

No. 51.

An Act

Relative to limited partnerships.

SECTION 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same,* That limited partnerships for the transaction of any agricultural, mercantile, mechanical, mining and transporting of coal, or manufacturing business, within this state, may be formed by two or more persons, upon the terms, with the rights and powers, and subject to the conditions and liabilities herein prescribed; but the provisions of this act shall not be construed to authorize any such partnership for the purpose of banking or making insurance. Banking and insurance prohibited.

SECTION 2. Such partnerships may consist of one or more persons, who shall be called general partners, and who shall be jointly and severally responsible as general partners now are by law, and of one or more persons who shall contribute in actual cash payments, a specific sum as capital to the common stock, who shall be called special partners, and who shall not be liable for the debts of the partnership beyond the fund so contributed by him or them to the capital. General and special partners.

SECTION 3. The general partners only shall be authorized to transact business and sign for the partnership, and to bind the same. General partners only to act.

SECTION 4. The persons desirous of forming such partnership shall make and severally sign a certificate, which shall contain:—

I. The name or firm under which such partnership is to be conducted. A certificate to contain—

II. The general nature of the business intended to be transacted.

III. The names of all the general and special partners interested therein, distinguishing which are general and which are special partners, and their respective places of residence.

IV. The amount of capital which each special partner shall have contributed to the common stock.

V. The period at which the partnership is to commence, and the period at which it will terminate.

SECTION 5. The certificate shall be acknowledged by the several persons signing the same, in the manner, and before the same persons, that deeds are now acknowledged, Certificate to be acknowledged.

and the said acknowledgment shall be certified in the same manner as the acknowledgment of deeds are now certified.

Certificate to be recorded, and where. SECTION 6. The certificate so acknowledged and certified, shall be recorded and filed in the office of the recorder of deeds of the proper county, in which the principal place of business of the partnership shall be situated, and shall also be recorded by him at large, in a book to be kept for that purpose open to public inspection: If the partnership shall have places of business situated in different counties, a transcript of the certificate and of the acknowledgment thereof, duly certified by the recorder in whose office it shall be filed, and under his official seal, shall be filed and recorded in like manner in the office of the recorder of every such county.

Affidavit of general partners. SECTION 7. At the time of filing the original certificate, with the evidence of the acknowledgment thereof, as before directed, an affidavit of one or more of the general partners shall also be filed in the same office, stating the sums specified in the certificate to have been contributed by each of the special partners to the common stock, and to have been actually, and in good faith, paid in cash.

Liability in case of false statement. SECTION 8. No such partnership shall be deemed to have been formed until a certificate shall have been made, acknowledged and filed, and recorded, nor until an affidavit shall have been filed as above directed; and if any false statement be made in such certificate or affidavit, all the persons interested in such partnership shall be liable for all the engagements thereof, as general partners.

Terms of partnership to be published. SECTION 9. The partners shall publish the terms of the partnership, when registered, for at least six weeks immediately after such registry, in two newspapers, to be designated by the recorder of deeds of the county in which such registry shall be made, and to be published in the county or counties in which their business shall be carried on; and if such publication be not made, the partnership shall be deemed general.

Affidavits. SECTION 10. Affidavits of the publication of such notice by the printers of the newspapers in which the same shall be published, may be filed with the recorder, directing the same, and shall be evidence of the facts therein contained.

Renewal of partnerships. SECTION 11. Every renewal or continuance of such partnership beyond the time originally fixed for its duration, shall be certified, acknowledged and recorded, and an affidavit of a general partner be made and filed, and notice be given in the manner herein required for its original formation, and every such partnership which shall be otherwise renewed or continued, shall be deemed a general partnership.

SECTION 12. Every alteration which shall be made in the ^{Alterations} names of the partners, in the nature of the business, or in the ^{of partner-} capital or shares thereof, or in any other matter specified in ^{ships.} the original certificate, shall be deemed a dissolution of the partnership, and every such partnership which shall in any manner be carried on after any such alteration shall have been made, shall be deemed a general partnership, unless renewed as a special partnership, according to the provisions of the last section.

SECTION 13. The business of the partnership shall be conducted under a firm, in which the names of the general partners only shall be inserted, without the addition of the word "Company," or any other general term, and if the name of ^{Company.} any special partner shall be used in such firm, with his privilege, he shall be deemed a general partner.

SECTION 14. Suits in relation to the business of the part-^{Suits.} nership may be brought and conducted by and against the general partners, in the same manner as if there were no special partners.

SECTION 15. No part of the sum which any special part-^{Liability for} ner shall have contributed to the capital stock, shall be lia-^{debts.} ble for any debts previously contracted by the general partners, nor shall any part of such sum be withdrawn by him, or paid or transferred to him in the shape of dividends, profits, or otherwise, at any time during the continuance of the partnership; but any partner may annually receive lawful ^{Interest and} interest on the sum so contributed by him, if the payment of ^{profits.} such interest shall not reduce the original amount of such capital, and if after the payment of such interest, any profits shall remain to be divided, he may also receive his portion of such profits.

SECTION 16. If it shall appear that by the payment of ^{Original cap-} interest or profits to any special partner, the original capital ^{ital not to be} has been reduced, the partner receiving the same shall be ^{impaired.} bound to restore the amount necessary to make good his share of capital, with interest.

SECTION 17. A special partner may, from time to time, ^{A special} examine into the state and progress of the partnership con- ^{partner may} cerns, and may advise as to their management, but he shall ^{examine into} not transact any business on account of the partnership, nor ^{the concerns,} be employed for that purpose as agent, attorney or other- ^{&c.} wise; if he shall interfere contrary to these provisions, he shall be deemed a general partner.

SECTION 18. The general partners shall be liable to ac-^{Liability of} count to each other and to the special partners, for the ^{general part-} management of their concern, both in law and equity, as ^{ners.} other partners now are by law.

Fraud. SECTION 19. Every partner who shall be guilty of any fraud in the affairs of the partnership, shall be liable civilly to the party injured, to the extent of his damage.

Sale, assignment or transfer, when insolvent, void. SECTION 20. Every sale, assignment, or transfer of any of the property or effects of such partnership, made by such partnership when insolvent, or in contemplation of insolvency, or after or in contemplation of the insolvency of any partner, with the intent of giving a preference to any creditor of such partnership or insolvent partner over other creditors of such partnership, and every judgment confessed, lien created, or security given by any such partner under the like circumstances and with the like intent, shall be void as against the creditors of the partnership.

Judgment & lien also void. SECTION 21. Every such sale, assignment, or transfer of any of the property or effects of the general or special partner, made by such general or special partner when insolvent, or in contemplation of insolvency, or after or in contemplation of the insolvency of the partnership, with the intent of giving to any creditor of his own or of the partnership a preference over creditors of the partnership, and every judgment confessed, lien created, or security given by any such partner under the like circumstances and with the like intent, shall be void as against the creditors of the partnership.

Sale, assignment, &c. as to creditors. SECTION 22. Every special partner who shall violate any provision of the two last preceding sections, or who shall concur in or assent to any such violation by the partnership, or by any individual partner, shall be liable as a general partner.

Liability. SECTION 23. In case of the insolvency or bankruptcy of the partnership, no special partner shall, under any circumstances, be allowed to claim as a creditor, until the claims of all the other creditors of the partnership shall be satisfied.

Rights of creditors. SECTION 24. No dissolution of such partnership by the acts of the parties, shall take place previous to the time specified in the certificate of its formation, or in the certificate of its renewal, until a notice of such dissolution shall have been filed and recorded in the recorder's office in which the original certificate was recorded, and published once in each week for four weeks, in a newspaper printed in each of the counties where the partnership may have places of business.

Dissolution. **NER MIDDLESWARTH,**
Speaker of the House of Representatives.
THOMAS S. CUNNINGHAM,
Speaker of the Senate.

APPROVED—The twenty-first day of March, A. D. eighteen hundred and thirty-six.

JOS: RITNER.