

APPROVED—July twenty-eighth, one thousand eight hundred and fifty-eight.

HENRY H. SIBLEY.

SECRETARY'S OFFICE, Minnesota, }
 July 28, 1858. }

I hereby certify the foregoing to be a true copy of the original on file in this office.

FRANCIS BAASEN, Secretary of State.

CHAPTER LXIX.

An Act regulating Limited Partnership.

SECTION 1. Limited Partnerships for Mercantile, Mechanical or Manufacturing purposes—Prohibition of banking privileges or insurance.

2. General and special partners, liability of.
3. General partners to transact the business.
4. Co-partnerships, certificate for, and what it shall contain.
5. Acknowledgment of certificate by the parties.
6. Certificate to be filed with Register of Deeds.
7. Affidavit of one or more of the partners to be filed with certificate.
8. Partnership void until foregoing provisions are complied with.
9. Term of partnership to be published—failure to publish, partnership to be general.
10. Affidavit of publication to be filed.
11. Renewal or continuance of partnership, certificate and affidavit to be filed as before.
12. Dissolution of partnership, caused by changes in name or capital.
13. Business of partnership—how conducted.
14. Suits to be brought against general partners only.
15. Capital stock not to be reduced during partnership—interest on stock.
16. If capital stock has been reduced by payment of interest, party receiving to make stock deficit good.
17. Rights of special partners.
18. Liability of general partners.
19. Fraud on the part of any partner, liable for civil damages, and to indictment for misdemeanor.
20. Sales or assignments made in a state of insolvency void as against creditors.
21. Sales or assignments by individual partners of their interest, when insolvent, void as against creditors of partnership.
22. Special partners violating partnership provisions, or consenting thereto, to be held liable as general partners.
23. In insolvency, claims of creditors to be satisfied before claims of special partners.
24. Dissolution of partnerships before specified time—public notice and filing of affidavit.
25. Act takes effect from April 1, 1858.

Be it enacted by the Legislature of the State of Minnesota :

SECTION 1. Limited partnership for the transaction of mercantile, mechanical, or manufacturing business within

Limited partner-
ships—no bank-
ing privileges

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.

General and spe-
cial partners—li-
ability of

SEC. 2. Such partnership 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 if 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 partners
to transact busi-
ness

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

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

First—The name or firm under which such partnership is to be conducted.

Opportunity
certificate to be
filed

Second—The general nature of the business to be transacted.

Third—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.

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

Fifth—The period at which the partnership is to commence, and the period at which it is to terminate.

Acknowledgment
of certificate

SEC. 5. The certificate shall be acknowledged or proved, as to the several persons signing the same, before the same persons before whom a conveyance of lands may be now or hereafter acknowledged or proved, and such acknowledgment or proof shall be made and certified in the same manner as the acknowledgment or proof of the conveyance of lands may be made or certified.

Filing of certi-
cate

SEC. 6. The certificate so acknowledged and certified shall be filed in the office of the Register of Deeds of the 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 acknowledgment thereof, duly certified by the Register of Deeds in whose office it shall be filed under his official seal, shall be filed and recorded in like manner in the office of the Register of Deeds of every such county.

SEC. 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, have been actually and in good faith paid in cash. Affidavit of one of the partners

SEC. 8. No such partnership shall be deemed to have been formed until a certificate shall have been made, acknowledged, 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. Partnerships void until foregoing provisions are complied with

SEC. 9. The partners shall publish the term of the partnership, when registered, for at least six weeks immediately after such registry, in a newspaper to be designated by the Register of Deeds of the county where such registry shall be made, published in the county in which such registry shall be made, if there is one published therein, and if there is none published in said county, then in a newspaper published at the capital of the State; and if such publication be not made, the partnership shall be deemed general. Publication of terms of partnership

SEC. 10. Affidavits of the publication of such notice, by the publishers, or their foreman of the newspaper in which the same shall be published, may be filed with the Register of Deeds directing the same, and shall be evidence of the facts therein contained. Affidavit of publication to be filed

SEC. 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 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. Renewal or continuance of term of partnership

SEC. 12. Every alteration which shall be made in the names of the parties, in the nature of the business, or in the capital or shares thereof, or in any other matter specified in 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. Dissolution of partnership how caused

SEC. 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 any special partner shall be used in such firm with his privity, he shall be deemed a general partner. Business how conducted

SEC. 14. Suits in relation to the business of the partnership shall be brought and conducted by and against the general partners, in the same manner as if there were no special partners. Suits how brought

Capital stock not to be reduced SEC. 15. No part of the sum which any special partner shall have contributed to the capital stock shall 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 on the sum so contributed by him, if the payments of 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.

Deficit to be made good SEC. 16. If it shall appear that by the payment of interest or profits to any special partner, the original capital has been reduced, the partner receiving the same shall be bound to restore the amount necessary to make good his share of capital, with interest.

Special partners—rights of SEC. 17. A special partner may from time to time examine into the state and progress of the partnership concerns, and may advise as to their management ; but he shall not transact any business on account of the partnership, nor be employed for that purpose as Agent or Attorney, or otherwise. If he shall interfere contrary to these provisions, he shall be deemed a general partner.

General partners—liability of SEC. 18. The general partners shall be liable to account to each other, and to the special partners for their management of the concern, both in law and equity, as other partners now are by law.

Frauds by partners—penalty SEC. 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 ; and shall also be liable to an indictment for a misdemeanor, punishable by fine or imprisonment, or both, in the discretion of the Court by which he shall be tried.

Insolvency, sales or assignments—when void SEC. 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 such partnership, under the like circumstances and with the like intent, shall be void as against the creditors of such partnership.

Individual partners—assignment of—when void SEC. 21. Every such sale, assignment or transfer of any of the property or effects of a general or special partner, made by such special or general 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 such partner under the like circumstances and with the like

intent, shall be void as against the creditors of the partnership.

SEC. 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 of the partnership, or by any individual partner, shall be liable as a general partner. Special partners—how liable as general partners

SEC. 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 over special partners

SEC. 24. No dissolution of such partnership by the act 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 office of the Register of Deeds 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, and if there is no newspaper published in such county or counties, then by publishing the same as aforesaid in a newspaper published at the Capital of the State. Dissolution of partnerships before limitation

SEC. 25. This Act shall take effect and be in force on and after the 1st day of April, A. D. 1858.

GEORGE BRADLEY,

Speaker *pro tem.* of the House of Representatives.

RICHARD G. MURPHY,

President *pro tem.* of the Senate.

APPROVED—February twenty-sixth, one thousand eight hundred and fifty-eight.

CHAS. L. CHASE, Acting Governor.

SECRETARY'S OFFICE, Minnesota, }
February 26, 1858.

I hereby certify the foregoing to be a true copy of the original on file in this office.

CHAS. L. CHASE, Secretary