322.13 LOANS AND OTHER BUSINESS TRANSACTIONS WITH LIMITED PARTNER.

A limited partner also may loan money to and transact other business with the partnership, and, unless also a general partner, receive on account of resulting claims against the partnership, with general creditors, a pro rata share of the assets. No limited partner shall, in respect to any such claim,

(1) receive or hold as collateral security any partnership property, or

(2) receive from a general partner or the partnership any payment, conveyance, or release from liability, if at the time the assets of the partnership are not sufficient to discharge partnership liabilities to persons not claiming as general or limited partners.

The receiving of collateral security, or a payment, conveyance, or release, in violation of the provisions of this section, is a fraud on the creditors of the partnership.

History: *(7365) 1919 c 498 s 13; 1986 c 444*