition imposed by the partnership agreement or under subsection (j) of this section  
2 applies both to the agent or legal representative and to the partner or person dissociated as a partner.

3 (i) Subject to § 7-12.1-505, the rights under this section do not extend to a person as  
4 transferee.

5 (j) In addition to any restriction or condition stated in its partnership agreement, a  
6 partnership, as a matter within the ordinary course of its business, may impose reasonable  
7 restrictions and conditions on access to and use of information to be furnished under this section,  
8 including designating information confidential and imposing nondisclosure and safeguarding  
9 obligations on the recipient. In a dispute concerning the reasonableness of a restriction under this  
10 subsection, the partnership has the burden of proving reasonableness.

11 **7-12.1-409. Standards of conduct for partners.**

12 (a) A partner owes to the partnership and the other partners the duties of loyalty and care  
13 stated in subsections (b) and (c) of this section.

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

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

17 (i) In the conduct or winding up of the partnership's business;

18 (ii) From a use by the 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 business as or on behalf of a person having an interest adverse to the partnership; and

22 (3) To refrain from competing with the partnership in the conduct of the partnership's  
23 business before the dissolution of the partnership.

24 (c) The duty of care of a partner in the conduct or winding up of the partnership business  
25 is to refrain from engaging in grossly negligent or reckless conduct, willful or intentional  
26 misconduct, or a knowing violation of law.

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

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

32 (f) All the partners may authorize or ratify, after full disclosure of all material facts, a  
33 specific act or transaction by a partner that otherwise would violate the duty of loyalty.

34 (g) It is a defense to a claim under subsection (b)(2) of this section and any comparable

1 claim in equity or at common law that the transaction was fair to the partnership.

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

6 **7-12.1-410. Actions by partnership and partners.**

7 (a) A partnership may maintain an action against a partner for a breach of the partnership  
8 agreement, or for the violation of a duty to the partnership, causing harm to the partnership.

9 (b) A partner may maintain an action against the partnership or another partner, with or  
10 without an accounting as to partnership business, to enforce the partner's rights and protect the  
11 partner's interests, including rights and interests under the partnership agreement or this chapter or  
12 arising independently of the partnership relationship.

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

15 **7-12.1-411. Continuation of partnership beyond definite term or particular**  
16 **undertaking.**

17 (a) If a partnership for a definite term or particular undertaking is continued, without an  
18 express agreement, after the expiration of the term or completion of the undertaking, the rights and  
19 duties of the partners remain the same as they were at the expiration or completion, so far as is  
20 consistent with a partnership at will.

21 (b) If the partners, or those of them who habitually acted in the business during the term or  
22 undertaking, continue the business without any settlement or liquidation of the partnership, they  
23 are presumed to have agreed that the partnership will continue.

24 ARTICLE 5

25 TRANSFERABLE INTERESTS AND RIGHTS OF TRANSFEREES AND

26 CREDITORS

27 **7-12.1-501. Partner not co-owner of partnership property.**

28 A partner is not a co-owner of partnership property and has no interest in partnership  
29 property which can be transferred, either voluntarily or involuntarily.

30 **7-12.1-502. Nature of transferable interest.**

31 A transferable interest is personal property.

32 **7-12.1-503. Transfer of transferable interest.**

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

34 (1) Is permissible;

1           (2) Does not by itself cause a person's dissociation as a partner or a dissolution and winding  
2 up of the partnership business; and

3           (3) Subject to § 7-12.1-505, does not entitle the transferee to:

4           (i) Participate in the management or conduct of the partnership's business; or

5           (ii) Except as otherwise provided in subsection (c) of this section, have access to records  
6 or other information concerning the partnership's business.

7           (b) A transferee has the right to:

8           (1) Receive, in accordance with the transfer, distributions to which the transferor would  
9 otherwise be entitled; and

10           (2) Seek under § 7-12.1-801(5) a judicial determination that it is equitable to wind up the  
11 partnership business.

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

14           (d) A partnership need not give effect to a transferee's rights under this section until the  
15 partnership knows or has notice of the transfer.

16           (e) A transfer of a transferable interest in violation of a restriction on transfer contained in  
17 the partnership agreement is ineffective if the intended transferee has knowledge or notice of the  
18 restriction at the time of transfer.

19           (f) Except as otherwise provided in § 7-12.1-601(4)(ii), if a partner transfers a transferable  
20 interest, the transferor retains the rights of a partner other than the transferable interest transferred  
21 and retains all the duties and obligations of a partner.

22           (g) If a partner transfers a transferable interest to a person that becomes a partner with  
23 respect to the transferred interest, the transferee is liable for the partner's obligations under §§ 7-  
24 12.1-404 and 7-12.1-407 known to the transferee when the transferee becomes a partner.

25           **7-12.1-504. Charging order.**

26           (a) On application by a judgment creditor of a partner or transferee, a court may enter a  
27 charging order against the transferable interest of the judgment debtor for the unsatisfied amount  
28 of the judgment. A charging order constitutes a lien on a judgment debtor's transferable interest and  
29 requires the partnership to pay over to the person to which the charging order was issued any  
30 distribution that otherwise would be paid to the judgment debtor.

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

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

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

2           (c) Upon a showing that distributions under a charging order will not pay the judgment  
3 debt within a reasonable time, the court may foreclose the lien and order the sale of the transferable  
4 interest. The purchaser at the foreclosure sale obtains only the transferable interest, does not thereby  
5 become a partner, and is subject to § 7-12.1-503.

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

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

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

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

19           **7-12.1-505. Power of legal representative of deceased partner.**

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

21           (1) The rights of a transferee provided in § 7-12.1-503(c); and

22           (2) For purposes of settling the estate, the rights the deceased partner had under § 7-12.1-  
23 408.

24   ARTICLE 6

25   DISSOCIATION

26           **7-12.1-601. Events causing dissociation.**

27           A person is dissociated as a partner when:

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

31           (2) An event stated in the partnership agreement as causing the person's dissociation occurs;

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

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

1           (i) It is unlawful to carry on the partnership business with the person as a partner;  
2           (ii) There has been a transfer of all of the person's transferable interest in the partnership,  
3 other than:  
4           (A) A transfer for security purposes; or  
5           (B) A charging order in effect under § 7-12.1-504 which has not been foreclosed;  
6           (iii) The person is an entity and:  
7           (A) The partnership notifies the person that it will be expelled as a partner because the  
8 person has filed a statement of dissolution or the equivalent, the person has been administratively  
9 dissolved, the person's charter or the equivalent has been revoked, or the person's right to conduct  
10 business has been suspended by the person's jurisdiction of formation; and  
11           (B) Not later than ninety (90) days after the notification, the statement of dissolution or the  
12 equivalent has not been withdrawn, rescinded, or revoked, or the person's charter or the equivalent  
13 or right to conduct business has not been reinstated; or  
14           (iv) The person is an unincorporated entity that has been dissolved and whose activities  
15 and affairs are being wound up;  
16           (5) On application by the partnership or another partner, the person is expelled as a partner  
17 by judicial order because the person:  
18           (i) Has engaged or is engaging in wrongful conduct that has affected adversely and  
19 materially, or will affect adversely and materially, the partnership's business;  
20           (ii) Has committed willfully or persistently, or is committing willfully or persistently, a  
21 material breach of the partnership agreement or a duty or obligation under § 7-12.1-409; or  
22           (iii) Has engaged or is engaging in conduct relating to the partnership's business which  
23 makes it not reasonably practicable to carry on the business with the person as a partner;  
24           (6) The person:  
25           (i) Becomes a debtor in bankruptcy;  
26           (ii) Signs an assignment for the benefit of creditors; or  
27           (iii) Seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator  
28 of the person or of all or substantially all the person's property;  
29           (7) In the case of an individual:  
30           (i) The individual dies;  
31           (ii) A guardian or general conservator for the individual is appointed; or  
32           (iii) A court orders that the individual has otherwise become incapable of performing the  
33 individual's duties as a partner under this chapter or the partnership agreement;  
34           (8) In the case of a person that is a testamentary or inter vivos trust or is acting as a partner

1 by virtue of being a trustee of such a trust, the trust's entire transferable interest in the partnership  
2 is distributed;

3 (9) In the case of a person that is an estate or is acting as a partner by virtue of being a  
4 personal representative of an estate, the estate's entire transferable interest in the partnership is  
5 distributed;

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

7 (11) The partnership participates in a merger under Article 11 of this chapter and:

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

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

10 (12) The partnership participates in an interest exchange under Article 11 of this chapter  
11 and, as a result of the interest exchange, the person ceases to be a partner;

12 (13) The partnership participates in a conversion under Article 11 of this chapter;

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

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

16 **7-12.1-602. Power to dissociate as partner -- Wrongful dissociation.**

17 (a) A person has the power to dissociate as a partner at any time, rightfully or wrongfully,  
18 by withdrawing as a partner by express will under § 7-12.1-601(1).

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

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

21 (2) In the case of a partnership for a definite term or particular undertaking, occurs before  
22 the expiration of the term or the completion of the undertaking and:

23 (i) The person withdraws as a partner by express will, unless the withdrawal follows not  
24 later than ninety (90) days after another person's dissociation by death or otherwise under §§ 7-  
25 12.1-601(6) through 7-12.1-601(10) or wrongful dissociation under this subsection;

26 (ii) The person is expelled as a partner by judicial order under § 7-12.1-601(5);

27 (iii) The person is dissociated under § 7-12.1-601(6); or

28 (iv) In the case of a person that is not a trust other than a business trust, an estate, or an  
29 individual, the person is expelled or otherwise dissociated because it willfully dissolved or  
30 terminated.

31 (c) A person that wrongfully dissociates as a partner is liable to the partnership and to the  
32 other partners for damages caused by the dissociation. The liability is in addition to any debt,  
33 obligation, or other liability of the partner to the partnership or the other partners.

34 **7-12.1-603. Effect of dissociation.**

1 (a) If a person's dissociation results in a dissolution and winding up of the partnership  
2 business, Article 8 of this chapter applies; otherwise, Article 7 of this chapter applies.

3 (b) If a person is dissociated as a partner:

4 (1) The person's right to participate in the management and conduct of the partnership's  
5 business terminates, except as otherwise provided in § 7-12.1-802(c); and

6 (2) The person's duties and obligations under § 7-12.1-409 end with regard to matters  
7 arising and events occurring after the person's dissociation, except to the extent the partner  
8 participates in winding up the partnership's business pursuant to § 7-12.1-802.

9 (c) A person's dissociation does not of itself discharge the person from any debt, obligation,  
10 or other liability to the partnership or the other partners which the person incurred while a partner.

## 11 ARTICLE 7

### 12 PERSON'S DISSOCIATION AS A PARTNER WHEN BUSINESS NOT WOUND UP

#### 13 **7-12.1-701. Purchase of interest of person dissociated as partner.**

14 (a) If a person is dissociated as a partner without the dissociation resulting in a dissolution  
15 and winding up of the partnership business under § 7-12.1-801, the partnership shall cause the  
16 person's interest in the partnership to be purchased for a buyout price determined pursuant to  
17 subsection (b) of this section.

18 (b) The buyout price of the interest of a person dissociated as a partner is the amount that  
19 would have been distributable to the person under § 7-12.1-806(b) if, on the date of dissociation,  
20 the assets of the partnership were sold and the partnership were wound up, with the sale price equal  
21 to the greater of:

22 (1) The liquidation value; or

23 (2) The value based on a sale of the entire business as a going concern without the person.

24 (c) Interest accrues on the buyout price from the date of dissociation to the date of payment,  
25 but damages for wrongful dissociation under § 7-12.1-602(b), and all other amounts owing,  
26 whether or not presently due, from the person dissociated as a partner to the partnership, must be  
27 offset against the buyout price.

28 (d) A partnership shall defend, indemnify, and hold harmless a person dissociated as a  
29 partner whose interest is being purchased against all partnership liabilities, whether incurred before  
30 or after the dissociation, except liabilities incurred by an act of the person under § 7-12.1-702.

31 (e) If no agreement for the purchase of the interest of a person dissociated as a partner is  
32 reached not later than one hundred twenty (120) days after a written demand for payment, the  
33 partnership shall pay, or cause to be paid, in money to the person the amount the partnership  
34 estimates to be the buyout price and accrued interest, reduced by any offsets and accrued interest



1 under subsection (c) of this section.

2 (f) If a deferred payment is authorized under subsection (h) of this section, the partnership  
3 may tender a written offer to pay the amount it estimates to be the buyout price and accrued interest,  
4 reduced by any offsets under subsection (c) of this section, stating the time of payment, the amount  
5 and type of security for payment, and the other terms and conditions of the obligation.

6 (g) The payment or tender required by subsections (e) or (f) of this section must be  
7 accompanied by the following:

8 (1) A statement of partnership assets and liabilities as of the date of dissociation;

9 (2) The latest available partnership balance sheet and income statement, if any;

10 (3) An explanation of how the estimated amount of the payment was calculated; and

11 (4) Written notice that the payment is in full satisfaction of the obligation to purchase  
12 unless, not later than one hundred twenty (120) days after the written notice, the person dissociated  
13 as a partner commences an action to determine the buyout price, any offsets under subsection (c)  
14 of this section, or other terms of the obligation to purchase.

15 (h) A person that wrongfully dissociates as a partner before the expiration of a definite term  
16 or the completion of a particular undertaking is not entitled to payment of any part of the buyout  
17 price until the expiration of the term or completion of the undertaking, unless the person establishes  
18 to the satisfaction of the court that earlier payment will not cause undue hardship to the business of  
19 the partnership. A deferred payment must be adequately secured and bear interest.

20 (i) A person dissociated as a partner may maintain an action against the partnership,  
21 pursuant to § 7-12.1-410(b)(2), to determine the buyout price of that person's interest, any offsets  
22 under subsection (c) of this section, or other terms of the obligation to purchase. The action must  
23 be commenced not later than one hundred twenty (120) days after the partnership has tendered  
24 payment or an offer to pay or within one year after written demand for payment if no payment or  
25 offer to pay is tendered. The court shall determine the buyout price of the person's interest, any  
26 offset due under subsection (c) of this section, and accrued interest, and enter judgment for any  
27 additional payment or refund. If deferred payment is authorized under subsection (h) of this section,  
28 the court shall also determine the security for payment and other terms of the obligation to purchase.  
29 The court may assess reasonable attorneys' fees and the fees and expenses of appraisers or other  
30 experts for a party to the action, in amounts the court finds equitable, against a party that the court  
31 finds acted arbitrarily, vexatiously, or not in good faith. The finding may be based on the  
32 partnership's failure to tender payment or an offer to pay or to comply with subsection (g) of this  
33 section.

34 **7-12.1-702. Power to bind and liability of person dissociated as partner.**

1 (a) After a person is dissociated as a partner without the dissociation resulting in a  
2 dissolution and winding up of the partnership business and before the partnership is merged out of  
3 existence, converted, or domesticated under Article 11, or dissolved, the partnership is bound by  
4 an act of the person only if:

5 (1) The act would have bound the partnership under § 7-12.1-301 before dissociation; and

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

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

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

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

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

14 (2) If a partner or another person dissociated as a partner is liable for the obligation, to the  
15 partner or other person for any damage caused to the partner or other person arising from the  
16 liability.

17 **7-12.1-703. Liability of person dissociated as partner to other persons.**

18 (a) Except as otherwise provided in subsection (b) of this section, a person dissociated as  
19 a partner is not liable for a partnership obligation incurred after dissociation.

20 (b) A person that is dissociated as a partner is liable on a transaction entered into by the  
21 partnership after the dissociation only if:

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

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

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

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

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

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

33 **7-12.1-704. Statement of dissociation.**

34 (a) A person dissociated as a partner or the partnership may deliver to the secretary of state

1 for filing a statement of dissociation stating the name of the partnership and that the person has  
2 dissociated from the partnership.

3 (b) A statement of dissociation is a limitation on the authority of a person dissociated as a  
4 partner for the purposes of § 7-12.1-303.

5 **7-12.1-705. Continued use of partnership name.**

6 Continued use of a partnership name, or the name of a person dissociated as a partner as  
7 part of the partnership name, by partners continuing the business does not of itself make the person  
8 dissociated as a partner liable for an obligation of the partners or the partnership continuing the  
9 business.

10 ARTICLE 8

11 DISSOLUTION AND WINDING UP

12 **7-12.1-801. Events causing dissolution.**

13 A partnership is dissolved, and its business must be wound up, upon the occurrence of any  
14 of the following:

15 (1) In a partnership at will, the partnership knows or has notice of a person's express will  
16 to withdraw as a partner, other than a partner that has dissociated under §§ 7-12.1-601(2) through  
17 7-12.1-601(10), but, if the person has specified a withdrawal date later than the date the partnership  
18 knew or had notice, on the later date;

19 (2) In a partnership for a definite term or particular undertaking:

20 (i) Within ninety (90) days after a person's dissociation by death or otherwise under §§ 7-  
21 12.1-601(6) through 7-12.1-601(10) or wrongful dissociation under § 7-12.1-602(b), the  
22 affirmative vote or consent of at least half of the remaining partners to wind up the partnership  
23 business, for which purpose a person's rightful dissociation pursuant to § 7-12.1-602(b)(2)(i)  
24 constitutes that partner's consent to wind up the partnership business;

25 (ii) The affirmative vote or consent of all the partners to wind up the partnership business;

26 or

27 (iii) The expiration of the term or the completion of the undertaking;

28 (3) An event or circumstance that the partnership agreement states causes dissolution;

29 (4) On application by a partner, the entry by the superior court of an order dissolving the  
30 partnership on the grounds that:

31 (i) The conduct of all or substantially all the partnership's business is unlawful;

32 (ii) The economic purpose of the partnership is likely to be unreasonably frustrated;

33 (iii) Another partner has engaged in conduct relating to the partnership business which  
34 makes it not reasonably practicable to carry on the business in partnership with that partner; or

1 (iv) It is otherwise not reasonably practicable to carry on the partnership business in  
2 conformity with the partnership agreement;

3 (5) On application by a transferee, the entry by the superior court of an order dissolving  
4 the partnership on the ground that it is equitable to wind up the partnership business:

5 (i) After the expiration of the term or completion of the undertaking, if the partnership was  
6 for a definite term or particular undertaking at the time of the transfer or entry of the charging order  
7 that gave rise to the transfer; or

8 (ii) At any time, if the partnership was a partnership at will at the time of the transfer or  
9 entry of the charging order that gave rise to the transfer; or

10 (6) The passage of ninety (90) consecutive days during which the partnership does not have  
11 at least two (2) partners.

12 **7-12.1-802. Winding up.**

13 (a) A dissolved partnership shall wind up its business and, except as otherwise provided in  
14 § 7-12.1-803, the partnership continues after dissolution only for the purpose of winding up.

15 (b) In winding up its business, the partnership:

16 (1) Shall discharge the partnership's debts, obligations, and other liabilities, settle and close  
17 the partnership's business, and marshal and distribute the assets of the partnership; and

18 (2) May:

19 (i) Deliver to the secretary of state for filing a statement of dissolution stating the name of  
20 the partnership and that the partnership is dissolved;

21 (ii) Preserve the partnership business and property as a going concern for a reasonable time;

22 (iii) Prosecute and defend actions and proceedings, whether civil, criminal, or  
23 administrative;

24 (iv) Transfer the partnership's property;

25 (v) Settle disputes by mediation or arbitration;

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

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

29 (c) A person whose dissociation as a partner resulted in dissolution may participate in  
30 winding up as if still a partner, unless the dissociation was wrongful.

31 (d) If a dissolved partnership does not have a partner and no person has the right to  
32 participate in winding up under subsection (c) of this section, the personal or legal representative  
33 of the last person to have been a partner may wind up the partnership's business. If the representative  
34 does not exercise that right, a person to wind up the partnership's business may be appointed by the

1 affirmative vote or consent of transferees owning a majority of the rights to receive distributions at  
2 the time the consent is to be effective. A person appointed under this subsection has the powers of  
3 a partner under § 7-12.1-804 but is not liable for the debts, obligations, and other liabilities of the  
4 partnership solely by reason of having or exercising those powers or otherwise acting to wind up  
5 the partnership's business.

6 (e) On the application of any partner or person entitled under subsection (c) of this section  
7 to participate in winding up, the superior court may order judicial supervision of the winding up of  
8 a dissolved partnership, including the appointment of a person to wind up the partnership's business,  
9 if:

10 (1) The partnership does not have a partner and within a reasonable time following the  
11 dissolution no person has been appointed under subsection (d) of this section; or

12 (2) The applicant establishes other good cause.

13 **7-12.1-803. Rescinding dissolution.**

14 (a) A partnership may rescind its dissolution, unless a statement of termination applicable  
15 to the partnership has become effective or the superior court has entered an order under §§ 7-12.1-  
16 801(4) or 7-12.1-801(5) dissolving the partnership.

17 (b) Rescinding dissolution under this section requires:

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

19 (2) If the partnership has filed with the secretary of state a statement of dissolution and:

20 (i) The statement has not become effective, delivery to the secretary of state for filing of a  
21 statement of withdrawal under § 7-12.1-115 applicable to the statement of dissolution; or

22 (ii) The statement of dissolution has become effective, delivery to the secretary of state for  
23 filing of a statement of rescission stating the name of the partnership and that dissolution has been  
24 rescinded under this section.

25 (c) If a partnership rescinds its dissolution:

26 (1) The partnership resumes carrying on its business as if dissolution had never occurred;

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

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

32 **7-12.1-804. Power to bind partnership after dissolution.**

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

34 (1) Is appropriate for winding up the partnership business; or

1 (2) Would have bound the partnership under § 7-12.1-301 before dissolution if, at the time  
2 the other party enters into the transaction, the other party does not know or have notice of the  
3 dissolution.

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

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

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

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

10 (2) The act:

11 (i) Is appropriate for winding up the partnership's business; or

12 (ii) Would have bound the partnership under § 7-12.1-301 before dissolution and at the  
13 time the other party enters into the transaction the other party does not know or have notice of the  
14 dissolution.

15 **7-12.1-805. Liability after dissolution of partner and person dissociated as partner.**

16 (a) If a partner having knowledge of the dissolution causes a partnership to incur an  
17 obligation under § 7-12.1-804(a) by an act that is not appropriate for winding up the partnership  
18 business, the partner is liable:

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

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

24 (b) Except as otherwise provided in subsection (c) of this section, if a person dissociated  
25 as a partner causes a partnership to incur an obligation under § 7-12.1-804(b), the person is liable:

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

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

31 (c) A person dissociated as a partner is not liable under subsection (b) of this section if:

32 (1) Section 7-12.1-802(c) permits the person to participate in winding up; and

33 (2) The act that causes the partnership to be bound under § 7-12.1-804(b) is appropriate for  
34 winding up the partnership's business.

1 **7-12.1-806. Disposition of assets in winding up -- When contributions required.**

2 (a) In winding up its business, a partnership shall apply its assets, including the  
3 contributions required by this section, to discharge the partnership's obligations to creditors,  
4 including partners that are creditors.

5 (b) After a partnership complies with subsection (a) of this section, any surplus must be  
6 distributed in the following order, subject to any charging order in effect under § 7-12.1-504:

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

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

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

14 (1) Each person that was a partner when the obligation was incurred and that has not been  
15 released from the obligation under §§ 7-12.1-703(c) and 7-12.1-703(d) shall contribute to the  
16 partnership for the purpose of enabling the partnership to satisfy the obligation. The contribution  
17 due from each of those persons is in proportion to the right to receive distributions in the capacity  
18 of a partner in effect for each of those persons when the obligation was incurred.

19 (2) If a person does not contribute the full amount required under subsection (c)(1) of this  
20 section with respect to an unsatisfied obligation of the partnership, the other persons required to  
21 contribute by subsection (c)(1) of this section on account of the obligation shall contribute the  
22 additional amount necessary to discharge the obligation. The additional contribution due from each  
23 of those other persons is in proportion to the right to receive distributions in the capacity of a partner  
24 in effect for each of those other persons when the obligation was incurred.

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

28 (d) A person that makes an additional contribution under subsection (c)(2) or (c)(3) of this  
29 section may recover from any person whose failure to contribute under subsection (c)(1) or (c)(2)  
30 of this section necessitated the additional contribution. A person may not recover under this  
31 subsection more than the amount additionally contributed. A person's liability under this subsection  
32 may not exceed the amount the person failed to contribute.

33 (e) If a partnership does not have sufficient surplus to comply with subsection (b)(1) of this  
34 section, any surplus must be distributed among the owners of transferable interests in proportion to

1 the value of the respective unreturned contributions.

2 (f) All distributions made under subsections (b) and (c) of this section must be paid in  
3 money.

4 **7-12.1-807. Known claims against dissolved limited liability partnership.**

5 (a) Except as otherwise provided in subsection (d) of this section, a dissolved limited  
6 liability partnership may give notice of a known claim under subsection (b) of this section, which  
7 has the effect provided in subsection (c) of this section.

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

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

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

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

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

16 (5) Unless the partnership has been throughout its existence a limited liability partnership,  
17 state that the barring of a claim against the partnership will also bar any corresponding claim against  
18 any partner or person dissociated as a partner which is based on § 7-12.1-306.

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

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

22 (2) If the claim is timely received but rejected by the limited liability partnership:

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

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

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

30 **7-12.1-808. Other claims against dissolved limited liability partnership.**

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

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

34 (1) Be published at least once in a newspaper of general circulation;



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

3           (3) State that a claim against the partnership is barred unless an action to enforce the claim  
4 is commenced not later than three (3) years after publication of the notice; and

5           (4) Unless the partnership has been throughout its existence a limited liability partnership,  
6 state that the barring of a claim against the partnership will also bar any corresponding claim against  
7 any partner or person dissociated as a partner which is based on § 7-12.1-306.

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

12           (1) A claimant that did not receive notice in a record under § 7-12.1-807;

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

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

16           (d) A claim not barred under this section or § 7-12.1-807 may be enforced:

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

18           (2) Except as otherwise provided in § 7-12.1-809, if assets of the partnership have been  
19 distributed after dissolution, against a partner or transferee to the extent of that person's  
20 proportionate share of the claim or of the partnership's assets distributed to the partner or transferee  
21 after dissolution, whichever is less, but a person's total liability for all claims under this subsection  
22 may not exceed the total amount of assets distributed to the person after dissolution; and

23           (3) Against any person liable on the claim under §§ 7-12.1-306, 7-12.1-703, and 7-12.1-  
24 805.

25           **7-12.1-809. Court proceedings.**

26           (a) A dissolved limited liability partnership that has published a notice under § 7-12.1-808  
27 may file an application with the Providence County superior court for a determination of the amount  
28 and form of security to be provided for payment of claims that are reasonably expected to arise  
29 after the date of dissolution based on facts known to the partnership and:

30           (1) At the time of the application:

31           (i) Are contingent; or

32           (ii) Have not been made known to the partnership; or

33           (2) Are based on an event occurring after the date of dissolution.

34           (b) Security is not required for any claim that is or is reasonably anticipated to be barred

1 under § 7-12.1-807.

2 (c) Not later than ten (10) days after the filing of an application under subsection (a) of this  
3 section, the dissolved limited liability partnership shall give notice of the proceeding to each  
4 claimant holding a contingent claim known to the partnership.

5 (d) In any proceeding under this section, the court may appoint a guardian ad litem to  
6 represent all claimants whose identities are unknown. The reasonable fees and expenses of the  
7 guardian, including all reasonable expert witness fees, must be paid by the dissolved limited  
8 liability partnership.

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

14 **7-12.1-810. Liability of partner and person dissociated as partner when claim against**  
15 **partnership barred.**

16 If a claim against a dissolved partnership is barred under §§ 7-12.1-807, 7-12.1-808, or 7-  
17 12.1-809, any corresponding claim under §§ 7-12.1-306, 7-12.1-703, or 7-12.1-805 is also barred.

18 ARTICLE 9

19 LIMITED LIABILITY PARTNERSHIP

20 **7-12.1-901. Statement of qualification.**

21 (a) A partnership may become a limited liability partnership pursuant to this section.

22 (b) The terms and conditions on which a partnership becomes a limited liability partnership  
23 must be approved by the affirmative vote or consent necessary to amend the partnership agreement  
24 except, in the case of a partnership agreement that expressly addresses obligations to contribute to  
25 the partnership, the affirmative vote or consent necessary to amend those provisions.

26 (c) After the approval required by subsection (b) of this section, a partnership may become  
27 a limited liability partnership by delivering to the secretary of state for filing a statement of  
28 qualification. The statement must contain:

29 (1) The name of the partnership which must comply with § 7-12.1-902;

30 (2) The street and mailing addresses of the partnership's principal office and, if different,  
31 the street address of an office in this state, if any;

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

34 (4) A statement that the partnership elects to become a limited liability partnership.

1 (d) A partnership's status as a limited liability partnership remains effective, regardless of  
2 changes in the partnership, until it is canceled pursuant to subsection (f) of this section or  
3 administratively revoked pursuant to § 7-12.1-903.

4 (e) The status of a partnership as a limited liability partnership and the protection against  
5 liability of its partners for the debts, obligations, or other liabilities of the partnership while it is a  
6 limited liability partnership is not affected by errors or later changes in the information required to  
7 be contained in the statement of qualification.

8 (f) A limited liability partnership may amend or cancel its statement of qualification by  
9 delivering to the secretary of state for filing a statement of amendment or cancellation. The  
10 statement must be approved by the affirmative vote or consent of all the partners and state the name  
11 of the limited liability partnership and in the case of:

12 (1) An amendment, state the text of the amendment; and

13 (2) A cancellation, state that the statement of qualification is canceled.

14 **7-12.1-902. Permitted names.**

15 (a) The name of a partnership that is not a limited liability partnership may not contain the  
16 phrase "Registered Limited Liability Partnership" or "Limited Liability Partnership" or the  
17 abbreviation "R.L.L.P.", "L.L.P.", "RLLP" , or "LLP".

18 (b) The name of a limited liability partnership must contain the phrase "Registered Limited  
19 Liability Partnership" or "Limited Liability Partnership" or the abbreviation "R.L.L.P.", "L.L.P.",  
20 "RLLP", or "LLP".

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

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

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

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

30 (4) Name that is reserved under § 7-12.1-903 or other law of this state providing for the  
31 reservation of a name by a filing of a record by the secretary of state;

32 (5) Name that is registered under § 7-12.1-904 or other law of this state providing for the  
33 registration of a name by a filing of a record by the secretary of state; and

34 (6) A name registered under §§ 7-16-9 or 7-1.2-402.

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

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

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

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

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

28 **7-12.1-903. Administrative revocation of statement of qualification.**

29 (a) The secretary of state may commence a proceeding under subsection (b) of this section  
30 to revoke the statement of qualification of a limited liability partnership administratively if the  
31 partnership does not:

32 (1) Pay any fee, tax, interest, or penalty required to be paid to the secretary of state not later  
33 than three (3) months after it is due;

34 (2) Deliver an annual report to the secretary of state not later than three (3) months after it

1 is due; or

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

3 (b) If the secretary of state determines that one or more grounds exist for administratively  
4 revoking a statement of qualification, the secretary of state shall serve the partnership with notice  
5 in a record of the secretary of state's determination.

6 (c) If a limited liability partnership, not later than sixty (60) days after service of the notice  
7 under subsection (b) of this section, does not cure or demonstrate to the satisfaction of the secretary  
8 of state the nonexistence of each ground determined by the secretary of state, the secretary of state  
9 shall administratively revoke the statement of qualification by signing a statement of administrative  
10 revocation that recites the grounds for revocation and the effective date of the revocation. The  
11 secretary of state shall file the statement and serve a copy on the partnership pursuant to § 7-12.1-  
12 116.

13 (d) An administrative revocation under subsection (c) of this section affects only a  
14 partnership's status as a limited liability partnership and is not an event causing dissolution of the  
15 partnership.

16 (e) The administrative revocation of a statement of qualification of a limited liability  
17 partnership does not terminate the authority of its registered agent.

18 **7-12.1-904. Reinstatement.**

19 (a) A partnership whose statement of qualification has been revoked administratively under  
20 § 7-12.1-903 may apply to the secretary of state for reinstatement of the statement of qualification  
21 not later than two (2) years after the effective date of the revocation. The application must state:

22 (1) The name of the partnership at the time of the administrative revocation of its statement  
23 of qualification and, if needed, a different name that satisfies § 7-12.1-902;

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

26 (3) The effective date of administrative revocation of the partnership's statement of  
27 qualification; and

28 (4) That the grounds for revocation did not exist or have been cured.

29 (b) To have its statement of qualification reinstated, a partnership must pay all fees, taxes,  
30 interest, and penalties that were due to the secretary of state at the time of the administrative  
31 revocation and all fees, taxes, interest, and penalties that would have been due to the secretary of  
32 state while the partnership's statement of qualification was revoked administratively.

33 (c) If the secretary of state determines that an application under subsection (a) of this  
34 section contains the required information, is satisfied that the information is correct, and determines

1 that all payments required to be made to the secretary of state by subsection (b) of this section have  
2 been made, the secretary of state shall:

3 (1) Cancel the statement of revocation and prepare a statement of reinstatement that states  
4 the secretary of state's determination and the effective date of reinstatement; and

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

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

7 (1) The reinstatement relates back to and takes effect as of the effective date of the  
8 administrative revocation.

9 (2) The partnership's status as a limited liability partnership continues as if the revocation  
10 had not occurred.

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

13 **7-12.1-905. Judicial review of denial of reinstatement.**

14 (a) If the secretary of state denies a partnership's application for reinstatement following  
15 administrative revocation of the partnership's statement of qualification, the secretary of state shall  
16 serve the partnership with a notice in a record that explains the reasons for the denial.

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

19 **7-12.1-906. Reservation of name.**

20 (a) A person may reserve the exclusive use of a name that complies with § 7-12.1-902 by  
21 delivering an application to the secretary of state for filing. The application must state the name  
22 and address of the applicant and the name to be reserved. If the secretary of state finds that the  
23 name is available, the secretary of state shall reserve the name for the applicant's exclusive use for  
24 one hundred twenty (120) days.

25 (b) The owner of a reserved name may transfer the reservation to another person by  
26 delivering to the secretary of state a signed notice in a record of the transfer which states the name  
27 and address of the person to which the reservation is being transferred.

28 **7-12.1-907. Registration of name.**

29 (a) A foreign limited liability partnership not registered to do business in this state under  
30 Article 10 of this chapter may register its name, or an alternate name adopted pursuant to § 7-12.1-  
31 902, if the name is distinguishable on the records of the secretary of state from the names that are  
32 not available under § 7-12.1-902.

33 (b) To register its name or an alternate name adopted pursuant to § 7-12.1-902, a foreign  
34 limited liability partnership must deliver to the secretary of state for filing an application stating

1 the partnership's name, the jurisdiction and date of its formation, and any alternate name adopted  
2 pursuant to § 7-12.1-902. If the secretary of state finds that the name applied for is available, the  
3 secretary of state shall register the name for the applicant's exclusive use.

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

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

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

14 **7-12.1-908. Registered agent.**

15 (a) Each limited liability partnership and each registered foreign limited liability  
16 partnership shall designate and maintain a registered agent in this state. The designation of a  
17 registered agent is an affirmation of fact by the partnership or foreign partnership that the agent has  
18 consented to serve.

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

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

23 (1) To forward to the limited liability partnership or registered foreign limited liability  
24 partnership at the address most recently supplied to the agent by the partnership or foreign  
25 partnership any process, notice, or demand pertaining to the partnership or foreign partnership  
26 which is served on or received by the agent;

27 (2) If the registered agent resigns, to provide the notice required by § 7-12.1-907(c) to the  
28 partnership or foreign partnership at the address most recently supplied to the agent by the  
29 partnership or foreign partnership; and

30 (3) To keep current the information with respect to the agent in the statement of  
31 qualification or foreign registration statement.

32 **7-12.1-909. Change of registered agent or address for registered agent by limited**  
33 **liability partnership.**

34 (a) A limited liability partnership or registered foreign limited liability partnership may

1 change its registered agent or the address of its registered agent by delivering to the secretary of  
2 state for filing a statement of change that states:

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

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

5 (b) The partners of a limited liability partnership need not approve the delivery to the  
6 secretary of state for filing of:

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

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

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

13 (d) As an alternative to using the procedure in this section, a limited liability partnership  
14 may amend its statement of qualification.

15 **7-12.1-910. Resignation of registered agent.**

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

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

20 (2) The name of the agent;

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

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

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

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

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

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

32 (d) When a statement of resignation takes effect, the registered agent ceases to have  
33 responsibility under this chapter for any matter thereafter tendered to it as agent for the limited  
34 liability partnership or registered foreign limited liability partnership. The resignation does not



1 affect any contractual rights the partnership or foreign partnership has against the agent or that the  
2 agent has against the partnership or foreign partnership.

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

6 **7-12.1-911. Change of name or address by registered agent.**

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

9 (1) The name of the limited liability partnership or registered foreign limited liability  
10 partnership represented by the registered agent;

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

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

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

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

18 **7-12.1-912. Service of process, notice, or demand.**

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

22 (b) If a limited liability partnership or registered foreign limited liability partnership ceases  
23 to have a registered agent, or if its registered agent cannot with reasonable diligence be served, the  
24 partnership or foreign partnership may be served by registered or certified mail, return receipt  
25 requested, or by similar commercial delivery service, addressed to the partnership or foreign  
26 partnership at its principal office. The address of the principal office must be as shown in the  
27 partnership's or foreign partnership's most recent annual report filed with the secretary of state.

28 Service is effected under this subsection on the earliest of:

29 (1) The date the partnership or foreign partnership receives the mail or delivery by the  
30 commercial delivery service;

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

32 or

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

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

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

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

8 **7-12.1-913. Annual report for secretary of state.**

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

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

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

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

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

15 (5) In the case of a foreign partnership, its jurisdiction of formation and any alternate name  
16 adopted under § 7-12.1-1006.

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

19 (c) The first annual report must be filed with the secretary of state after January 1, and  
20 before April 1, of the year following the calendar year in which the limited liability partnership's  
21 statement of qualification became effective or the registered foreign limited liability partnership  
22 registered to do business in this state. Subsequent annual reports must be filed with the secretary of  
23 state after January 1, and before April 1, of each calendar year thereafter.

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

27 (e) If an annual report contains the name or address of a registered agent which differs from  
28 the information shown in the records of the secretary of state immediately before the report  
29 becomes effective, the differing information is considered a statement of change under § 7-12.1-  
30 909.

31 **ARTICLE 10**

32 **FOREIGN LIMITED LIABILITY PARTNERSHIP**

33 **7-12.1-1001. Governing law.**

34 (a) The law of the jurisdiction of formation of a foreign limited liability partnership

1 governs:

2 (1) The internal affairs of the partnership; and

3 (2) The liability of a partner as partner for a debt, obligation, or other liability of the foreign  
4 partnership.

5 (b) A foreign limited liability partnership is not precluded from registering to do business  
6 in this state because of any difference between the law of its jurisdiction of formation and the law  
7 of this state.

8 (c) Registration of a foreign limited liability partnership to do business in this state does  
9 not authorize the foreign partnership to engage in any business or exercise any power that a limited  
10 liability partnership may not engage in or exercise in this state.

11 **7-12.1-1002. Registration to do business in this state.**

12 (a) A foreign limited liability partnership may not do business in this state until it registers  
13 with the secretary of state under this article.

14 (b) A foreign limited liability partnership doing business in this state may not maintain an  
15 action or proceeding in this state unless it has registered to do business in this state.

16 (c) The failure of a foreign limited liability partnership to register to do business in this  
17 state does not impair the validity of a contract or act of the foreign partnership or preclude it from  
18 defending an action or proceeding in this state.

19 (d) A limitation on the liability of a partner of a foreign limited liability partnership is not  
20 waived solely because the foreign partnership does business in this state without registering to do  
21 business in this state.

22 (e) Sections 7-12.1-1001(a) and 7-12.1-1001(b) applies even if a foreign limited liability  
23 partnership fails to register under this article.

24 **7-12.1-1003. Foreign registration statement.**

25 To register to do business in this state, a foreign limited liability partnership must deliver  
26 a foreign registration statement to the secretary of state for filing. The statement must state:

27 (1) The name of the partnership and, if the name does not comply with § 7-12.1-902, an  
28 alternate name adopted pursuant to § 7-12.1-1006(a);

29 (2) That the partnership is a foreign limited liability partnership;

30 (3) The partnership's jurisdiction of formation;

31 (4) The street and mailing addresses of the partnership's principal office and, if the law of  
32 the partnership's jurisdiction of formation requires the partnership to maintain an office in that  
33 jurisdiction, the street and mailing addresses of the required office; and

34 (5) The name and street and mailing addresses of the partnership's registered agent in this

1 state.

2 **7-12.1-1004. Amendment of foreign registration statement.**

3 A registered foreign limited liability partnership shall deliver to the secretary of state for  
4 filing an amendment to its foreign registration statement if there is a change in:

5 (1) The name of the partnership;

6 (2) The partnership's jurisdiction of formation;

7 (3) An address required by § 7-12.1-1003(4); or

8 (4) The information required by § 7-12.1-1003(5).

9 **7-12.1-1005. Activities not constituting doing business.**

10 (a) Activities of a foreign limited liability partnership which do not constitute doing  
11 business in this state under this article include:

12 (1) Maintaining, defending, mediating, arbitrating, or settling an action or proceeding;

13 (2) Carrying on any activity concerning its internal affairs, including holding meetings of  
14 its partners;

15 (3) Maintaining accounts in financial institutions;

16 (4) Maintaining offices or agencies for the transfer, exchange, and registration of securities  
17 of the partnership or maintaining trustees or depositories with respect to those securities;

18 (5) Selling through independent contractors;

19 (6) Soliciting or obtaining orders by any means if the orders require acceptance outside this  
20 state before they become contracts;

21 (7) Creating or acquiring indebtedness, mortgages, or security interests in property;

22 (8) Securing or collecting debts or enforcing mortgages or security interests in property  
23 securing the debts and holding, protecting, or maintaining property;

24 (9) Conducting an isolated transaction that is not in the course of similar transactions;

25 (10) Owning, without more, property; and

26 (11) Doing business in interstate commerce.

27 (b) A person does not do business in this state solely by being a partner of a foreign limited  
28 liability partnership that does business in this state.

29 (c) This section does not apply in determining the contacts or activities that may subject a  
30 foreign limited liability partnership to service of process, taxation, or regulation under law of this  
31 state other than this chapter.

32 **7-12.1-1006. Noncomplying name of foreign limited liability partnership.**

33 (a) A foreign limited liability partnership whose name does not comply with § 7-12.1-902  
34 may not register to do business in this state until it adopts, for the purpose of doing business in this

1 state, an alternate name that complies with § 7-12.1-902. A partnership that registers under an  
2 alternate name under this subsection need not comply with §§ 7-16-9 or 7-1.2-402. After registering  
3 to do business in this state with an alternate name, a partnership shall do business in this state under:

4 (1) The alternate name;

5 (2) The partnership's name, with the addition of its jurisdiction of formation; or

6 (3) A name the partnership is authorized to use under §§ 7-16-9 or 7-1.2-402.

7 (b) If a registered foreign limited liability partnership changes its name to one that does not  
8 comply with § 7-12.1-902, it may not do business in this state until it complies with subsection (a)  
9 of this section by amending its registration to adopt an alternate name that complies with § 7-12.1-  
10 902.

11 **7-12.1-1007. Withdrawal deemed on conversion to domestic filing entity or domestic**  
12 **limited liability partnership.**

13 A registered foreign limited liability partnership that converts to a domestic limited liability  
14 partnership or to a domestic entity whose formation requires the delivery of a record to the secretary  
15 of state for filing is deemed to have withdrawn its registration on the effective date of the  
16 conversion.

17 **7-12.1-1008. Withdrawal on dissolution or conversion to nonfiling entity other than**  
18 **limited liability partnership.**

19 (a) A registered foreign limited liability partnership that has dissolved and completed  
20 winding up or has converted to a domestic or foreign entity whose formation does not require the  
21 public filing of a record, other than a limited liability partnership, shall deliver a statement of  
22 withdrawal to the secretary of state for filing. The statement must state:

23 (1) In the case of a partnership that has completed winding up:

24 (i) Its name and jurisdiction of formation;

25 (ii) That the partnership surrenders its registration to do business in this state; and

26 (2) In the case of a partnership that has converted:

27 (i) The name of the converting partnership and its jurisdiction of formation;

28 (ii) The type of entity to which the partnership has converted and its jurisdiction of  
29 formation;

30 (iii) That the converted entity surrenders the converting partnership's registration to do  
31 business in this state and revokes the authority of the converting partnership's registered agent to  
32 act as registered agent in this state on behalf of the partnership or the converted entity; and

33 (iv) A mailing address to which service of process may be made under subsection (b) of  
34 this section.

1 (b) After a withdrawal under this section becomes effective, service of process in any action  
2 or proceeding based on a cause of action arising during the time the foreign limited liability  
3 partnership was registered to do business in this state may be made pursuant to § 7-12.1-909.

4 **7-12.1-1009. Transfer of registration.**

5 (a) When a registered foreign limited liability partnership has merged into a foreign entity  
6 that is not registered to do business in this state or has converted to a foreign entity required to  
7 register with the secretary of state to do business in this state, the foreign entity shall deliver to the  
8 secretary of state for filing an application for transfer of registration. The application must state:

9 (1) The name of the registered foreign limited partnership before the merger or conversion;

10 (2) That before the merger or conversion the registration pertained to a foreign limited  
11 liability partnership;

12 (3) The name of the applicant foreign entity into which the foreign limited liability  
13 partnership has merged or to which it has been converted and, if the name does not comply with §  
14 7-12.1-902, an alternate name adopted pursuant to § 7-12.1-1006(a);

15 (4) The type of entity of the applicant foreign entity and its jurisdiction of formation;

16 (5) The street and mailing addresses of the principal office of the applicant foreign entity  
17 and, if the law of that entity's jurisdiction of formation requires the entity to maintain an office in  
18 that jurisdiction, the street and mailing addresses of that office; and

19 (6) The name and street and mailing addresses of the applicant foreign entity's registered  
20 agent in this state.

21 (b) When an application for transfer of registration takes effect, the registration of the  
22 foreign limited liability limited partnership to do business in this state is transferred without  
23 interruption to the foreign entity into which the partnership has merged or to which it has been  
24 converted.

25 **7-12.1-1010. Termination of registration.**

26 (a) The secretary of state may terminate the registration of a registered foreign limited  
27 liability partnership in the manner provided in subsections (b) and (c) of this section if the  
28 partnership does not:

29 (1) Pay, not later than sixty (60) days after the due date, any fee, tax, interest, or penalty  
30 required to be paid to the secretary of state under this chapter or law other than this chapter;

31 (2) Deliver to the secretary of state for filing, not later than sixty (60) days after the due  
32 date, an annual report required under § 7-12.1-913;

33 (3) Have a registered agent as required by § 7-12.1-908; or

34 (4) Deliver to the secretary of state for filing a statement of a change under § 7-12.1-909

1 not later than thirty (30) days after a change has occurred in the name or address of the registered  
2 agent.

3 (b) The secretary of state may terminate the registration of a registered foreign limited  
4 liability partnership by:

5 (1) Filing a notice of termination or noting the termination in the records of the secretary  
6 of state; and

7 (2) Delivering a copy of the notice or the information in the notation to the partnership's  
8 registered agent or, if the partnership does not have a registered agent, to the partnership's principal  
9 office.

10 (c) A notice or information in a notation under subsection (b) of this section must include:

11 (1) The effective date of the termination, which must be at least sixty (60) days after the  
12 date the secretary of state delivers the copy; and

13 (2) The grounds for termination under subsection (a) of this section.

14 (d) The authority of a registered foreign limited liability partnership to do business in this  
15 state ceases on the effective date of the notice of termination or notation under subsection (b) of  
16 this section, unless before that date the partnership cures each ground for termination stated in the  
17 notice or notation. If the partnership cures each ground, the secretary of state shall file a record so  
18 stating.

19 **7-12.1-1011. Withdrawal of registration of registered foreign limited liability**  
20 **partnership.**

21 (a) A registered foreign limited liability partnership may withdraw its registration by  
22 delivering a statement of withdrawal to the secretary of state for filing. The statement of withdrawal  
23 must state:

24 (1) The name of the partnership and its jurisdiction of formation;

25 (2) That the partnership is not doing business in this state and that it withdraws its  
26 registration to do business in this state;

27 (3) That the partnership revokes the authority of its registered agent to accept service on its  
28 behalf in this state; and

29 (4) An address to which service of process may be made under subsection (b) of this  
30 section.

31 (b) After the withdrawal of the registration of a foreign limited liability partnership, service  
32 of process in any action or proceeding based on a cause of action arising during the time the  
33 partnership was registered to do business in this state may be made pursuant to § 7-12.1-909.

34 **7-12.1-1012. Action by attorney general.**

1           The attorney general may maintain an action to enjoin a foreign limited liability partnership  
2 from doing business in this state in violation of this article of this chapter.

3   ARTICLE 11

4   MERGER, INTEREST EXCHANGE, CONVERSION, AND DOMESTICATION

5   PART 1

6   GENERAL PROVISIONS

7           **7-12.1-11.11. Definitions.**

8           As used in this chapter:

9           (1) "Acquired entity" means the entity, all of one or more classes or series of interests of  
10 which are acquired in an interest exchange.

11           (2) "Acquiring entity" means the entity that acquires all of one or more classes or series of  
12 interests of the acquired entity in an interest exchange.

13           (3) "Conversion" means a transaction authorized by §§ 7-12.1-11.41 through 7-12.1-11.46.

14           (4) "Converted entity" means the converting entity as it continues in existence after a  
15 conversion.

16           (5) "Converting entity" means the domestic entity that approves a plan of conversion  
17 pursuant to § 7-12.1-11.43 or the foreign entity that approves a conversion pursuant to the law of  
18 its jurisdiction of formation.

19           (6) "Distributional interest" means the right under an unincorporated entity's organic law  
20 and organic rules to receive distributions from the entity.

21           (7) "Domestic", with respect to an entity, means governed as to its internal affairs by the  
22 law of this state.

23           (8) "Domesticated limited liability partnership" means a domesticating limited liability  
24 partnership as it continues in existence after a domestication.

25           (9) "Domesticating limited liability partnership" means the domestic limited liability  
26 partnership that approves a plan of domestication pursuant to § 7-12.1-11.53 or the foreign limited  
27 liability partnership that approves a domestication pursuant to the law of its jurisdiction of  
28 formation.

29           (10) "Domestication" means a transaction authorized by §§ 7-12.1-11.51 through 7-12.1-  
30 11.56.

31           (11) "Entity":

32           (i) Means:

33           (A) A business corporation;

34           (B) A nonprofit corporation;



- 1 (C) A general partnership, including a limited liability partnership;
- 2 (D) A limited partnership, including a limited liability limited partnership;
- 3 (E) A limited liability company;
- 4 (F) A general cooperative association;
- 5 (G) A limited cooperative association;
- 6 (H) An unincorporated nonprofit association;
- 7 (I) A statutory trust, business trust, or common-law business trust; or
- 8 (J) Any other person that has:
- 9 (I) A legal existence separate from any interest holder of that person; or
- 10 (II) The power to acquire an interest in real property in its own name; and
- 11 (ii) Does not include:
- 12 (A) An individual;
- 13 (B) A trust with a predominantly donative purpose or a charitable trust;
- 14 (C) An association or relationship that is not an entity listed in subsection (11)(i) of this
- 15 section and is not a partnership under the rules stated in § 7-12.1-202(c) or a similar provision of
- 16 the law of another jurisdiction;
- 17 (D) A decedent's estate; or
- 18 (E) A government or a governmental subdivision, agency, or instrumentality.
- 19 (12) "Filing entity" means an entity whose formation requires the filing of a public organic
- 20 record. The term does not include a limited liability partnership.
- 21 (13) "Foreign", with respect to an entity, means an entity governed as to its internal affairs
- 22 by the law of a jurisdiction other than this state.
- 23 (14) "Governance interest" means a right under the organic law or organic rules of an
- 24 unincorporated entity, other than as a governor, agent, assignee, or proxy, to:
- 25 (i) Receive or demand access to information concerning, or the books and records of, the
- 26 entity;
- 27 (ii) Vote for or consent to the election of the governors of the entity; or
- 28 (iii) Receive notice of or vote on or consent to an issue involving the internal affairs of the
- 29 entity.
- 30 (15) "Governor" means:
- 31 (i) A director of a business corporation;
- 32 (ii) A director or trustee of a nonprofit corporation;
- 33 (iii) A general partner of a general partnership;
- 34 (iv) A general partner of a limited partnership;

- 1 (v) A manager of a manager-managed limited liability company;  
2 (vi) A member of a member-managed limited liability company;  
3 (vii) A director of a general cooperative association;  
4 (viii) A director of a limited cooperative association;  
5 (ix) A manager of an unincorporated nonprofit association;  
6 (x) A trustee of a statutory trust, business trust, or common-law business trust; or  
7 (xi) Any other person under whose authority the powers of an entity are exercised and  
8 under whose direction the activities and affairs of the entity are managed pursuant to the organic  
9 law and organic rules of the entity.

10 (16) "Interest" means:

- 11 (i) A share in a business corporation;  
12 (ii) A membership in a nonprofit corporation;  
13 (iii) A partnership interest in a general partnership;  
14 (iv) A partnership interest in a limited partnership;  
15 (v) A membership interest in a limited liability company;  
16 (vi) A share in a general cooperative association;  
17 (vii) A member's interest in a limited cooperative association;  
18 (viii) A membership in an unincorporated nonprofit association;  
19 (ix) A beneficial interest in a statutory trust, business trust, or common-law business trust;

20 or

- 21 (x) A governance interest or distributional interest in any other type of unincorporated  
22 entity.

23 (17) "Interest exchange" means a transaction authorized by §§ 7-12.1-11.31 through 7-  
24 12.1-11.36.

25 (18) "Interest holder" means:

- 26 (i) A shareholder of a business corporation;  
27 (ii) A member of a nonprofit corporation;  
28 (iii) A general partner of a general partnership;  
29 (iv) A general partner of a limited partnership;  
30 (v) A limited partner of a limited partnership;  
31 (vi) A member of a limited liability company;  
32 (vii) A shareholder of a general cooperative association;  
33 (viii) A member of a limited cooperative association;  
34 (ix) A member of an unincorporated nonprofit association;

1           (x) A beneficiary or beneficial owner of a statutory trust, business trust, or common-law  
2 business trust; or

3           (xi) Any other direct holder of an interest.

4           (19) "Interest holder liability" means:

5           (i) Personal liability for a liability of an entity which is imposed on a person:

6           (A) Solely by reason of the status of the person as an interest holder; or

7           (B) By the organic rules of the entity which make one or more specified interest holders or  
8 categories of interest holders liable in their capacity as interest holders for all or specified liabilities  
9 of the entity; or

10           (ii) An obligation of an interest holder under the organic rules of an entity to contribute to  
11 the entity.

12           (20) "Merger" means a transaction authorized by §§ 7-12.1-11.21 through 7-12.1-11.26.

13           (21) "Merging entity" means an entity that is a party to a merger and exists immediately  
14 before the merger becomes effective.

15           (22) "Organic law" means the law of an entity's jurisdiction of formation governing the  
16 internal affairs of the entity.

17           (23) "Organic rules" means the public organic record and private organic rules of an entity.

18           (24) "Plan" means a plan of merger, plan of interest exchange, plan of conversion, or plan  
19 of domestication.

20           (25) "Plan of conversion" means a plan under § 7-12.1-11.42.

21           (26) "Plan of domestication" means a plan under § 7-12.1-11.52.

22           (27) "Plan of interest exchange" means a plan under § 7-12.1-11.32.

23           (28) "Plan of merger" means a plan under § 7-12.1-11.22.

24           (29) "Private organic rules" means the rules, whether or not in a record, that govern the  
25 internal affairs of an entity, are binding on all its interest holders, and are not part of its public  
26 organic record, if any. The term includes:

27           (i) The bylaws of a business corporation;

28           (ii) The bylaws of a nonprofit corporation;

29           (iii) The partnership agreement of a general partnership;

30           (iv) The partnership agreement of a limited partnership;

31           (v) The operating agreement of a limited liability company;

32           (vi) The bylaws of a general cooperative association;

33           (vii) The bylaws of a limited cooperative association;

34           (viii) The governing principles of an unincorporated nonprofit association; and

1 (ix) The trust instrument of a statutory trust or similar rules of a business trust or common-  
2 law business trust.

3 (30) "Protected agreement" means:

4 (i) A record evidencing indebtedness and any related agreement in effect on the effective  
5 date of this chapter;

6 (ii) An agreement that is binding on an entity on the effective date of this chapter;

7 (iii) The organic rules of an entity in effect on the effective date of this chapter; or

8 (iv) An agreement that is binding on any of the governors or interest holders of an entity  
9 on the effective date of this chapter.

10 (31) "Public organic record" means the record the filing of which by the secretary of state  
11 is required to form an entity and any amendment to or restatement of that record. The term includes:

12 (i) The articles of incorporation of a business corporation;

13 (ii) The articles of incorporation of a nonprofit corporation;

14 (iii) The certificate of limited partnership of a limited partnership;

15 (iv) The certificate of organization of a limited liability company;

16 (v) The articles of incorporation of a general cooperative association;

17 (vi) The articles of organization of a limited cooperative association; and

18 (vii) The certificate of trust of a statutory trust or similar record of a business trust.

19 (32) "Registered foreign entity" means a foreign entity that is registered to do business in  
20 this state pursuant to a record filed by the secretary of state.

21 (33) "Statement of conversion" means a statement under § 7-12.1-11.45.

22 (34) "Statement of domestication" means a statement under § 7-12.1-11.55.

23 (35) "Statement of interest exchange" means a statement under § 7-12.1-11.35.

24 (36) "Statement of merger" means a statement under § 7-12.1-11.25.

25 (37) "Surviving entity" means the entity that continues in existence after or is created by a  
26 merger.

27 (38) "Type of entity" means a generic form of entity:

28 (i) Recognized at common law; or

29 (ii) Formed under an organic law, whether or not some entities formed under that organic  
30 law are subject to provisions of that law that create different categories of the form of entity.

31 **7-12.1-11.21. Relationship of article to other laws.**

32 (a) This article does not authorize an act prohibited by, and does not affect the application  
33 or requirements of, any law other than this article.

34 (b) A transaction effected under this chapter may not create or impair a right, duty, or

1 obligation of a person under the statutory law of this state relating to a change in control, takeover,  
2 business combination, control-share acquisition, or similar transaction involving a domestic  
3 merging, acquired, converting, or domesticating business corporation unless:

4 (1) If the corporation does not survive the transaction, the transaction satisfies any  
5 requirements of the law; or

6 (2) If the corporation survives the transaction, the approval of the plan is by a vote of the  
7 shareholders or directors which would be sufficient to create or impair the right, duty, or obligation  
8 directly under the law.

9 **7-12.1-11.31. Required notice or approval.**

10 (a) A domestic or foreign entity that is required to give notice to, or obtain the approval of,  
11 a governmental agency or officer of this state to be a party to a merger must give the notice or  
12 obtain the approval to be a party to an interest exchange, conversion, or domestication.

13 (b) Property held for a charitable purpose under the law of this state by a domestic or  
14 foreign entity immediately before a transaction under this article becomes effective may not, as a  
15 result of the transaction, be diverted from the objects for which it was donated, granted, devised,  
16 or otherwise transferred unless, to the extent required by or pursuant to the law of this state  
17 concerning cy pres or other law dealing with nondiversion of charitable assets, the entity obtains  
18 an appropriate order of the superior court specifying the disposition of the property.

19 (c) A bequest, devise, gift, grant, or promise contained in a will or other instrument of  
20 donation, subscription, or conveyance which is made to a merging entity that is not the surviving  
21 entity and which takes effect or remains payable after the merger inures to the surviving entity.

22 (d) A trust obligation that would govern property if transferred to a nonsurviving entity  
23 applies to property that is transferred to the surviving entity under this section.

24 **7-12.1-11.41. Nonexclusivity.**

25 The fact that a transaction under this article produces a certain result does not preclude the  
26 same result from being accomplished in any other manner permitted by law other than this article.

27 **7-12.1-11.51. Reference to external facts.**

28 A plan may refer to facts ascertainable outside the plan if the manner in which the facts  
29 will operate upon the plan is specified in the plan. The facts may include the occurrence of an event  
30 or a determination or action by a person, whether or not the event, determination, or action is within  
31 the control of a party to the transaction.

32 **7-12.1-11.61. Appraisal rights.**

33 An interest holder of a domestic merging, acquired, converting, or domesticating  
34 partnership is entitled to contractual appraisal rights in connection with a transaction under this

1 article to the extent provided in:

2 (1) The partnership's organic rules; or

3 (2) The plan.

4 PART 2

5 MERGER

6 **7-12.1-11.21. Merger authorized.**

7 (a) By complying with this part:

8 (1) One or more domestic partnerships may merge with one or more domestic or foreign  
9 entities into a domestic or foreign surviving entity; and

10 (2) Two (2) or more foreign entities may merge into a domestic partnership.

11 (b) By complying with the provisions of this part applicable to foreign entities, a foreign  
12 entity may be a party to a merger under this part or may be the surviving entity in such a merger if  
13 the merger is authorized by the law of the foreign entity's jurisdiction of formation.

14 **7-12.1-11.22. Plan of merger.**

15 (a) A domestic partnership may become a party to a merger under this part by approving a  
16 plan of merger. The plan must be in a record and contain:

17 (1) As to each merging entity, its name, jurisdiction of formation, and type of entity;

18 (2) If the surviving entity is to be created in the merger, a statement to that effect and the  
19 entity's name, jurisdiction of formation, and type of entity;

20 (3) The manner of converting the interests in each party to the merger into interests,  
21 securities, obligations, money, other property, rights to acquire interests or securities, or any  
22 combination of the foregoing;

23 (4) If the surviving entity exists before the merger, any proposed amendments to:

24 (i) Its public organic record, if any; or

25 (ii) Its private organic rules that are, or are proposed to be, in a record;

26 (5) If the surviving entity is to be created in the merger:

27 (i) Its proposed public organic record, if any; and

28 (ii) The full text of its private organic rules that are proposed to be in a record;

29 (6) The other terms and conditions of the merger; and

30 (7) Any other provision required by the law of a merging entity's jurisdiction of formation  
31 or the organic rules of a merging entity.

32 (b) In addition to the requirements of subsection (a) of this section, a plan of merger may  
33 contain any other provision not prohibited by law.

34 **7-12.1-11.23. Approval of merger.**

1 (a) A plan of merger is not effective unless it has been approved:

2 (1) By a domestic merging partnership, by all the partners of the partnership entitled to  
3 vote on or consent to any matter; and

4 (2) In a record, by each partner of a domestic merging partnership which will have interest  
5 holder liability for debts, obligations, and other liabilities that are incurred after the merger becomes  
6 effective, unless:

7 (i) The partnership agreement of the partnership provides in a record for the approval of a  
8 merger in which some or all of its partners become subject to interest holder liability by the  
9 affirmative vote or consent of fewer than all the partners; and

10 (ii) The partner consented in a record to or voted for that provision of the partnership  
11 agreement or became a partner after the adoption of that provision.

12 (b) A merger involving a domestic merging entity that is not a partnership is not effective  
13 unless the merger is approved by that entity in accordance with its organic law.

14 (c) A merger involving a foreign merging entity is not effective unless the merger is  
15 approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of  
16 formation.

17 **7-12.1-11.24. Amendment or abandonment of plan of merger.**

18 (a) A plan of merger may be amended only with the consent of each party to the plan,  
19 except as otherwise provided in the plan.

20 (b) A domestic merging partnership may approve an amendment of a plan of merger:

21 (1) In the same manner as the plan was approved, if the plan does not provide for the  
22 manner in which it may be amended; or

23 (2) By its partners in the manner provided in the plan, but a partner that was entitled to vote  
24 on or consent to approval of the merger is entitled to vote on or consent to any amendment of the  
25 plan that will change:

26 (i) The amount or kind of interests, securities, obligations, money, other property, rights to  
27 acquire interests or securities, or any combination of the foregoing, to be received by the interest  
28 holders of any party to the plan;

29 (ii) The public organic record, if any, or private organic rules of the surviving entity that  
30 will be in effect immediately after the merger be effective, except for changes that do not require  
31 approval of the interest holders of the surviving entity under its organic law or organic rules; or

32 (iii) Any other terms or conditions of the plan, if the change would adversely affect the  
33 partner in any material respect.

34 (c) After a plan of merger has been approved and before a statement of merger becomes

1 effective, the plan may be abandoned as provided in the plan. Unless prohibited by the plan, a  
2 domestic merging partnership may abandon the plan in the same manner as the plan was approved.

3 (d) If a plan of merger is abandoned after a statement of merger has been filed with the  
4 secretary of state and before the statement becomes effective, a statement of abandonment, signed  
5 by a party to the plan, must be filed with the secretary of state before the statement of merger  
6 becomes effective. The statement of abandonment takes effect on filing, and the merger is  
7 abandoned and does not become effective. The statement of abandonment must contain:

8 (1) The name of each party to the plan of merger;

9 (2) The date on which the statement of merger was filed by the secretary of state; and

10 (3) A statement that the merger has been abandoned in accordance with this section.

11 **7-12.1-11.25. Statement of merger -- Effective date of merger.**

12 (a) A statement of merger must be signed by each merging entity and filed with the  
13 secretary of state.

14 (b) A statement of merger must contain:

15 (1) The name, jurisdiction of formation, and type of entity of each merging entity that is  
16 not the surviving entity;

17 (2) The name, jurisdiction of formation, and type of entity of the surviving entity;

18 (3) A statement that the merger was approved by each domestic merging entity, if any, in  
19 accordance with this part and by each foreign merging entity, if any, in accordance with the law of  
20 its jurisdiction of formation;

21 (4) If the surviving entity exists before the merger and is a domestic filing entity, any  
22 amendment to its public organic record approved as part of the plan of merger;

23 (5) If the surviving entity is created by the merger and is a domestic filing entity, its public  
24 organic record, as an attachment; and

25 (6) If the surviving entity is created by the merger and is a domestic limited liability  
26 partnership, its statement of qualification, as an attachment.

27 (c) In addition to the requirements of subsection (b) of this section, a statement of merger  
28 may contain any other provision not prohibited by law.

29 (d) If the surviving entity is a domestic entity, its public organic record, if any, must satisfy  
30 the requirements of the law of this state, except that the public organic record does not need to be  
31 signed.

32 (e) A plan of merger that is signed by all the merging entities and meets all the requirements  
33 of subsection (b) of this section may be filed with the secretary of state instead of a statement of  
34 merger and on filing has the same effect. If a plan of merger is filed as provided in this subsection,



1 references in this article to a statement of merger refer to the plan of merger filed under this  
2 subsection.

3 (f) If the surviving entity is a domestic partnership, the merger becomes effective when the  
4 statement of merger is effective. In all other cases, the merger becomes effective on the later of:

5 (1) The date and time provided by the organic law of the surviving entity; and

6 (2) When the statement is effective.

7 **7-12.1-11.26. Effect of merger.**

8 (a) When a merger becomes effective:

9 (1) The surviving entity continues or comes into existence;

10 (2) Each merging entity that is not the surviving entity ceases to exist;

11 (3) All property of each merging entity vests in the surviving entity without transfer,  
12 reversion, or impairment;

13 (4) All debts, obligations, and other liabilities of each merging entity are debts, obligations,  
14 and other liabilities of the surviving entity;

15 (5) Except as otherwise provided by law or the plan of merger, all the rights, privileges,  
16 immunities, powers, and purposes of each merging entity vest in the surviving entity;

17 (6) If the surviving entity exists before the merger:

18 (i) All its property continues to be vested in it without transfer, reversion, or impairment;

19 (ii) It remains subject to all its debts, obligations, and other liabilities; and

20 (iii) All its rights, privileges, immunities, powers, and purposes continue to be vested in it;

21 (7) The name of the surviving entity may be substituted for the name of any merging entity  
22 that is a party to any pending action or proceeding;

23 (8) If the surviving entity exists before the merger:

24 (i) Its public organic record, if any, is amended as provided in the statement of merger; and

25 (ii) Its private organic rules that are to be in a record, if any, are amended to the extent  
26 provided in the plan of merger;

27 (9) If the surviving entity is created by the merger, its private organic rules become  
28 effective and:

29 (i) If it is a filing entity, its public organic record becomes effective; and

30 (ii) If it is a limited liability partnership, its statement of qualification becomes effective;

31 and

32 (10) The interests in each merging entity which are to be converted in the merger are  
33 converted, and the interest holders of those interests are entitled only to the rights provided to them  
34 under the plan of merger and to any appraisal rights they have under § 7-12.1-11.16 and the merging

1 entity's organic law.

2 (b) Except as otherwise provided in the organic law or organic rules of a merging entity,  
3 the merger does not give rise to any rights that an interest holder, governor, or third party would  
4 have upon a dissolution, liquidation, or winding up of the merging entity.

5 (c) When a merger becomes effective, a person that did not have interest holder liability  
6 with respect to any of the merging entities and becomes subject to interest holder liability with  
7 respect to a domestic entity as a result of the merger has interest holder liability only to the extent  
8 provided by the organic law of that entity and only for those debts, obligations, and other liabilities  
9 that are incurred after the merger becomes effective.

10 (d) When a merger becomes effective, the interest holder liability of a person that ceases  
11 to hold an interest in a domestic merging partnership with respect to which the person had interest  
12 holder liability is subject to the following rules:

13 (1) The merger does not discharge any interest holder liability under this chapter to the  
14 extent the interest holder liability was incurred before the merger became effective.

15 (2) The person does not have interest holder liability under this chapter for any debt,  
16 obligation, or other liability that is incurred after the merger becomes effective.

17 (3) This chapter continues to apply to the release, collection, or discharge of any interest  
18 holder liability preserved under subsection (d)(1) of this section as if the merger had not occurred  
19 and the surviving entity were the domestic merging entity.

20 (4) The person has whatever rights of contribution from any other person as are provided  
21 by this chapter, law other than this chapter, or the partnership agreement of the domestic merging  
22 partnership with respect to any interest holder liability preserved under subsection (d)(1) of this  
23 section as if the merger had not occurred.

24 (e) When a merger has become effective, a foreign entity that is the surviving entity may  
25 be served with process in this state for the collection and enforcement of any debts, obligations, or  
26 other liabilities of a domestic merging partnership as provided in § 7-12.1-119.

27 (f) When a merger has become effective, the registration to do business in this state of any  
28 foreign merging entity that is not the surviving entity is canceled.

29 PART 3

30 INTEREST EXCHANGE

31 **7-12.1-11.31. Interest exchange authorized.**

32 (a) By complying with this part:

33 (1) A domestic partnership may acquire all of one or more classes or series of interests of  
34 another domestic entity or a foreign entity in exchange for interests, securities, obligations, money,

1 other property, rights to acquire interests or securities, or any combination of the foregoing; or

2 (2) All of one or more classes or series of interests of a domestic partnership may be  
3 acquired by another domestic entity or a foreign entity in exchange for interests, securities,  
4 obligations, money, other property, rights to acquire interests or securities, or any combination of  
5 the foregoing.

6 (b) By complying with the provisions of this part applicable to foreign entities, a foreign  
7 entity may be the acquiring or acquired entity in an interest exchange under this part if the interest  
8 exchange is authorized by the law of the foreign entity's jurisdiction of formation.

9 (c) If a protected agreement contains a provision that applies to a merger of a domestic  
10 partnership but does not refer to an interest exchange, the provision applies to an interest exchange  
11 in which the domestic partnership is the acquired entity as if the interest exchange were a merger  
12 until the provision is amended after the effective date of this chapter.

13 **7-12.1-11.32. Plan of interest exchange.**

14 (a) A domestic partnership may be the acquired entity in an interest exchange under this  
15 part by approving a plan of interest exchange. The plan must be in a record and contain:

16 (1) The name of the acquired entity;

17 (2) The name, jurisdiction of formation, and type of entity of the acquiring entity;

18 (3) The manner of converting the interests in the acquired entity into interests, securities,  
19 obligations, money, other property, rights to acquire interests or securities, or any combination of  
20 the foregoing;

21 (4) Any proposed amendments to the partnership agreement that are, or are proposed to be,  
22 in a record of the acquired entity;

23 (5) The other terms and conditions of the interest exchange; and

24 (6) Any other provision required by the law of this state or the partnership agreement of  
25 the acquired entity.

26 (b) In addition to the requirements of subsection (a) of this section, a plan of interest  
27 exchange may contain any other provision not prohibited by law.

28 **7-12.1-11.33. Approval of interest exchange.**

29 (a) A plan of interest exchange is not effective unless it has been approved:

30 (1) By all the partners of a domestic acquired partnership entitled to vote on or consent to  
31 any matter; and

32 (2) In a record, by each partner of the domestic acquired partnership that will have interest  
33 holder liability for debts, obligations, and other liabilities that are incurred after the interest  
34 exchange becomes effective, unless:

1           (i) The partnership agreement of the partnership provides in a record for the approval of an  
2 interest exchange or a merger in which some or all its partners become subject to interest holder  
3 liability by the affirmative vote or consent of fewer than all the partners; and

4           (ii) The partner consented in a record to or voted for that provision of the partnership  
5 agreement or became a partner after the adoption of that provision.

6           (b) An interest exchange involving a domestic acquired entity that is not a partnership is  
7 not effective unless it is approved by the domestic entity in accordance with its organic law.

8           (c) An interest exchange involving a foreign acquired entity is not effective unless it is  
9 approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of  
10 formation.

11           (d) Except as otherwise provided in its organic law or organic rules, the interest holders of  
12 the acquiring entity are not required to approve the interest exchange.

13           **7-12.1-11.34. Amendment or abandonment of plan of interest exchange.**

14           (a) A plan of interest exchange may be amended only with the consent of each party to the  
15 plan, except as otherwise provided in the plan.

16           (b) A domestic acquired partnership may approve an amendment of a plan of interest  
17 exchange:

18           (1) In the same manner as the plan was approved, if the plan does not provide for the  
19 manner in which it may be amended; or

20           (2) By its partners in the manner provided in the plan, but a partner that was entitled to vote  
21 on or consent to approval of the interest exchange is entitled to vote on or consent to any amendment  
22 of the plan that will change:

23           (i) The amount or kind of interests, securities, obligations, money, other property, rights to  
24 acquire interests or securities, or any combination of the foregoing, to be received by any of the  
25 partners of the acquired partnership under the plan;

26           (ii) The partnership agreement of the acquired partnership that will be in effect immediately  
27 after the interest exchange becomes effective, except for changes that do not require approval of  
28 the partners of the acquired partnership under this chapter or the partnership agreement; or

29           (iii) Any other terms or conditions of the plan, if the change would adversely affect the  
30 partner in any material respect.

31           (c) After a plan of interest exchange has been approved and before a statement of interest  
32 exchange becomes effective, the plan may be abandoned as provided in the plan. Unless prohibited  
33 by the plan, a domestic acquired partnership may abandon the plan in the same manner as the plan  
34 was approved.

1 (d) If a plan of interest exchange is abandoned after a statement of interest exchange has  
2 been filed with the secretary of state and before the statement becomes effective, a statement of  
3 abandonment, signed by the acquired partnership, must be filed with the secretary of state before  
4 the statement of interest exchange becomes effective. The statement of abandonment takes effect  
5 on filing, and the interest exchange is abandoned and does not become effective. The statement of  
6 abandonment must contain:

7 (1) The name of the acquired partnership;

8 (2) The date on which the statement of interest exchange was filed by the secretary of state;  
9 and

10 (3) A statement that the interest exchange has been abandoned in accordance with this  
11 section.

12 **7-12.1-11.35. Statement of interest exchange -- Effective date of interest exchange.**

13 (a) A statement of interest exchange must be signed by a domestic acquired partnership  
14 and filed with the secretary of state.

15 (b) A statement of interest exchange must contain:

16 (1) The name of the acquired partnership;

17 (2) The name, jurisdiction of formation, and type of entity of the acquiring entity; and

18 (3) A statement that the plan of interest exchange was approved by the acquired partnership  
19 in accordance with this part.

20 (c) In addition to the requirements of subsection (b) of this section, a statement of interest  
21 exchange may contain any other provision not prohibited by law.

22 (d) A plan of interest exchange that is signed by a domestic acquired partnership and meets  
23 all the requirements of subsection (b) of this section may be filed with the secretary of state for  
24 filing instead of a statement of interest exchange and on filing has the same effect. If a plan of  
25 interest exchange is filed as provided in this subsection, references in article 11 of this chapter to a  
26 statement of interest exchange refer to the plan of interest exchange filed under this subsection.

27 (e) An interest exchange becomes effective when the statement of interest exchange is  
28 effective.

29 **7-12.1-11.36. Effect of interest exchange.**

30 (a) When an interest exchange in which the acquired entity is a domestic partnership  
31 becomes effective:

32 (1) The interests in the acquired partnership which are the subject of the interest exchange  
33 are converted, and the partners holding those interests are entitled only to the rights provided to  
34 them under the plan of interest exchange and to any appraisal rights they have under § 7-12.1-

1 11.16:

2 (2) The acquiring entity becomes the interest holder of the interests in the acquired  
3 partnership stated in the plan of interest exchange to be acquired by the acquiring entity; and

4 (3) The provisions of the partnership agreement of the acquired partnership that are to be  
5 in a record, if any, are amended to the extent provided in the plan of interest exchange.

6 (b) Except as otherwise provided in the partnership agreement of a domestic acquired  
7 partnership, the interest exchange does not give rise to any rights that a partner or third party would  
8 have upon a dissolution, liquidation, or winding up of the acquired partnership.

9 (c) When an interest exchange becomes effective, a person that did not have interest holder  
10 liability with respect to a domestic acquired partnership and becomes subject to interest holder  
11 liability with respect to a domestic entity as a result of the interest exchange has interest holder  
12 liability only to the extent provided by the organic law of the entity and only for those debts,  
13 obligations, and other liabilities that are incurred after the interest exchange becomes effective.

14 (d) When an interest exchange becomes effective, the interest holder liability of a person  
15 that ceases to hold an interest in a domestic acquired partnership with respect to which the person  
16 had interest holder liability is subject to the following rules:

17 (1) The interest exchange does not discharge any interest holder liability under this chapter  
18 to the extent the interest holder liability was incurred before the interest exchange became effective.

19 (2) The person does not have interest holder liability under this chapter for any debt,  
20 obligation, or other liability that is incurred after the interest exchange becomes effective.

21 (3) This chapter continues to apply to the release, collection, or discharge of any interest  
22 holder liability preserved under subsection (d)(1) of this section as if the interest exchange had not  
23 occurred.

24 (4) The person has whatever rights of contribution from any other person as are provided  
25 by this chapter, law other than this chapter, or the partnership agreement of the domestic acquired  
26 partnership with respect to any interest holder liability preserved under subsection (d)(1) of this  
27 section as if the interest exchange had not occurred.

28 PART 4

29 CONVERSION

30 **7-12.1-11.41. Conversion authorized.**

31 (a) By complying with this part, a domestic partnership may become:

32 (1) A domestic entity that is a different type of entity; or

33 (2) A foreign entity that is a different type of entity, if the conversion is authorized by the  
34 law of the foreign entity's jurisdiction of formation.

1 (b) By complying with the provisions of this part applicable to foreign entities, a foreign  
2 entity that is not a foreign partnership may become a domestic partnership if the conversion is  
3 authorized by the law of the foreign entity's jurisdiction of formation.

4 (c) If a protected agreement contains a provision that applies to a merger of a domestic  
5 partnership but does not refer to a conversion, the provision applies to a conversion of the  
6 partnership as if the conversion were a merger until the provision is amended after the effective  
7 date of this chapter.

8 **7-12.1-11.42. Plan of conversion.**

9 (a) A domestic partnership may convert to a different type of entity under this part by  
10 approving a plan of conversion. The plan must be in a record and contain:

11 (1) The name of the converting partnership;

12 (2) The name, jurisdiction of formation, and type of entity of the converted entity;

13 (3) The manner of converting the interests in the converting partnership into interests,  
14 securities, obligations, money, other property, rights to acquire interests or securities, or any  
15 combination of the foregoing;

16 (4) The proposed public organic record of the converted entity if it will be a filing entity;

17 (5) The full text of the private organic rules of the converted entity which are proposed to  
18 be in a record;

19 (6) The other terms and conditions of the conversion; and

20 (7) Any other provision required by the law of this state or the partnership agreement of  
21 the converting partnership.

22 (b) In addition to the requirements of subsection (a) of this section, a plan of conversion  
23 may contain any other provision not prohibited by law.

24 **7-12.1-11.43. Approval of conversion.**

25 (a) A plan of conversion is not effective unless it has been approved:

26 (1) By a domestic converting partnership, by all the partners of the partnership entitled to  
27 vote on or consent to any matter; and

28 (2) In a record, by each partner of a domestic converting partnership which will have  
29 interest holder liability for debts, obligations, and other liabilities that are incurred after the  
30 conversion becomes effective, unless:

31 (i) The partnership agreement of the partnership provides in a record for the approval of a  
32 conversion or a merger in which some or all of its partners become subject to interest holder liability  
33 by the affirmative vote or consent of fewer than all the partners; and

34 (ii) The partner voted for or consented in a record to that provision of the partnership

1 agreement or became a partner after the adoption of that provision.

2 (b) A conversion involving a domestic converting entity that is not a partnership is not  
3 effective unless it is approved by the domestic converting entity in accordance with its organic law.

4 (c) A conversion of a foreign converting entity is not effective unless it is approved by the  
5 foreign entity in accordance with the law of the foreign entity's jurisdiction of formation.

6 **7-12.1-11.44. Amendment or abandonment of plan of conversion.**

7 (a) A plan of conversion of a domestic converting partnership may be amended:

8 (1) In the same manner as the plan was approved, if the plan does not provide for the  
9 manner in which it may be amended; or

10 (2) By its partners in the manner provided in the plan, but a partner that was entitled to vote  
11 on or consent to approval of the conversion is entitled to vote on or consent to any amendment of  
12 the plan that will change:

13 (i) The amount or kind of interests, securities, obligations, money, other property, rights to  
14 acquire interests or securities, or any combination of the foregoing, to be received by any of the  
15 partners of the converting partnership under the plan;

16 (ii) The public organic record, if any, or private organic rules of the converted entity which  
17 will be in effect immediately after the conversion becomes effective, except for changes that do not  
18 require approval of the interest holders of the converted entity under its organic law or organic  
19 rules; or

20 (iii) Any other terms or conditions of the plan, if the change would adversely affect the  
21 partner in any material respect.

22 (b) After a plan of conversion has been approved by a domestic converting partnership and  
23 before a statement of conversion becomes effective, the plan may be abandoned as provided in the  
24 plan. Unless prohibited by the plan, a domestic converting partnership may abandon the plan in the  
25 same manner as the plan was approved.

26 (c) If a plan of conversion is abandoned after a statement of conversion has been filed with  
27 the secretary of state and before the statement becomes effective, a statement of abandonment,  
28 signed by the converting entity, must be filed with the secretary of state before the statement of  
29 conversion becomes effective. The statement of abandonment takes effect on filing, and the  
30 conversion is abandoned and does not become effective. The statement of abandonment must  
31 contain:

32 (1) The name of the converting partnership;

33 (2) The date on which the statement of conversion was filed by the secretary of state; and

34 (3) A statement that the conversion has been abandoned in accordance with this section.



1           **7-12.1-11.45. Statement of conversion -- Effective date of conversion.**

2           (a) A statement of conversion must be signed by the converting entity and filed with the  
3 secretary of state.

4           (b) A statement of conversion must contain:

5           (1) The name, jurisdiction of formation, and type of entity of the converting entity;

6           (2) The name, jurisdiction of formation, and type of entity of the converted entity;

7           (3) If the converting entity is a domestic partnership, a statement that the plan of conversion  
8 was approved in accordance with this part or, if the converting entity is a foreign entity, a statement  
9 that the conversion was approved by the foreign entity in accordance with the law of its jurisdiction  
10 of formation;

11           (4) If the converted entity is a domestic filing entity, its public organic record, as an  
12 attachment; and

13           (5) If the converted entity is a domestic limited liability partnership, its statement of  
14 qualification, as an attachment.

15           (c) In addition to the requirements of subsection (b) of this section, a statement of  
16 conversion may contain any other provision not prohibited by law.

17           (d) If the converted entity is a domestic entity, its public organic record, if any, must satisfy  
18 the requirements of the law of this state, except that the public organic record does not need to be  
19 signed.

20           (e) A plan of conversion that is signed by a domestic converting partnership and meets all  
21 the requirements of subsection (b) of this section may be filed with the secretary of state instead of  
22 a statement of conversion and on filing has the same effect. If a plan of conversion is filed as  
23 provided in this subsection, references in this article to a statement of conversion refer to the plan  
24 of conversion filed under this subsection.

25           (f) If the converted entity is a domestic partnership, the conversion becomes effective when  
26 the statement of conversion is effective. In all other cases, the conversion becomes effective on the  
27 later of:

28           (1) The date and time provided by the organic law of the converted entity; and

29           (2) When the statement is effective.

30           **7-12.1-11.46. Effect of conversion.**

31           (a) When a conversion becomes effective:

32           (1) The converted entity is:

33           (i) Organized under and subject to the organic law of the converted entity; and

34           (ii) The same entity without interruption as the converting entity;

1           (2) All property of the converting entity continues to be vested in the converted entity  
2 without transfer, reversion, or impairment;

3           (3) All debts, obligations, and other liabilities of the converting entity continue as debts,  
4 obligations, and other liabilities of the converted entity;

5           (4) Except as otherwise provided by law or the plan of conversion, all the rights, privileges,  
6 immunities, powers, and purposes of the converting entity remain in the converted entity;

7           (5) The name of the converted entity may be substituted for the name of the converting  
8 entity in any pending action or proceeding;

9           (6) If the converted entity is a limited liability partnership, its statement of qualification  
10 becomes effective;

11           (7) The provisions of the partnership agreement of the converted entity which are to be in  
12 a record, if any, approved as part of the plan of conversion become effective; and

13           (8) The interests in the converting entity are converted, and the interest holders of the  
14 converting entity are entitled only to the rights provided to them under the plan of conversion and  
15 to any appraisal rights they have under § 7-12.1-11.16.

16           (b) Except as otherwise provided in the partnership agreement of a domestic converting  
17 partnership, the conversion does not give rise to any rights that a partner or third party would have  
18 upon a dissolution, liquidation, or winding up of the converting entity.

19           (c) When a conversion becomes effective, a person that did not have interest holder liability  
20 with respect to the converting entity and becomes subject to interest holder liability with respect to  
21 a domestic entity as a result of the conversion has interest holder liability only to the extent provided  
22 by the organic law of the entity and only for those debts, obligations, and other liabilities that are  
23 incurred after the conversion becomes effective.

24           (d) When a conversion becomes effective, the interest holder liability of a person that  
25 ceases to hold an interest in a domestic converting partnership with respect to which the person had  
26 interest holder liability is subject to the following rules:

27           (1) The conversion does not discharge any interest holder liability under this chapter to the  
28 extent the interest holder liability was incurred before the conversion became effective.

29           (2) The person does not have interest holder liability under this chapter for any debt,  
30 obligation, or other liability that is incurred after the conversion becomes effective.

31           (3) This chapter continues to apply to the release, collection, or discharge of any interest  
32 holder liability preserved under subsection (d)(1) of this section as if the conversion had not  
33 occurred.

34           (4) The person has whatever rights of contribution from any other person as are provided

1 by this chapter, law other than this chapter, or the organic rules of the converting entity with respect  
2 to any interest holder liability preserved under subsection (d)(1) of this section as if the conversion  
3 had not occurred.

4 (e) When a conversion has become effective, a foreign entity that is the converted entity  
5 may be served with process in this state for the collection and enforcement of any of its debts,  
6 obligations, and other liabilities as provided in § 7-12.1-119.

7 (f) If the converting entity is a registered foreign entity, its registration to do business in  
8 this state is canceled when the conversion becomes effective.

9 (g) A conversion does not require the entity to wind up its affairs and does not constitute  
10 or cause the dissolution of the entity.

## 11 PART 5

### 12 DOMESTICATION

#### 13 **7-12.1-11.51. Domestication authorized.**

14 (a) By complying with this part, a domestic limited liability partnership may become a  
15 foreign limited liability partnership if the domestication is authorized by the law of the foreign  
16 jurisdiction.

17 (b) By complying with the provisions of this part applicable to foreign limited liability  
18 partnerships, a foreign limited liability partnership may become a domestic limited liability  
19 partnership if the domestication is authorized by the law of the foreign limited liability partnership's  
20 jurisdiction of formation.

21 (c) If a protected agreement contains a provision that applies to a merger of a domestic  
22 limited liability partnership but does not refer to a domestication, the provision applies to a  
23 domestication of the limited liability partnership as if the domestication were a merger until the  
24 provision is amended after the effective date of this chapter.

#### 25 **7-12.1-11.52. Plan of domestication.**

26 (a) A domestic limited liability partnership may become a foreign limited liability  
27 partnership in a domestication by approving a plan of domestication. The plan must be in a record  
28 and contain:

29 (1) The name of the domesticating limited liability partnership;

30 (2) The name and jurisdiction of formation of the domesticated limited liability partnership;

31 (3) The manner of converting the interests in the domesticating limited liability partnership  
32 into interests, securities, obligations, money, other property, rights to acquire interests or securities,  
33 or any combination of the foregoing;

34 (4) The proposed statement of qualification of the domesticated limited liability

1 partnership:

2 (5) The full text of the provisions of the partnership agreement of the domesticated limited  
3 liability partnership that are proposed to be in a record;

4 (6) The other terms and conditions of the domestication; and

5 (7) Any other provision required by the law of this state or the partnership agreement of  
6 the domesticating limited liability partnership.

7 (b) In addition to the requirements of subsection (a) of this section, a plan of domestication  
8 may contain any other provision not prohibited by law.

9 **7-12.1-11.53. Approval of domestication.**

10 (a) A plan of domestication of a domestic domesticating limited liability partnership is not  
11 effective unless it has been approved:

12 (1) By all the partners entitled to vote on or consent to any matter; and

13 (2) In a record, by each partner that will have interest holder liability for debts, obligations,  
14 and other liabilities that are incurred after the domestication becomes effective, unless:

15 (i) The partnership agreement of the domesticating partnership in a record provides for the  
16 approval of a domestication or merger in which some or all of its partners become subject to interest  
17 holder liability by the affirmative vote or consent of fewer than all the partners; and

18 (ii) The partner voted for or consented in a record to that provision of the partnership  
19 agreement or became a partner after the adoption of that provision.

20 (b) A domestication of a foreign domesticating limited liability partnership is not effective  
21 unless it is approved in accordance with the law of the foreign limited liability partnership's  
22 jurisdiction of formation.

23 **7-12.1-11.54. Amendment or abandonment of plan of domestication.**

24 (a) A plan of domestication of a domestic domesticating limited liability partnership may  
25 be amended:

26 (1) In the same manner as the plan was approved, if the plan does not provide for the  
27 manner in which it may be amended; or

28 (2) By its partners in the manner provided in the plan, but a partner that was entitled to vote  
29 on or consent to approval of the domestication is entitled to vote on or consent to any amendment  
30 of the plan that will change:

31 (i) The amount or kind of interests, securities, obligations, money, other property, rights to  
32 acquire interests or securities, or any combination of the foregoing, to be received by any of the  
33 partners of the domesticating limited liability partnership under the plan;

34 (ii) The partnership agreement of the domesticated limited liability partnership that will be

1 in effect immediately after the domestication becomes effective, except for changes that do not  
2 require approval of the partners of the domesticated limited liability partnership under its organic  
3 law or partnership agreement; or

4 (iii) Any other terms or conditions of the plan, if the change would adversely affect the  
5 partner in any material respect.

6 (b) After a plan of domestication has been approved by a domestic domesticating limited  
7 liability partnership and before a statement of domestication becomes effective, the plan may be  
8 abandoned as provided in the plan. Unless prohibited by the plan, a domestic domesticating limited  
9 liability partnership may abandon the plan in the same manner as the plan was approved.

10 (c) If a plan of domestication is abandoned after a statement of domestication has been  
11 filed with the secretary of state and before the statement becomes effective, a statement of  
12 abandonment, signed by the domesticating limited liability partnership, must be filed with the  
13 secretary of state before the statement of domestication becomes effective. The statement of  
14 abandonment takes effect on filing, and the domestication is abandoned and does not become  
15 effective. The statement of abandonment must contain:

16 (1) The name of the domesticating limited liability partnership;

17 (2) The date on which the statement of domestication was filed by the secretary of state;  
18 and

19 (3) A statement that the domestication has been abandoned in accordance with this section.

20 **7-12.1-11.55. Statement of domestication -- Effective date of domestication.**

21 (a) A statement of domestication must be signed by the domesticating limited partnership  
22 and filed with the secretary of state.

23 (b) A statement of domestication must contain:

24 (1) The name and jurisdiction of formation of the domesticating limited liability  
25 partnership;

26 (2) The name and jurisdiction of formation of the domesticated limited liability partnership;

27 (3) If the domesticating limited liability partnership is a domestic limited liability  
28 partnership, a statement that the plan of domestication was approved in accordance with this part  
29 or, if the domesticating limited liability partnership is a foreign limited liability partnership, a  
30 statement that the domestication was approved in accordance with the law of its jurisdiction of  
31 formation; and

32 (4) The statement of qualification of the domesticated limited liability partnership, as an  
33 attachment.

34 (c) In addition to the requirements of subsection (b) of this section, a statement of

1 domestication may contain any other provision not prohibited by law.

2 (d) The statement of qualification of a domesticated domestic limited liability partnership  
3 must satisfy the requirements of this chapter, but the statement does not need to be signed.

4 (e) A plan of domestication that is signed by a domesticating domestic limited liability  
5 partnership and meets all the requirements of subsection (b) of this section may be filed with the  
6 secretary of state instead of a statement of domestication and on filing has the same effect. If a plan  
7 of domestication is filed as provided in this subsection, references in this article to a statement of  
8 domestication refer to the plan of domestication filed under this subsection.

9 (f) If the domesticated entity is a domestic partnership, the domestication becomes effective  
10 when the statement of domestication is effective. If the domesticated entity is a foreign partnership,  
11 the domestication becomes effective on the later of:

12 (1) The date and time provided in the organic law of the domesticated entity; and

13 (2) When the statement is effective.

14 **7-12.1-11.56. Effect of domestication.**

15 (a) When a domestication becomes effective:

16 (1) The domesticated entity is:

17 (i) Organized under and subject to the organic law of the domesticated entity; and

18 (ii) The same entity without interruption as the domesticating entity;

19 (2) All property of the domesticating entity continues to be vested in the domesticated  
20 entity without transfer, reversion, or impairment;

21 (3) All debts, obligations, and other liabilities of the domesticating entity continue as debts,  
22 obligations, and other liabilities of the domesticated entity;

23 (4) Except as otherwise provided by law or the plan of domestication, all the rights,  
24 privileges, immunities, powers, and purposes of the domesticating entity remain in the  
25 domesticated entity;

26 (5) The name of the domesticated entity may be substituted for the name of the  
27 domesticating entity in any pending action or proceeding;

28 (6) The statement of qualification of the domesticated entity becomes effective;

29 (7) The provisions of the partnership agreement of the domesticated entity that are to be in  
30 a record, if any, approved as part of the plan of domestication become effective; and

31 (8) The interests in the domesticating entity are converted to the extent and as approved in  
32 connection with the domestication, and the partners of the domesticating entity are entitled only to  
33 the rights provided to them under the plan of domestication and to any appraisal rights they have  
34 under § 7-12.1-11.16.

1 (b) Except as otherwise provided in the organic law or partnership agreement of the  
2 domesticating limited liability partnership, the domestication does not give rise to any rights that a  
3 partner or third party would otherwise have upon a dissolution, liquidation, or winding up of the  
4 domesticating partnership.

5 (c) When a domestication becomes effective, a person that did not have interest holder  
6 liability with respect to the domesticating limited liability partnership and becomes subject to  
7 interest holder liability with respect to a domestic limited liability partnership as a result of the  
8 domestication has interest holder liability only to the extent provided by this chapter and only for  
9 those debts, obligations, and other liabilities that are incurred after the domestication becomes  
10 effective.

11 (d) When a domestication becomes effective, the interest holder liability of a person that  
12 ceases to hold an interest in a domestic domesticating limited liability partnership with respect to  
13 which the person had interest holder liability is subject to the following rules:

14 (1) The domestication does not discharge any interest holder liability under this chapter to  
15 the extent the interest holder liability was incurred before the domestication became effective.

16 (2) A person does not have interest holder liability under this chapter for any debt,  
17 obligation, or other liability that is incurred after the domestication becomes effective.

18 (3) This chapter continues to apply to the release, collection, or discharge of any interest  
19 holder liability preserved under subsection (d)(1) of this section as if the domestication had not  
20 occurred.

21 (4) A person has whatever rights of contribution from any other person as are provided by  
22 this chapter, law other than this chapter, or the partnership agreement of the domestic domesticating  
23 limited liability partnership with respect to any interest holder liability preserved under subsection  
24 (d)(1) of this section as if the domestication had not occurred.

25 (e) When a domestication becomes effective, a foreign limited liability partnership that is  
26 the domesticated partnership may be served with process in this state for the collection and  
27 enforcement of any of its debts, obligations, and other liabilities as provided in § 7-12.1-119.

28 (f) If the domesticating limited liability partnership is a registered foreign entity, the  
29 registration of the partnership is canceled when the domestication becomes effective.

30 (g) A domestication does not require a domestic domesticating limited liability partnership  
31 to wind up its business and does not constitute or cause the dissolution of the partnership.

32 ARTICLE 12

33 MISCELLANEOUS PROVISIONS

34 **7-12.1-1201. Uniformity of application and construction.**

1 In applying and construing this uniform act, consideration must be given to the need to  
2 promote uniformity of the law with respect to its subject matter among states that enact it.

3 **7-12.1-1202. Relation to Electronic Signatures in Global and National Commerce Act.**

4 This chapter modifies, limits, and supersedes the Electronic Signatures in Global and  
5 National Commerce Act, 15 U.S.C. Section 7001 et seq., but does not modify, limit, or supersede  
6 Section 101(c) of that act, 15 U.S.C. Section 7001(c), or authorize electronic delivery of any of the  
7 notices described in Section 103(b) of that act, 15 U.S.C. Section 7003(b).

8 **7-12.1-1203. Savings clause.**

9 This chapter does not affect an action commenced, proceeding brought, or right accrued  
10 before the effective date of this chapter.

11 **7-12.1-1204. Severability clause.**

12 If any provision of this chapter or its application to any person or circumstance is held  
13 invalid, the invalidity does not affect other provisions or applications of this chapter which can be  
14 given effect without the invalid provision or application, and to this end the provisions of this  
15 chapter are severable.

16 SECTION 2. Chapter 7-12 of the General Laws entitled "Partnerships" is hereby repealed  
17 in its entirety.

18 **CHAPTER 7-12**

19 **Partnerships**

20 **~~7-12-1. Provisions in partnership agreements deemed nontestamentary.~~**

21 ~~No partnership agreement in writing, or agreement in writing between copartners, either~~  
22 ~~previously or subsequently entered into, is deemed testamentary in character, or for that reason~~  
23 ~~invalid or unenforceable, because the agreement contains a provision: (1) regulating, in the event~~  
24 ~~of the death of any of the partners, the transfer, distribution, or other disposition of the assets of the~~  
25 ~~partnership, or any of them, to or among the surviving partners or any of them, or their successors,~~  
26 ~~or the estate of the deceased partner; or (2) regulating, in the event of death, the use of the firm~~  
27 ~~name by the surviving partners, or their successors, or any of them; or (3) regulating the destination,~~  
28 ~~distribution, or other disposition of the proceeds of any policy or policies of insurance upon the life~~  
29 ~~of any partner; nor is any provision contained in any partnership agreement or in any agreement~~  
30 ~~between copartners testamentary in character or for that reason invalid or unenforceable; provided,~~  
31 ~~however, that this section shall not be construed to affect the rights of the heirs, next of kin, devisees~~  
32 ~~or creditors of a partner who has deceased prior to March 10, 1932.~~

33 **~~7-12-2. Death of partner -- Statement delivered to administrator or executor.~~**

34 ~~In case of the death of any person who was at the time of his or her decease a member of~~



1 any copartnership, either general or limited, the surviving partner shall, upon the demand in writing  
2 of the administrator or executor of the deceased copartner, and within ten (10) days subsequently,  
3 make out and deliver to the administrator or executor a detailed statement of the assets and liabilities  
4 of the copartners as they existed at the time of the decease of the copartner, which statement shall  
5 be verified by the oath of the surviving copartner.

6 **7-12-3. Examination of books and property by representative of deceased partner.**

7 The administrator or executor may enter upon the premises and examine the books and  
8 affairs of the copartnership and take an inventory of the personal property in which his or her  
9 intestate or testate may have had an interest at the time of his or her decease.

10 **7-12-4. Separate composition with creditors on dissolution of partnership.**

11 Whenever any copartnership is dissolved, any person who was embraced in the  
12 copartnership may make a separate composition or compromise with any one of or all the creditors  
13 of the copartnership.

14 **7-12-5. Separate composition as full discharge of partner.**

15 A composition or compromise is a full and effectual discharge to the debtor making the  
16 composition or compromise, of the whole of the debt, and is taken and considered in reference to  
17 the other copartners as actual payment of the debtor's proportion of the debt, whether the full  
18 amount of his or her proportion of the debt is actually paid or not.

19 **7-12-6. Payment by partner in excess of his or her proportion.**

20 In case an amount exceeding his or her proportion is actually paid, it is taken and  
21 considered as payment of the amount of debt actually paid.

22 **7-12-7. Insolvency or absconding of partner.**

23 A composition or compromise in no way affects the right of the other copartners or any of  
24 them to call on the person making the compromise for any sum beyond the person's original portion  
25 of the debt, if in consequence of the insolvency, inability to pay or absconding of any one of the  
26 copartners, the person so compromising becomes liable to pay more than his or her proportion of  
27 the debt.

28 **7-12-8. Memorandum exonerating partner on separate composition.**

29 Every debtor making a composition or compromise takes from the creditor with whom he  
30 or she may make the composition or compromise a note or memorandum in writing, exonerating  
31 him or her from all individual liability incurred by reason of the connection with the copartnership.  
32 The note or memorandum may be given in evidence by the debtor under the general issue, in bar  
33 of the creditor's right of recovery against him or her.

34 **7-12-9. Partners not discharged by separate composition -- Defenses to creditor's**

1 **action.**

2 A composition or compromise is not to be so construed as to discharge the other copartners,  
3 except as provided in §§ 7-12-5 and 7-12-6; nor does it impair the right of the creditor to proceed  
4 against the members of the copartnership who have not been discharged. The members of the  
5 partnership so proceeded against are permitted to set off any demand against the creditor that could  
6 have been set off had the suit been against all the individuals composing the firm. They may avail  
7 themselves of any defense that would have been available had not this chapter been passed, except  
8 that they shall not set up the discharge of one individual as a discharge of all the other copartners,  
9 unless it appears that all were intended to be discharged.

10 **7-12-10. Application to joint debtors.**

11 The provisions of §§ 7-12-4—7-12-9 in reference to copartners extend to joint debtors  
12 who may individually compound or compromise for their joint indebtedness, with the like effect to  
13 creditors and to joint debtors of the person compromising as is provided in this section in reference  
14 to copartners.

15 **7-12-11. Limited partnership law unaffected.**

16 The provisions of this chapter shall not be deemed or taken to affect any of the provisions  
17 of chapter 13 of this title, entitled "Limited Partnerships".

18 **7-12-12. Short title.**

19 Sections 7-12-12—7-12-55 may be cited as the "Uniform Partnership Act".

20 **7-12-13. Definitions.**

21 In §§ 7-12-12—7-12-59:

22 (1) "Bankrupt" includes bankrupt under title 11 of the United States Code (Bankruptcy) or  
23 insolvent under any state insolvent act.

24 (2) "Business" includes every trade, occupation, or profession.

25 (3) "Conveyance" includes every assignment, lease, mortgage, or encumbrance.

26 (4) "Court" includes every court and judge having jurisdiction in the case.

27 (5) "Foreign registered limited liability partnership" means a registered limited liability  
28 partnership or a limited liability partnership formed pursuant to an agreement governed by the laws  
29 of another jurisdiction and registered under the laws of that jurisdiction.

30 (6) "Person" includes individuals, partnerships, corporations, and other associations.

31 (7) "Real property" includes land and any interest or estate in land.

32 (8) "Registered limited liability partnership" means a partnership formed pursuant to an  
33 agreement governed by the laws of this state, registered under § 7-12-56 and in compliance with §  
34 7-12-58.

1 **7-12-14. Interpretation of knowledge and notice.**

2 (a) ~~A person has "knowledge" of a fact within the meaning of §§ 7-12-12—7-12-55 not~~  
3 ~~only when he or she has actual knowledge of it, but also when he or she has knowledge of any other~~  
4 ~~facts that in the circumstances show bad faith.~~

5 (b) ~~A person has "notice" of a fact within the meaning of §§ 7-12-12—7-12-55 when the~~  
6 ~~person who claims the benefit of the notice:~~

7 (1) ~~States the fact to the person; or~~

8 (2) ~~Delivers through the mail, or by other means of communication, a written statement of~~  
9 ~~the fact to the person or to a proper person at his or her place of business or residence.~~

10 **7-12-15. Rules of construction.**

11 (a) ~~The rule that statutes in derogation of the common law are to be strictly construed has~~  
12 ~~no application to §§ 7-12-12—7-12-55.~~

13 (b) ~~The law of estoppel applies under §§ 7-12-12—7-12-55.~~

14 (c) ~~The law of agency applies under §§ 7-12-12—7-12-55.~~

15 (d) ~~Sections 7-12-12—7-12-55 shall be so interpreted and construed as to effect their~~  
16 ~~general purpose to make uniform the law of those states which enact them.~~

17 (e) ~~Sections 7-12-12—7-12-55 shall not be construed so as to impair the obligations of~~  
18 ~~any contract existing on October 1, 1957, nor to affect any action or proceedings or right accrued~~  
19 ~~before October 1, 1957.~~

20 **7-12-16. Rules for cases not provided for.**

21 ~~In any case not provided for in §§ 7-12-12—7-12-55, the rules of law and equity, including~~  
22 ~~the law merchant, govern.~~

23 **7-12-17. Partnership defined.**

24 (a) ~~A partnership is an association of two (2) or more persons to carry on as co-owners a~~  
25 ~~business for profit, and includes a registered limited liability partnership.~~

26 (b) ~~Any association formed under any other statute of this state, or any statute adopted by~~  
27 ~~authority, other than the authority of the state, is not a partnership under §§ 7-12-12—7-12-59,~~  
28 ~~unless the association would have been a partnership in this state prior to May 6, 1957; but §§ 7-~~  
29 ~~12-12—7-12-59 apply to limited partnerships except insofar as the statutes relating to partnerships~~  
30 ~~are inconsistent with these provisions.~~

31 **7-12-18. Rules for determining the existence of a partnership.**

32 ~~In determining whether a partnership exists, these rules apply:~~

33 (1) ~~Except as provided by § 7-12-27, persons who are not partners as to each other are not~~  
34 ~~partners as to third persons.~~

1           ~~(2) Joint tenancy, tenancy in common, tenancy by the entirety, joint property, common~~  
2 ~~property, or part ownership does not of itself establish a partnership, whether the co-owners do or~~  
3 ~~do not share any profits made by the use of the property.~~

4           ~~(3) The sharing of gross returns does not of itself establish a partnership, whether or not~~  
5 ~~the persons sharing them have a joint or common right or interest in any property from which the~~  
6 ~~returns are derived.~~

7           ~~(4) The receipt by a person of a share of the profits of a business is prima facie evidence~~  
8 ~~that he or she is a partner in the business, but no such inference is drawn if profits were received in~~  
9 ~~payment:~~

10           ~~(i) As a debt by installments or otherwise;~~

11           ~~(ii) As wages of an employee or rent to a landlord;~~

12           ~~(iii) As an annuity to a widow or representative of a deceased partner;~~

13           ~~(iv) As interest on a loan, though the amount of payment vary with the profits of the~~  
14 ~~business;~~

15           ~~(v) As the consideration for the sale of a good will of a business or other property by~~  
16 ~~installments or otherwise.~~

17           **7-12-19. Partnership property.**

18           ~~(a) All property originally brought into the partnership stock or subsequently acquired by~~  
19 ~~purchase or otherwise, on account of the partnership, is partnership property.~~

20           ~~(b) Unless the contrary intention appears, property acquired with partnership funds is~~  
21 ~~partnership property.~~

22           ~~(c) Any estate in real property may be acquired in the partnership name. Title so acquired~~  
23 ~~can be conveyed only in the partnership name.~~

24           ~~(d) A conveyance to a partnership in the partnership name, though without words of~~  
25 ~~inheritance, passes the entire estate of the grantor unless a contrary intent appears.~~

26           **7-12-20. Partner agent of partnership as to partnership business.**

27           ~~(a) Every partner is an agent of the partnership for the purpose of its business, and the act~~  
28 ~~of every partner, including the execution in the partnership name of any instrument, for apparently~~  
29 ~~carrying on in the usual way the business of the partnership of which he or she is a member, binds~~  
30 ~~the partnership, unless the partner so acting has in fact no authority to act for the partnership in the~~  
31 ~~particular matter, and the person with whom he or she is dealing has knowledge of the fact that he~~  
32 ~~or she has no authority.~~

33           ~~(b) An act of a partner that is not apparently for the carrying on of the business of the~~  
34 ~~partnership in the usual way does not bind the partnership unless authorized by the other partners.~~

1 ~~(e) Unless authorized by the other partners or unless they have abandoned the business,~~  
2 ~~one or more but less than all the partners have no authority to:~~

3 ~~(1) Assign the partnership property in trust for creditors or on the assignee's promise to pay~~  
4 ~~the debts of the partnership;~~

5 ~~(2) Dispose of the good will of the business;~~

6 ~~(3) Do any other act that would make it impossible to carry on the ordinary business of a~~  
7 ~~partnership;~~

8 ~~(4) Confess a judgment;~~

9 ~~(5) Submit a partnership claim or liability to arbitration or reference.~~

10 ~~(d) No act of a partner in contravention of a restriction on authority shall bind the~~  
11 ~~partnership to persons having knowledge of the restriction.~~

12 **7-12-21. Conveyance of real property of the partnership.**

13 ~~(a) Where title to real property is in the partnership name, any partner may convey title to~~  
14 ~~the property by a conveyance executed in the partnership name; but the partnership may recover~~  
15 ~~the property unless the partner's act binds the partnership under the provisions of § 7-12-20(a), or~~  
16 ~~unless the property has been conveyed by the grantee or a person claiming through the grantee to~~  
17 ~~a holder for value without knowledge that the partner, in making the conveyance, has exceeded his~~  
18 ~~or her authority.~~

19 ~~(b) Where title to real property is in the name of the partnership, a conveyance executed by~~  
20 ~~a partner, in his or her own name, passes the equitable interest of the partnership, provided the act~~  
21 ~~is one within the authority of the partner under the provisions of § 7-12-20(a).~~

22 ~~(c) Where title to real property is in the name of one or more but not all the partners, and~~  
23 ~~the record does not disclose the right of the partnership, the partners in whose name the title stands~~  
24 ~~may convey title to the property, but the partnership may recover the property if the partners' act~~  
25 ~~does not bind the partnership under the provisions of § 7-12-20(a) unless the purchaser or his or~~  
26 ~~her assignee, is a holder for value, without knowledge.~~

27 ~~(d) Where the title to real property is in the name of one or more or all of the partners, or~~  
28 ~~in a third person in trust for the partnership, a conveyance executed by a partner in the partnership~~  
29 ~~name, or in his or her own name, passes the equitable interest of the partnership, provided the act~~  
30 ~~is one within the authority of the partner under the provision of § 7-12-20(a).~~

31 ~~(e) Where the title to real property is in the names of all the partners a conveyance executed~~  
32 ~~by all the partners passes all their rights in the property.~~

33 **7-12-22. Partnership bound by admission of partner.**

34 ~~An admission or representation made by any partner concerning partnership affairs within~~

1 ~~the scope of his or her authority as conferred by §§ 7-12-12 — 7-12-55 is evidence against the~~  
2 ~~partnership.~~

3 ~~**7-12-23. Partnership charged with knowledge of or notice to partner.**~~

4 ~~Notice to any partner of any matter relating to partnership affairs, and the knowledge of~~  
5 ~~the partners acting in the particular matter, acquired while a partner or then present to his or her~~  
6 ~~mind, and the knowledge of any other partner who reasonably could and should have~~  
7 ~~communicated it to the acting partner, operate as notice to or knowledge of the partnership, except~~  
8 ~~in the case of a fraud on the partnership committed by or with the consent of that partner.~~

9 ~~**7-12-24. Partnership bound by partner's wrongful act.**~~

10 ~~Where, by any wrongful act or omission of any partner acting in the ordinary course of the~~  
11 ~~business of the partnership or with the authority of his or her copartners, loss or injury is caused to~~  
12 ~~any person, not being a partner in the partnership, or any penalty is incurred, the partnership is~~  
13 ~~liable for the loss, injury, or penalty to the same extent as the partner acting or omitting to act.~~

14 ~~**7-12-25. Partnership bound by partner's breach of trust.**~~

15 ~~The partnership is bound to make good the loss:~~

16 ~~(1) Where one partner acting within the scope of his or her apparent authority receives~~  
17 ~~money or property of a third person and misapplies it; and~~

18 ~~(2) Where the partnership in the course of its business receives money or property of a third~~  
19 ~~person and the money or property so received is misapplied by any partner while it is in the custody~~  
20 ~~of the partnership.~~

21 ~~**7-12-26. Nature of partner's liability.**~~

22 ~~(a) All partners are liable, except as provided in subsection (b):~~

23 ~~(1) Jointly and severally for everything chargeable to the partnership under §§ 7-12-24 and~~  
24 ~~7-12-25.~~

25 ~~(2) Jointly for all other debts and obligations of the partnership; but any partner may enter~~  
26 ~~into a separate obligation to perform a partnership contract.~~

27 ~~(b) Subject to subsection (c), a partner in a registered limited liability partnership is not~~  
28 ~~liable, directly or indirectly (including by way of indemnification, contribution, assessment or~~  
29 ~~otherwise), for debts, obligations, and liabilities of, or chargeable to, the partnership whether in~~  
30 ~~tort, contract, or otherwise, arising while the partnership is a registered limited liability partnership.~~

31 ~~(c) Subsection (b) does not affect the individual liability of a partner in a registered limited-~~  
32 ~~liability partnership for his or her own negligence, wrongful acts or misconduct, or that of any~~  
33 ~~person under that partner's direct supervision and control other than in an administrative capacity.~~

34 ~~(d) A partner in a registered limited liability partnership is not a proper party in his or her~~

1 ~~individual capacity to a proceeding by or against a registered limited liability partnership, the object~~  
2 ~~of which is to recover damages or enforce the obligations of the registered limited liability~~  
3 ~~partnership, unless the partner is personally liable under subsection (c).~~

4 (e) ~~Notwithstanding any other provisions of this section, the personal liability of a partner~~  
5 ~~in a limited liability partnership engaged in the rendering of professional services is not less than~~  
6 ~~or greater than the personal liability of a shareholder of a professional corporation organized under~~  
7 ~~chapter 5.1 of this title engaged in the rendering of the same professional services.~~

8 **7-12-27. Partner by estoppel.**

9 (a) ~~When a person, by words spoken or written or by conduct, represents himself or herself,~~  
10 ~~or consents to another representing him or her to any one, as a partner in an existing partnership or~~  
11 ~~with one or more persons not actual partners, he or she is liable to any person to whom the~~  
12 ~~representation has been made, who has, on the faith of the representation, given credit to the actual~~  
13 ~~or apparent partnership, and if he or she has made a representation or consented to its being made~~  
14 ~~in a public manner, he or she is liable to the person, whether the representation has or has not been~~  
15 ~~made or communicated to the person giving credit by or with the knowledge of the apparent partner~~  
16 ~~making the representation or consenting to its being made.~~

17 (1) ~~When a partnership liability results, he or she is liable as though he or she were an~~  
18 ~~actual member of the partnership.~~

19 (2) ~~When no partnership liability results, he or she is liable jointly with the other persons,~~  
20 ~~if any, so consenting to the contract or representation as to incur liability, otherwise separately.~~

21 (b) ~~When a person is represented to be a partner in an existing partnership, or with one or~~  
22 ~~more persons not actual partners, he or she is an agent of the persons consenting to the~~  
23 ~~representation to bind them to the same extent and in the same manner as though he or she were a~~  
24 ~~partner in fact, with respect to persons who rely on the representation. Where all the members of~~  
25 ~~the existing partnership consent to the representation, a partnership act or obligation results; but in~~  
26 ~~all other cases it is the joint act or obligation of the person acting and the persons consenting to the~~  
27 ~~representation.~~

28 **7-12-28. Liability of incoming partner.**

29 A person admitted as a partner into an existing partnership is liable for all the obligations  
30 of the partnership arising before his or her admission as though he or she had been a partner when  
31 the obligations were incurred, except that this liability is satisfied only out of partnership property.

32 **7-12-29. Rules determining rights and duties of partners.**

33 The rights and duties of the partners in relation to the partnership are determined, subject  
34 to any agreement between them, by the following rules:

1           ~~(1) Each partner is repaid his or her contributions, whether by way of capital or advances~~  
2 ~~to the partnership property, and shares equally in the profits and surplus remaining after all~~  
3 ~~liabilities, including those to partners, are satisfied; and except as provided in § 7-12-26(b), each~~  
4 ~~partner must contribute toward the losses, whether of capital or otherwise, sustained by the~~  
5 ~~partnership according to his or her share in the profits.~~

6           ~~(2) The partnership must indemnify every partner in respect of payments made and~~  
7 ~~personal liabilities reasonably incurred by him or her in the ordinary and proper conduct of its~~  
8 ~~business, or for the preservation of its business or property.~~

9           ~~(3) A partner, who in aid of the partnership makes any payment or advance beyond the~~  
10 ~~amount of capital that he or she agreed to contribute, is paid interest from the date of the payment~~  
11 ~~or advance.~~

12           ~~(4) A partner receives interest on the capital contributed by him or her only from the date~~  
13 ~~when repayment should be made.~~

14           ~~(5) All partners have equal rights in the management and conduct of the partnership~~  
15 ~~business.~~

16           ~~(6) No partner is entitled to remuneration for acting in the partnership business, except that~~  
17 ~~a surviving partner is entitled to reasonable compensation for his or her services in winding up the~~  
18 ~~partnership affairs.~~

19           ~~(7) No person can become a member of a partnership without the consent of all the partners.~~

20           ~~(8) Any difference arising as to ordinary matters connected with the partnership business~~  
21 ~~may be decided by a majority of the partners; but no act in contravention of any agreement between~~  
22 ~~the partners may be done rightfully without the consent of all the partners.~~

23           **7-12-30. Partnership books.**

24           ~~The partnership books are kept, subject to any agreement between the partners, at the~~  
25 ~~principal place of business of the partnership, and every partner shall at all times have access to~~  
26 ~~and may inspect and copy any of them.~~

27           **7-12-31. Duty of partners to render information.**

28           ~~Partners shall render on demand true and full information of all things affecting the~~  
29 ~~partnership to any partner or the legal representative of any deceased partner or partner under legal~~  
30 ~~disability.~~

31           **7-12-31.1. Nature of business.**

32           ~~(a) Except as provided in subsection (b) of this section, a registered limited liability~~  
33 ~~partnership or a foreign registered limited liability partnership may conduct any lawful business in~~  
34 ~~this state.~~



1 ~~(b) A registered limited liability partnership or a foreign registered limited liability~~  
2 ~~partnership may render professional services, as defined in § 7-5.1-2(2), as and to the extent~~  
3 ~~permitted under law or rules and regulations of the applicable regulatory agency or agencies, as~~  
4 ~~defined in § 7-5.1-2(3). Each regulatory agency as so defined is authorized to adopt, subject to~~  
5 ~~applicable law, rules and regulations regarding a domestic and foreign limited liability partnership~~  
6 ~~rendering professional services. The rules and regulations shall not be inconsistent with law or rules~~  
7 ~~or regulations regarding the rendering of professional services through a professional corporation.~~

8 **7-12-32. Partner accountable as a fiduciary.**

9 (a) ~~Every partner must account to the partnership for any benefit, and hold as trustee for it~~  
10 ~~any profits derived by him or her without the consent of the other partners from any transaction~~  
11 ~~connected with the formation, conduct, or liquidation of the partnership or from any use by him or~~  
12 ~~her of its property.~~

13 (b) ~~This section applies also to the representatives of a deceased partner engaged in the~~  
14 ~~liquidation of the affairs of the partnership as the personal representatives of the last surviving~~  
15 ~~partner.~~

16 **7-12-33. Right to an account.**

17 Any partner has the right to a formal account as to partnership affairs:

18 (1) ~~If he or she is wrongfully excluded from the partnership business or possession of its~~  
19 ~~property by his or her copartners.~~

20 (2) ~~If the right exists under the terms of any agreement.~~

21 (3) ~~As provided by § 7-12-32.~~

22 (4) ~~Whenever other circumstances render it just and reasonable.~~

23 **7-12-34. Continuation of partnership beyond fixed term.**

24 (a) ~~When a partnership for a fixed term or particular undertaking is continued after the~~  
25 ~~termination of the term or particular undertaking without any express agreement, the rights and~~  
26 ~~duties of the partners remain the same as they were at the termination, insofar as is consistent with~~  
27 ~~a partnership at will.~~

28 (b) ~~A continuation of the business by the partners or those of them who habitually acted in~~  
29 ~~the partnership during the term, without any settlement or liquidation of the partnership affairs, is~~  
30 ~~prima facie evidence of a continuation of the partnership.~~

31 **7-12-35. Extent of property rights of a partner.**

32 The property rights of a partner are:

33 (1) ~~His or her rights in specific partnership property;~~

34 (2) ~~His or her interest in the partnership; and~~

1 ~~(3) His or her rights to participate in the management.~~

2 **7-12-36. Nature of a partner's right in specific partnership property.**

3 ~~(a) A partner is co-owner with his or her partners of specific partnership property holding~~  
4 ~~as a tenant in partnership.~~

5 ~~(b) The incidents of this tenancy are such that:~~

6 ~~(1) A partner, subject to the provisions of §§ 7-12-12 — 7-12-55 and to any agreement~~  
7 ~~between the partners, has an equal right with his or her partners to possess specific partnership~~  
8 ~~property for partnership purposes; but he or she has no right to possess the property for any other~~  
9 ~~purpose without the consent of his or her partners.~~

10 ~~(2) A partner's right in specific partnership property is not assignable, except in connection~~  
11 ~~with the assignment of rights of all the partners in the same property.~~

12 ~~(3) A partner's right in specific partnership property is not subject to attachment or~~  
13 ~~execution, except on a claim against the partnership. When partnership property is attached for a~~  
14 ~~partnership debt, the partners, or any of them, or the representatives of a deceased partner, cannot~~  
15 ~~claim any right under the exemption laws.~~

16 ~~(4) On the death of a partner, his or her right in specific partnership property vests in the~~  
17 ~~surviving partner or partners, except where the deceased was the last surviving partner, when his~~  
18 ~~or her right in the property vests in his or her legal representative. The surviving partner, or partners,~~  
19 ~~or the legal representative of the last surviving partner, has no right to possess the partnership~~  
20 ~~property for any but a partnership purpose.~~

21 ~~(5) A partner's right in specific partnership property is not subject to dower, curtesy, or~~  
22 ~~allowances to widows, heirs, or next of kin.~~

23 **7-12-37. Nature of partner's interest in the partnership.**

24 ~~A partner's interest in the partnership is his or her share of the profits and surplus, and his~~  
25 ~~or her share of the profits and surplus is personal property.~~

26 **7-12-38. Assignment of partner's interest.**

27 ~~(a) A conveyance by a partner of his or her interest in the partnership does not of itself~~  
28 ~~dissolve the partnership, nor, as against the other partners in the absence of agreement, entitle the~~  
29 ~~assignee, during the continuance of the partnership, to interfere in the management or~~  
30 ~~administration of the partnership business or affairs, to require any information or account of~~  
31 ~~partnership transactions, or to inspect the partnership book. It merely entitles the assignee to~~  
32 ~~receive, in accordance with his or her contract, the profits to which the assigning partner would~~  
33 ~~otherwise be entitled.~~

34 ~~(b) In case of a dissolution of the partnership, the assignee is entitled to receive his or her~~

1 ~~assignor's interest and may require an account from the date only of the last account agreed to by~~  
2 ~~all the partners.~~

3 **7-12-39. Partner's interest subject to charging order.**

4 (a) ~~On due application to the superior court by any judgment creditor of a partner, the court~~  
5 ~~may charge the interest of the debtor partner with payment of the unsatisfied amount of the~~  
6 ~~judgment debt with interest on it; and may then or later appoint a receiver of his or her share of the~~  
7 ~~profits, and of any other money due, or to fall due, to him or her in respect of the partnership, and~~  
8 ~~make all other orders, directions, accounts, and inquiries that the debtor partner might have made,~~  
9 ~~or that the circumstances of the case require.~~

10 (b) ~~The interest charged may be redeemed at any time before foreclosure, or in case of a~~  
11 ~~sale being directed by the court, may be purchased without causing a dissolution:~~

12 (1) ~~With separate property, by any one or more of the partners; or~~

13 (2) ~~With partnership property, by any one or more of the partners with the consent of all~~  
14 ~~the partners whose interests are not so charged or sold.~~

15 (c) ~~Nothing in §§ 7-12-12 — 7-12-55 deprives a partner of his or her right, if any, under~~  
16 ~~the exemption laws, regarding his interest in the partnership.~~

17 **7-12-40. Dissolution defined.**

18 ~~The dissolution of a partnership is the change in the relation of the partners caused by any~~  
19 ~~partner ceasing to be associated in the carrying on as distinguished from the winding up of the~~  
20 ~~business.~~

21 **7-12-41. Partnership not terminated by dissolution.**

22 ~~On dissolution the partnership is not terminated, but continues until the winding up of~~  
23 ~~partnership affairs is completed.~~

24 **7-12-42. Causes of dissolution.**

25 ~~Dissolution is caused:~~

26 (1) ~~Without violation of the agreement between the partners:~~

27 (i) ~~By the termination of the definite term or particular undertaking specified in the~~  
28 ~~agreement;~~

29 (ii) ~~By the express will of any partner when no definite term or particular undertaking is~~  
30 ~~specified;~~

31 (iii) ~~By the express will of all the partners who have not assigned their interests or suffered~~  
32 ~~them to be charged for their separate debts, either before or after the termination of any specified~~  
33 ~~term or particular undertaking;~~

34 (iv) ~~By the expulsion of any partner from the business bona fide in accordance with the~~

1 ~~power conferred by the agreement between the partners;~~

2 ~~(2) In contravention of the agreement between the partners, where the circumstances do~~  
3 ~~not permit a dissolution under any other provision of this section, by the express will of any partner~~  
4 ~~at any time;~~

5 ~~(3) By any event that makes it unlawful for the business of the partnership to be carried on~~  
6 ~~or for the members to carry it on in partnership;~~

7 ~~(4) By the death of any partner;~~

8 ~~(5) By the bankruptcy of any partner or the partnership;~~

9 ~~(6) By decree of court under § 7-12-43.~~

10 ~~**7-12-43. Dissolution by decree of court.**~~

11 ~~(a) On application by or for a partner, the court shall decree a dissolution whenever:~~

12 ~~(1) A partner has been declared mentally incompetent in any judicial proceeding or is~~  
13 ~~shown to be of unsound mind;~~

14 ~~(2) A partner becomes in any other way incapable of performing his or her part of the~~  
15 ~~partnership contract;~~

16 ~~(3) A partner has been guilty of any conduct that tends to affect prejudicially the carrying~~  
17 ~~on of the business;~~

18 ~~(4) A partner willfully or persistently commits a breach of the partnership agreement, or~~  
19 ~~otherwise so conducts him or herself in matters relating to the partnership business that it is not~~  
20 ~~reasonably practicable to carry on the business in partnership with him or her;~~

21 ~~(5) The business of the partnership can only be carried on at a loss;~~

22 ~~(6) Other circumstances render a dissolution equitable.~~

23 ~~(b) On the application of the purchaser of a partner's interest under §§ 7-12-38 and 7-12-~~  
24 ~~39, the court shall decree a dissolution:~~

25 ~~(1) After the termination of the specified term or particular undertaking;~~

26 ~~(2) At any time if the partnership was a partnership at will when the interest was assigned~~  
27 ~~or when the charging order was issued.~~

28 ~~**7-12-44. General effect of dissolution on authority of partner.**~~

29 ~~Except insofar as is necessary to wind up partnership affairs or to complete transactions~~  
30 ~~begun but not then finished, dissolution terminates all authority of any partner to act for the~~  
31 ~~partnership:~~

32 ~~(1) Regarding the partners:~~

33 ~~(i) When the dissolution is not by the act, bankruptcy, or death of a partner; or~~

34 ~~(ii) When the dissolution is by the act, bankruptcy, or death of a partner, in cases where §~~

1 ~~7-12-45 so requires.~~

2 ~~(2) With respect to persons not partners, as declared in § 7-12-46.~~

3 ~~**7-12-45. Right of partner to contribution from copartners after dissolution.**~~

4 ~~Where the dissolution is caused by the act, death, or bankruptcy of a partner, each partner~~  
5 ~~is liable to his or her copartners for his or her share of any liability created by any partner acting~~  
6 ~~for the partnership as if the partnership had not been dissolved, unless:~~

7 ~~(1) The dissolution being by act of any partner, the partner acting for the partnership had~~  
8 ~~knowledge of the dissolution;~~

9 ~~(2) The dissolution being by the death or bankruptcy of a partner, the partner acting for the~~  
10 ~~partnership had knowledge or notice of the death or bankruptcy; or~~

11 ~~(3) The liability is for a debt or obligation for which the partner is not liable as provided in~~  
12 ~~§ 7-12-26(b).~~

13 ~~**7-12-46. Power of partner to bind partnership to third persons after dissolution.**~~

14 ~~(a) After dissolution, a partner can bind the partnership except as provided in subsection~~  
15 ~~(c) by:~~

16 ~~(1) Any act appropriate for winding up partnership affairs or completing transactions~~  
17 ~~unfinished at dissolution;~~

18 ~~(2) Any transaction that would bind the partnership if dissolution had not taken place,~~  
19 ~~provided the other party to the transaction:~~

20 ~~(i) Had extended credit to the partnership prior to dissolution and had no knowledge or~~  
21 ~~notice of the dissolution; or~~

22 ~~(ii) Though he or she had not so extended credit, had nevertheless known of the partnership~~  
23 ~~prior to dissolution, and, having no knowledge or notice of dissolution, the fact of dissolution had~~  
24 ~~not been advertised in a newspaper of general circulation in the place (or in each place if more than~~  
25 ~~one) at which the partnership business was regularly carried on.~~

26 ~~(b) The liability of a partner under subsection (a)(2) shall be satisfied out of partnership~~  
27 ~~assets alone, when the partner had been, prior to dissolution:~~

28 ~~(1) Unknown as a partner to the person with whom the contract is made; and~~

29 ~~(2) So far unknown and inactive in partnership affairs that the business reputation of the~~  
30 ~~partnership could not be said to have been in any degree due to his or her connection with it.~~

31 ~~(c) The partnership is in no case bound by any act of a partner after dissolution where:~~

32 ~~(1) The partnership is dissolved because it is unlawful to carry on the business, unless the~~  
33 ~~act is appropriate for winding up partnership affairs;~~

34 ~~(2) The partner has become bankrupt; or~~

1           ~~(3) The partner has no authority to wind up partnership affairs, except by a transaction with~~  
2 ~~one who:~~

3           ~~(i) Had extended credit to the partnership prior to dissolution and had no knowledge or~~  
4 ~~notice of his or her want of authority; or~~

5           ~~(ii) Had not extended credit to the partnership prior to dissolution, and, having no~~  
6 ~~knowledge or notice of his or her want of authority, the fact of his or her want of authority has not~~  
7 ~~been advertised in the manner provided for advertising the fact of dissolution in subsection~~  
8 ~~(a)(2)(ii).~~

9           ~~(d) Nothing in this section affects the liability under § 7-12-27 of any person who after~~  
10 ~~dissolution represents him or herself or consents to another representing him or her as a partner in~~  
11 ~~a partnership engaged in carrying on business.~~

12           ~~**7-12-47. Effect of dissolution on partner's existing liability.**~~

13           ~~(a) The dissolution of the partnership does not of itself discharge the existing liability of~~  
14 ~~any partner.~~

15           ~~(b) A partner is discharged from any existing liability upon dissolution of the partnership~~  
16 ~~by an agreement to that effect between himself or herself, the partnership creditor, and the person~~  
17 ~~or partnership continuing the business. An agreement may be inferred from the course of dealing~~  
18 ~~between the creditor having knowledge of the dissolution and the person or partnership continuing~~  
19 ~~the business.~~

20           ~~(c) Where a person agrees to assume the existing obligations of a dissolved partnership,~~  
21 ~~the partners whose obligations have been assumed are discharged from any liability to any creditor~~  
22 ~~of the partnership who, knowing of the agreement, consents to a material alteration in the nature or~~  
23 ~~time of payment of the obligations.~~

24           ~~(d) The individual property of a deceased partner is liable for those obligations of the~~  
25 ~~partnership incurred while he or she was a partner and for which he or she is liable under § 7-12-~~  
26 ~~26, but subject to the prior payment of his or her separate debts.~~

27           ~~**7-12-48. Right to wind up.**~~

28           ~~Unless otherwise agreed, the partners who have not wrongfully dissolved the partnership~~  
29 ~~or the legal representative of the last surviving partner, not bankrupt, has the right to wind up the~~  
30 ~~partnership affairs; provided, that any partner, his or her legal representative, or his or her assignee~~  
31 ~~may obtain winding up by the court upon cause shown.~~

32           ~~**7-12-49. Rights of partners to application of partnership property.**~~

33           ~~(a) When dissolution is caused in any way, except in contravention of the partnership~~  
34 ~~agreement, each partner, as against his or her copartners and all persons claiming through them in~~

1 ~~respect of their interests in the partnership, unless otherwise agreed, may have the partnership~~  
2 ~~property applied to discharge its liabilities, and the surplus applied to pay in cash the net amount~~  
3 ~~owing to the respective partners. But if dissolution is caused by the expulsion of a bona fide partner~~  
4 ~~under the partnership agreement, and if the expelled partner is discharged from all partnership~~  
5 ~~liabilities, either by payment or agreement under § 7-12-47(b), he or she receives in cash only the~~  
6 ~~net amount due him or her from the partnership.~~

7 ~~(b) When dissolution is caused in contravention of the partnership agreement, the rights of~~  
8 ~~the partners are as follows:~~

9 ~~(1) Each partner who has not wrongfully caused dissolution has:~~

10 ~~(i) All the rights specified in subsection (a); and~~

11 ~~(ii) The right, as against each partner who has wrongfully caused the dissolution, to~~  
12 ~~damages for breach of the agreement.~~

13 ~~(2) The partners who have not wrongfully caused the dissolution, if they all desire to~~  
14 ~~continue the business in the same name, either by themselves or jointly with others, may do so~~  
15 ~~during the agreed term for the partnership and for that purpose may possess the partnership~~  
16 ~~property, provided they secure the payment by bond approved by the court, or pay to any partner~~  
17 ~~who has wrongfully caused the dissolution, the value of his or her interest in the partnership at the~~  
18 ~~dissolution, less any damages recoverable under subsection (b)(1)(ii), and in like manner indemnify~~  
19 ~~him or her against all present or future partnership liabilities.~~

20 ~~(3) A partner who has wrongfully caused the dissolution has:~~

21 ~~(i) If the business is not continued under the provisions of subsection (b)(2), all the rights~~  
22 ~~of a partner under subsection (a), subject to subsection (b)(1)(ii);~~

23 ~~(ii) If the business is continued under subsection (b)(2), the right as against his or her~~  
24 ~~copartners, and all claiming through them as to their interests in the partnership, to have the value~~  
25 ~~of his or her interest in the partnership, less any damages caused to his or her copartners by the~~  
26 ~~dissolution, ascertained and paid to him or her in cash, or the payment secured by bond approved~~  
27 ~~by the court, and to be released from all existing liabilities of the partnership; but in ascertaining~~  
28 ~~the value of the partner's interest, the value of the good will of the business is not considered.~~

29 **7-12-50. Rights where partnership is dissolved for fraud or misrepresentation.**

30 ~~Where a partnership contract is rescinded on the ground of the fraud or misrepresentation~~  
31 ~~of one of the parties to the contract, the party entitled to rescind is, without prejudice to any other~~  
32 ~~right, entitled to:~~

33 ~~(1) A lien on, or right of retention of, the surplus of the partnership property, after satisfying~~  
34 ~~the partnership liabilities to third persons, for any sum of money paid by him or her for the purchase~~

1 ~~of an interest in the partnership and for any capital or advances contributed by him; and~~

2 ~~(2) Stand, after all liabilities to third persons have been satisfied, in the place of the creditors~~  
3 ~~of the partnership for any payments made by him or her as to the partnership liabilities; and~~

4 ~~(3) Indemnification by the person guilty of the fraud or making the representation against~~  
5 ~~all debts and liabilities of the partnership.~~

6 **7-12-51. Rules for distribution.**

7 ~~In settling accounts between the partners after dissolution, the following rules are observed,~~  
8 ~~subject to any agreement to the contrary:~~

9 ~~(1) The assets of the partnership are:~~

10 ~~(i) The partnership property;~~

11 ~~(ii) The contributions of the partners specified in subdivision (4).~~

12 ~~(2) The liabilities of the partnership rank in order of payment, as follows:~~

13 ~~(i) Those owing to creditors other than partners;~~

14 ~~(ii) Those owing to partners other than for capital and profits;~~

15 ~~(iii) Those owing to partners in respect of capital;~~

16 ~~(iv) Those owing to partners in respect of profits.~~

17 ~~(3) The assets are applied in the order of their declaration in subdivision (1) to the~~  
18 ~~satisfaction of the liabilities.~~

19 ~~(4) Except as provided in § 7-12-26(b), the partners shall contribute, as provided by § 7-~~  
20 ~~12-29(1), the amount necessary to satisfy the liabilities; but if any, but not all, of the partners are~~  
21 ~~insolvent, or not being subject to process, refuse to contribute, the other partners shall contribute~~  
22 ~~their share of the liabilities, and, in the relative proportions in which they share the profits, the~~  
23 ~~additional amount necessary to pay the liabilities.~~

24 ~~(5) An assignee for the benefit of creditors of any person appointed by the court has the~~  
25 ~~right to enforce the contributions specified in subdivision (4).~~

26 ~~(6) Any partner, or his or her legal representative, has the right to enforce the contributions~~  
27 ~~specified in subdivision (4), to the extent of the amount that he or she has paid in excess of his or~~  
28 ~~her share.~~

29 ~~(7) The individual property of a deceased partner is liable for the contributions specified in~~  
30 ~~subdivision (4).~~

31 ~~(8) When partnership property and the individual properties of the partners are in~~  
32 ~~possession of a court for distribution, partnership creditors have priority on partnership property~~  
33 ~~and separate creditors on individual property, saving the rights of lien or secured creditors as~~  
34 ~~previously.~~



1 ~~(9) Where a partner has become bankrupt, or his or her estate is insolvent, the claims against~~  
2 ~~his or her separate property rank in the following order:~~

3 ~~(i) Those owing to separate creditors;~~

4 ~~(ii) Those owing to partnership creditors;~~

5 ~~(iii) Those owing to partners by way of contribution.~~

6 ~~**7-12-52. Liability of persons continuing the business in certain cases.**~~

7 ~~(a) When any new partner is admitted into an existing partnership, or when any partner~~  
8 ~~retires and assigns (or the representative of the deceased partner assigns) his or her rights in~~  
9 ~~partnership property to two (2) or more of the partners, or to one or more of the partners, and one~~  
10 ~~or more third persons, if the business is continued without liquidation of the partnership affairs,~~  
11 ~~creditors of the first or dissolved partnership are also creditors of the partnership continuing the~~  
12 ~~business.~~

13 ~~(b) When all but one partner retire and assign (or the representative of the deceased partner~~  
14 ~~assigns) their rights in partnership property to the remaining partner, who continues the business~~  
15 ~~without liquidation of partnership affairs, either alone or with others, creditors of the dissolved~~  
16 ~~partnership are also creditors of the person or partnership continuing the business.~~

17 ~~(c) When any partner retires or dies and the business of the dissolved partnership is~~  
18 ~~continued as described in subsections (a) and (b), with the consent of the retired partners or the~~  
19 ~~representative of the deceased partner, but without any assignment of his or her right in partnership~~  
20 ~~property, rights of creditors of the dissolved partnership and of the creditors of the person or~~  
21 ~~partnership continuing the business are as if the assignment had been made.~~

22 ~~(d) When all the partners or their representatives assign their rights in partnership property~~  
23 ~~to one or more third persons who promise to pay the debts and who continue the business of the~~  
24 ~~dissolved partnerships, creditors of the dissolved partnerships are also creditors of the person or~~  
25 ~~partnership continuing the business.~~

26 ~~(e) When any partner wrongfully causes a dissolution and the remaining partners continue~~  
27 ~~the business under the provision of § 7-12-49(b)(2), either alone or with others, and without~~  
28 ~~liquidation of the partnership affairs, creditors of the dissolved partnership are also creditors of the~~  
29 ~~person or partnership continuing the business.~~

30 ~~(f) When a partner is expelled and the remaining partners continue the business either alone~~  
31 ~~or with others, without liquidation of the partnership affairs, creditors of the dissolved partnership~~  
32 ~~are also creditors of the person or partnership continuing the business.~~

33 ~~(g) The liability of a third person becoming a partner in the partnership continuing the~~  
34 ~~business, under this section, to the creditors of the dissolved partnership is satisfied out of~~

1 ~~partnership property only.~~

2 ~~(h) When the business of a partnership after dissolution is continued under any conditions~~  
3 ~~described in this section, the creditors of the dissolved partnership, as against the separate creditors~~  
4 ~~of the retiring or deceased partner or the representative of the deceased partner, have a prior right~~  
5 ~~to any claim of the retired partner or the representative of the deceased partner against the person~~  
6 ~~or partnership continuing the business, on account of the retired or deceased partner's interest in the~~  
7 ~~dissolved partnership or on account of any consideration promised for the interest or for his or her~~  
8 ~~right in partnership property.~~

9 ~~(i) Nothing in this section can be held to modify any right of creditors to set aside any~~  
10 ~~assignment on the ground of fraud.~~

11 ~~(j) The use by the person or partnership continuing the business of the partnership name,~~  
12 ~~or the name of a deceased partner as part of it, does not of itself make the individual property of~~  
13 ~~the deceased partner liable for any debts contracted by the person or partnership.~~

14 ~~**7-12-53. Rights of retiring or estate of deceased partner when the business is**~~  
15 ~~**continued.**~~

16 ~~When any partner retires or dies, and the business is continued under any of the conditions~~  
17 ~~described in subsection (a), (b), (c), (e) or (f) of § 7-12-52, or § 7-12-49(b)(2), without any~~  
18 ~~settlement of accounts as between him or her or his or her estate and the person or partnership~~  
19 ~~continuing the business, unless otherwise agreed, he or she or his or her legal representative as~~  
20 ~~against the persons or partnership may have the value of his or her interest at the date of dissolution~~  
21 ~~ascertained, and shall receive as an ordinary creditor an amount equal to the value of his or her~~  
22 ~~interest in the dissolved partnership with interest, or, at his or her option or at the option of his or~~  
23 ~~her legal representative, in lieu of interest, the profits attributable to the use of his or her right in~~  
24 ~~the property of the dissolved partnership; provided, that the creditors of the dissolved partnership~~  
25 ~~as against the separate creditors, or the representative of the retired or deceased partner, have~~  
26 ~~priority on any claim arising under this section as provided by § 7-12-52(h).~~

27 ~~**7-12-54. Accrual of actions.**~~

28 ~~The right to an account of his or her interest accrues to any partner, or his or her legal~~  
29 ~~representative, as against the winding up partners or the surviving partners or the person or~~  
30 ~~partnership continuing the business, at the date of dissolution, in the absence of any agreement to~~  
31 ~~the contrary.~~

32 ~~**7-12-55. Other laws preserved.**~~

33 ~~Nothing contained in §§ 7-12-12—7-12-55 affects the provisions of §§ 7-12-1—7-12-11~~  
34 ~~or of chapter 13 of this title.~~

1 **7-12-56. Registered limited liability partnerships.**

2 ~~(a) To become, and to continue as, a registered limited liability partnership, a partnership~~  
3 ~~shall file with the secretary of state an application, or a renewal application, stating the name of the~~  
4 ~~partnership, the address of its principal office, if the partnership's principal office is not located in~~  
5 ~~this state, the address of a registered office and the name and address of a registered agent for~~  
6 ~~service of process in this state that a partnership is required to maintain. In addition, partnerships~~  
7 ~~under this section shall provide the names and addresses of all resident partners, the place where~~  
8 ~~the business records of the partnership are maintained, or if more than one location for business~~  
9 ~~records is maintained, then the principal place of business of the partnership, number, a brief~~  
10 ~~statement of the business in which the partnership engaged, and that the partnership applies for~~  
11 ~~status, or renewal of its status, as a registered limited liability partnership.~~

12 ~~(b) The application or renewal application shall be executed by a majority in interest of the~~  
13 ~~partners or by one or more partners authorized to execute an application or renewal application.~~

14 ~~(c) The application shall be accompanied by a fee of one hundred fifty dollars (\$150) for~~  
15 ~~each partnership's initial filing.~~

16 ~~Renewal applications are to be filed yearly and are to be accompanied by a fee of fifty~~  
17 ~~dollars (\$50.00).~~

18 ~~(d) The secretary of state shall register as a registered limited liability partnership, and shall~~  
19 ~~renew the registration of any limited liability partnership, any partnership that submits a completed~~  
20 ~~application or renewal application with the required fee.~~

21 ~~(e) Registration is effective for one year after the date an application is filed, unless~~  
22 ~~voluntarily withdrawn by filing with the secretary of state a written withdrawal notice executed by~~  
23 ~~a majority in interest of the partners or by one or more partners authorized to execute a withdrawal.~~  
24 ~~Registration, whether pursuant to an original application or a renewal application, as a registered~~  
25 ~~limited liability partnership is renewed if, during the sixty day (60) period preceding the date the~~  
26 ~~application or renewal application otherwise would have expired, the partnership filed with the~~  
27 ~~secretary of state a renewal application. A renewal application expires one year after the date an~~  
28 ~~original application would have expired if the last renewal of the application had not occurred.~~

29 ~~(f) The status of a partnership as a registered limited liability partnership is not affected by~~  
30 ~~changes after the filing of an application or a renewal application in the information stated in the~~  
31 ~~application or renewal application.~~

32 ~~(g) The secretary of state may provide forms for application for, or renewal of, registration.~~  
33 ~~Any renewals shall maintain resident partners as set out in this section.~~

34 ~~(h) A partnership that registers as a registered limited liability partnership is not deemed to~~

1 ~~have dissolved as a result of that registration and is for all purposes the same partnership that existed~~  
2 ~~before the registration and continues to be a partnership under the laws of this state. If a registered~~  
3 ~~limited liability partnership dissolves, a partnership that is a successor to the registered limited-~~  
4 ~~liability partnership and that intends to be a registered limited liability partnership is not required~~  
5 ~~to file a new application and is deemed to have filed any documents required or permitted under~~  
6 ~~this chapter that were filed by the predecessor partnership.~~

7 (i) ~~The fact that an application or renewal application is on file in the office of the secretary~~  
8 ~~of state is notice that the partnership is a registered limited liability partnership and is notice of all~~  
9 ~~other facts stated in the application or renewal application.~~

10 ~~**7-12-57. Name of registered limited liability partnerships.**~~

11 (a) ~~The name of a registered limited liability partnership contains the words "registered~~  
12 ~~limited liability partnership" or the abbreviation "L.L.P." or "LLP" as the last words or letters of its~~  
13 ~~name.~~

14 (b) ~~The name shall be distinguishable upon the records of the secretary of state from the~~  
15 ~~name of any domestic for profit or nonprofit corporation, or any domestic limited partnership, or~~  
16 ~~any domestic limited liability company or any registered limited liability partnership existing~~  
17 ~~under the laws of the state, or the name of any foreign for profit or nonprofit corporation, or foreign~~  
18 ~~limited partnership, or foreign limited liability company, or foreign registered limited liability~~  
19 ~~partnership authorized to transact business in this state, or a name the exclusive right to which is,~~  
20 ~~at the time filed, reserved or registered in the manner provided under this title, subject to the~~  
21 ~~following:~~

22 (1) ~~This provision does not apply if the applicant files with the secretary of state a certified~~  
23 ~~copy of a final decree of a court of competent jurisdiction establishing the prior right of the~~  
24 ~~applicant to the use of the name in this state; and~~

25 (2) ~~The name may be the same as the name of a corporation, or limited liability company,~~  
26 ~~or registered limited liability partnership, the certificate of incorporation, authority, organization,~~  
27 ~~or registration of which has been revoked by the secretary of state as permitted by law and the~~  
28 ~~revocation has not been withdrawn within one year from the date of the revocation.~~

29 (3) ~~Words and/or abbreviations that are required by statute to identify the particular type~~  
30 ~~of business entity shall be disregarded when determining if a name is distinguishable upon the~~  
31 ~~records of the secretary of state.~~

32 (4) ~~The secretary of state shall promulgate rules and regulations defining the term~~  
33 ~~"distinguishable upon the record" for the administration of this chapter.~~

34 ~~**7-12-58. Insurance or financial responsibility of registered limited liability**~~

1 partnerships:

2 ~~(a) A registered limited liability partnership that is to perform professional services as~~  
3 ~~defined in § 7-5.1-2 shall carry, if reasonably available, liability insurance of a kind that is designed~~  
4 ~~to cover the kinds of negligence, wrongful acts, or misconduct for which liability is limited by § 7-~~  
5 ~~12-26(b). The insurance shall be in the aggregate amount of fifty thousand dollars (\$50,000)~~  
6 ~~multiplied by the number of professional employees of the registered limited liability partnership~~  
7 ~~as of the policy anniversary date; provided, that in no case shall the coverage be less than one~~  
8 ~~hundred thousand dollars (\$100,000) but in no event shall the necessary coverage exceed a~~  
9 ~~maximum of five hundred thousand dollars (\$500,000); provided, further, that any policy for~~  
10 ~~insurance coverage may include a deductible provision in any amount not to exceed twenty five~~  
11 ~~thousand dollars (\$25,000) for each claim multiplied by the number of professional employees of~~  
12 ~~the limited liability partnership as of the date of the issuance of the policy. The policy or policies~~  
13 ~~of insurance may be subject to any terms, conditions, exclusions and endorsements that are~~  
14 ~~typically contained in policies of this type.~~

15 ~~(b) If, in any proceeding, compliance by a partnership with the requirements of subsection~~  
16 ~~(a) is disputed:~~

17 ~~(1) That issue is determined by the court, and~~

18 ~~(2) The burden of proof of compliance is on the person who claims the limitation of liability~~  
19 ~~in § 7-12-26(b).~~

20 ~~(c) If a registered limited liability partnership is in compliance with the requirements of~~  
21 ~~subsection (a), the requirements of this section shall not be admissible or in any way be made~~  
22 ~~known to a jury in determining an issue of liability for or extent of the debt or obligation or damages~~  
23 ~~in question.~~

24 ~~(d) Insurance is reasonably available for the purpose of subsection (a) if, at the time that~~  
25 ~~the coverage would apply to the negligence, wrongful acts, or misconduct in question, it was~~  
26 ~~reasonably available to similar types of partnerships through the admitted or eligible surplus lines~~  
27 ~~market.~~

28 ~~(e) A registered limited liability partnership is considered to be in compliance with~~  
29 ~~subsection (a) if the partnership provides five hundred thousand dollars (\$500,000) of funds~~  
30 ~~specifically designated and segregated for the satisfaction of judgments against the partnership~~  
31 ~~based on the forms of negligence, wrongful acts, and misconduct for which liability is limited by §~~  
32 ~~7-12-26(b) by:~~

33 ~~(1) Deposit in trust or in bank escrow of cash, bank certificates of deposit, or United States~~  
34 ~~Treasury obligations; or~~

1           ~~(2) A bank letter of credit or insurance company bonds.~~

2           ~~(f) To the extent that a partnership maintains liability insurance or segregated funds~~  
3 ~~pursuant to the laws or regulations of another jurisdiction, the liability insurance or segregated~~  
4 ~~funds are deemed to satisfy this section if the amount hereof is equal to or greater than the amount~~  
5 ~~specified in subsection (a) or (e).~~

6           **7-12-59. Applicability to foreign and interstate commerce.**

7           ~~(a) A partnership, including a registered limited liability partnership, formed and existing~~  
8 ~~pursuant to an agreement governed by this chapter, may conduct its business, carry on its operations~~  
9 ~~and have and exercise the powers granted by this chapter in any state, territory, district or possession~~  
10 ~~of the United States, or in any foreign country.~~

11           ~~(b) It is the intent of the general assembly that the legal existence of partnerships, including~~  
12 ~~registered limited liability partnerships, formed in this state are recognized outside the boundaries~~  
13 ~~of this state and that, subject to any reasonable requirement of registration, a partnership, including~~  
14 ~~a registered limited liability partnership, formed pursuant to an agreement governed by this chapter~~  
15 ~~and transacting business outside this state is granted the protection of full faith and credit under the~~  
16 ~~Constitution of the United States.~~

17           ~~(c) The liability of partners in a partnership, including registered limited liability~~  
18 ~~partnerships, formed and existing pursuant to an agreement governed by this chapter for the debts~~  
19 ~~and obligations of the partnership, is at all times determined exclusively by the laws of this state.~~

20           ~~(d) Before transacting business in this state, a foreign registered limited liability~~  
21 ~~partnership shall comply with any statutory or administrative registration or filing requirements~~  
22 ~~governing the specific type of business in which the partnership is engaged, and file a notice with~~  
23 ~~the secretary of state, on any forms that the Secretary provides, stating:~~

24           ~~(1) The name of the partnership;~~

25           ~~(2) The jurisdiction, the laws of which govern its partnership agreement and under which~~  
26 ~~it is registered as a limited liability partnership;~~

27           ~~(3) The address of its principal office;~~

28           ~~(4) If the partnership's principal office is not located in this state;~~

29           ~~(5) The address of a registered office and the name and address of a registered agent for~~  
30 ~~service of process in this state that the partnership shall be required to maintain;~~

31           ~~(6) The names and addresses of all resident partners in this state;~~

32           ~~(7) A brief statement of the business in which the partnership engages;~~

33           ~~(8) Any other information that the partnership determines to include;~~

34           ~~(9) A statement that the partnership is a registered limited liability partnership. The notice~~

1 shall be accompanied by a fee of one thousand dollars (\$1,000). The notice is effective for two (2)  
2 years from the date of filing, after which time the partnership shall file a new notice. The filing of  
3 the notice with the secretary of state makes it unnecessary to file any other documents under §§ 6-  
4 1-1—6-1-4.

5 (e) The name of a foreign registered limited liability partnership doing business in this state  
6 shall contain the words "Registered Limited Liability Partnership" or "L.L.P." or "LLP", or any  
7 other similar words or abbreviation as are required or authorized by the laws of the state where the  
8 partnership is registered, as the last words or letters of its name.

9 (f) The internal affairs of foreign registered limited liability partnerships, including the  
10 liability of partners for debts, obligations, and liabilities of, or chargeable to, the partnership or  
11 another partner or partners, are subject to and governed by the laws of the jurisdiction in which the  
12 foreign registered limited liability partnership is registered.

13 **7-12-60. Filing of returns with the tax administrator -- Annual charge.**

14 (a) For tax years beginning on or after January 1, 2012, a limited liability partnership  
15 registered under § 7-12-56, shall file a return in the form and containing the information as  
16 prescribed by the tax administrator as follows:

17 (1) If the fiscal year of the limited liability partnership is the calendar year, on or before  
18 the fifteenth day of April in the year following the close of the fiscal year; and

19 (2) If the fiscal year of the limited liability partnership is not a calendar year, on or before  
20 the fifteenth day of the fourth month following the close of the fiscal year.

21 (b) For tax years beginning after December 31, 2015, a limited liability partnership  
22 registered under § 7-12-56, shall file a return, in the form and containing the information as  
23 prescribed by the tax administrator, and shall be filed on or before the date a federal tax return is  
24 due to be filed, without regard to extension.

25 (c) An annual charge, equal to the minimum tax imposed upon a corporation under § 44-  
26 11-2(e), shall be due on the filing of the limited liability partnership's return filed with the tax  
27 administrator and shall be paid to the division of taxation.

28 (d) The annual charge is delinquent if not paid by the due date for the filing of the return  
29 and an addition of one hundred dollars (\$100) to the charge is then due.

30 SECTION 3. This act shall take effect on January 1, 2022.

=====  
LC002209  
=====

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

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

\*\*\*

- 1           This act would enact the Uniform Partnership Act of 1997, last amended in 2013, to govern
- 2 the law of partnerships in this state and would repeal chapter 12 of title 7 entitled "Partnerships".
- 3           This act would take effect on January 1, 2022.

=====  
LC002209  
=====