

and their respective interests in such real estate determined; and shall also have all such power and authority in respect to the cases provided for by this act, as is granted to him by the act to which this is a supplement in respect to the cases therein provided for; and any deed or deeds for such real estate, made pursuant to the decree and order of the chancellor in any such cases, shall convey all the right, title and estate of all the owners of such real estate, ascertained and unascertained, as completely and effectually as if all the owners were by name made parties to said bill, and as such brought before the court.

Partnership.

1. Limited partnership may be formed.
2. Of general and special partners.
3. General partners, only, to transact business.
4. Certificate to be signed.
5. Certificate to be acknowledged.
6. To be filed and recorded.
7. Affidavit of general partner to be filed with certificate.
8. Partnership not formed if certificate and affidavit not filed.
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11. Renewal of partnership to be certified, &c.
12. What deemed a dissolution.
13. What names compose firm.
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16. Reduction of capital to be made good.
17. Rights of special partner.
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19. Liability and penalty for fraud of partner.
20. Assignment of partnership property, when void.
21. Assignment of property of partners, when void.
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30. The word "limited" to be added to name in all notices, &c.
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32. Meetings of members and elections of managers.
33. Profits of business, how divided.
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37. May adopt common seal.
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An act to authorize limited partnerships.

Passed February 9, 1837.

P. L. 1837, p. 121.

R. S. 872.

1. That limited partnerships, for the transaction of any mercantile, mechanical, 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.

Limited partnerships may be formed.

2. That 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.

Liabilities of partners.

3. That the general partners only, shall be authorized to transact business, and sign for the partnership, and to bind the same. [See Sec. 26, *post.*]

General partners, only, to transact business.

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

Contents of certificate to be signed by partners.

1st. The name or firm under which such partnership is to be conducted.

2d. The general nature of the business intended to be transacted.

3d. 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.

4th. The amount of capital which each special partner shall have contributed to the common stock.

5th. The period at which the partnership is to commence, and the period at which it will terminate.

Certificate to be acknowledged.

5. That the certificate shall be acknowledged by the several persons signing the same, before an officer authorized by law to take the acknowledgment and proof of deeds, &c., in this state, and certified in the same manner as the acknowledgment of conveyances of land.

Certificate to be filed, &c.

6. That the certificate so acknowledged and certified shall be filed in the office of the clerk of the county in which the principal place of the 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 clerk in whose office it shall be filed, under his official seal, shall be filed and recorded in like manner in the office of the clerk of every such county.

Affidavit of general partner to be filed with certificate.

7. That 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 that 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.

Partnership not formed if certificate and affidavit not filed.

8. That 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 statements 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.

9. That the partners shall publish the terms of the partnership, when registered, for at least six weeks immediately after such registry, in a newspaper or newspapers published in the county or counties in which their business shall be carried on; and if no newspaper be published in the same, then in a newspaper of the county nearest to their place of business; and if such publication be not made, the partnership shall be deemed general.

Affidavits of publication may be filed.

10. That 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 clerk directing the same, and shall be evidence of the facts therein contained.

Renewal of partnership to be certified, &c.

11. That 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.

What deemed a dissolution of partnership.

12. That every alteration (a) which shall be made in the names of the partners, 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 such alteration shall have been made, shall be deemed a general partnership, unless renewed as a special partnership, according to the provisions of the preceding section.

Names of general partners only to be used.

13. That 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.

Suits may be brought against general partners.

14. That suits in relation to the business of the partnership may be brought and conducted by and against the general partners, in the same manner as if there was no special partners.

Special partners may receive interest and profits.

15. That 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

(a) An alteration, caused by death of special partner, affects transactions after such alteration, but not prior debts or other transactions. *Perth Amboy Manufacturing Co. v. Condit*, 1 Zab.

659. Suit brought after such death for prior debt must be in the name of general partners. *Id.*

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 payment 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. [See Secs. 25 and 26, *post.*]

16. That 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.

Reduction of capital to be made good.

17. That 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, attorney, or otherwise; if he shall interfere contrary to these provisions he shall be deemed a general partner. [See Sec. 25, *post.*]

Special partner may examine state of partnership concerns.

18. That the general partners shall be liable to account to each other, and to their special partners, for their management of the concerns, both in law and equity, as other partners now are by law.

Accountability of general partners.

19. That 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.

Liability and penalty for fraud of partner.

20. That every sale, assignment, or transfer of any property or effects of such partnership, when insolvent, or in contemplation of insolvency, made by such partnership, 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 partnerships, 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.

Assignment of partnership property, when void.

21. That every such sale, assignment, or transfer of any of the property or effects of a 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.

Assignment of property of partner, when void.

22. That 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.

When special partner liable as a general partner.

23. That, in the 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.

Special partner not to claim as creditor till others are satisfied.

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

Partnership may be dissolved before time limited.

Supplement.

Approved March 15, 1859. P. L. 1859, p. 335.

25. SEC. 1. That any special partner may from time to time loan money to, and advance and pay money for the partnership with which he is connected, and may take and hold the notes, drafts, acceptances and bonds of or belonging to the partnership, as security for the repayment of such

What business special partners may transact.

PARTNERSHIP.

moneys and interest, and may use and lend his name and credit as security for the partnership, in any business thereof, and shall have the same rights and remedies in these respects as any other creditor might have; he may also negotiate sales, purchases and other business for the partnership, but no business so negotiated shall be binding upon the partnership until approved by a general partner, but he shall not, excepting as mentioned herein, and in the act to which this is a supplement, transact any business on account of the partnership, nor be employed for that purpose as agent, attorney, or otherwise; and if he shall interfere, contrary to these provisions, unless specially employed in writing, so to do, by the general partner or partners, he shall be deemed a general partner.

When deemed a general partner.

Supplement.

Approved April 2, 1869.

P. L. 1869, p. 1224.

Special partner may sell his interest without working dissolution.

26. SEC. 1. That any special partner or the heirs or legal representatives of any special partner, deceased, may sell his or her interest in the partnership, without working a dissolution thereof or rendering the partnership general; *provided*, a notice of such sale be filed within ten days thereafter with the clerk of the county, where the partnership is doing business, and the purchaser of such interest may thereupon become a special partner with the same rights as an original special partner.

Supplement.

Approved March 26, 1888.

P. L. 1888, p. 285.

Special partner may contribute goods, &c., instead of cash.

27. SEC. 1. That hereafter it shall be lawful for any special partner in any limited partnership to contribute to the common stock of the partnership as his share of capital, or any part thereof, any goods, wares or merchandise of the kind in which the said partnership intend to deal, instead of cash, and in such case the property so contributed shall be taken at a fair bona fide valuation, to be agreed upon by all the partners, both general and special, and the certificate required by said act to be made and filed shall show the general nature and valuation of such property so contributed instead of cash, and by whom the same shall have been contributed, and the affidavit required by said act to be made by one or more of the general partners, and filed, shall state that the property so contributed instead of cash has been actually and in good faith contributed to the partnership capital.

An act authorizing the formation of partnership associations, in which the capital subscribed shall only be responsible for the debts of the association, except under certain circumstances.

Approved March 12, 1880.

P. L. 1880, p. 304.

Three or more persons may form a partnership association of limited liability.

28. SEC. 1. That when any three or more persons may desire to form a partnership association, for the purpose of conducting any lawful business or occupation within the United States or elsewhere, whose principal place of business shall be established and maintained within this state, by subscribing and contributing capital thereto, either in money or in real or personal estate, mines or other property, at a valuation to be approved by all the members subscribing to the capital of such association, which capital shall alone be liable for the debts of such association, it shall and may be lawful for such persons to sign and acknowledge, before some officer competent to take the acknowledgment of deeds, a statement in writing, in which shall be set forth the full names of such persons and the amount of capital of said association subscribed for by each, the character of the subscription, and if in property other than cash the description and valuation of said property, the total amount of capital, and when and how to be paid, the character of the business to be conducted and the location of the same; the name of the association with the word "limited" added thereto as part of the same, the contemplated duration of said association, which shall not, in any case, exceed twenty years, and the names of the officers of said association, selected in conformity with the provisions of this act;

Statement in writing to be made and recorded.

and any amendment of said statement shall be made only in like manner, which said statement and amendment shall be recorded in the office of the clerk or recorder of deeds in the proper county.

29. SEC. 2. That the members of any such partnership association shall not be liable under any judgment, decree or order which shall be obtained against any such association, or for any debt or engagement of such company, further or otherwise than is hereinafter provided; that is to say, if any execution, sequestration or other process in the nature of execution, either at law or in equity, shall have been issued against the property or effects of the company, and if there cannot be found sufficient thereof whereon to levy or enforce such execution, sequestration or other process, then such execution, sequestration or other process may be issued against any of the members to the extent of the portions of their subscriptions respectively, in the capital of the association not then paid up; *provided always*, that no such execution shall issue against any member, except upon an order of court or of a judge of the court in which the action, suit or other proceeding shall have been brought or instituted; and the said court or judge may compel the production of the books of the association, showing the names of the members thereof, and the amount of capital remaining to be paid upon their respective subscriptions, and from them, or other sources of information, ascertain the truth in regard thereto, and may order execution to issue accordingly; and the said association shall be and it is hereby required to keep a subscription list book for that purpose, and the same shall be open to inspection by the creditors and members of the association at all reasonable times.

Liability of individual members for judgments, debts, &c., of the association.

Proviso.

30. SEC. 3. That the word "limited" shall be the last word of the name of every partnership association formed under the provisions of this act; and every such association shall paint or affix, and shall keep painted or affixed, its name on the outside of every office or place in which the business of the association is carried on, in a conspicuous position, in letters easily legible, and shall have its full name mentioned in legible characters in all notices, advertisements and other official publications of such association, and in all bills of exchange, promissory notes, checks, orders for money, bills of lading, invoices, receipts, letters and other writings used in the transaction of the business of the partnership association; *provided*, that the omission of the word "limited" in the use of the name of the partnership association shall render each and every person participant in such omission, or knowingly acquiescing therein, liable for any indebtedness, damage or liability arising therefrom.

The word "limited" to be the last word in name of associations in all notices, advertisements, checks, notes, &c.

Proviso.

31. SEC. 4. That interests in said association shall be personal estate, and may be transferred under such rules and regulations as the association may prescribe, but no transferee of any interest, or the representatives of any decedent, or of any insolvent, shall be entitled thereafter to any participation in the subsequent business of said association, unless he or she be elected thereto by a vote of the majority of the members in number and value of their interests; and any change of ownership, whether by sale, death, bankruptcy or otherwise, which shall not be followed by election to the association, shall entitle the owner only to his interest in the association at a price and upon terms to be mutually agreed upon, and in default of such agreement the price and terms shall be fixed by an appraiser appointed by the court of common pleas of the proper county, subject to the approval of said court.

Interests in association deemed personal estate, and how transferred.

32. SEC. 5. That there shall be at least one meeting of the members of the association in each year, at one of which there shall be elected not less than three nor more than five managers of said association, one of whom shall be the chairman, one the treasurer and one the secretary, or one may be both treasurer and secretary, who shall hold their respective offices for one year and until their successors are duly installed; and no debt shall be contracted, or liability incurred for said association, except by one or more of the said managers, and no liability for an amount exceeding five hundred dollars, except against the person incurring it, shall bind the said association, unless reduced to writing and signed by at least two managers.

Meetings of members of association and election of managers.

Profits of business, how divided.

33. SEC. 6. That the association may, from time to time, divide the profits of its business in such manner and in such an amount as a majority of its managers may determine, which profits so divided shall not at the time diminish or impair the capital of the said association, and any one consenting to a dividend which shall diminish or impair the capital, shall be liable to any person or persons interested or injured thereby to the amount of such diminution or impairment.

Unlawful to loan its credit, name or capital to any member of association.

34. SEC. 7. That it shall not be lawful for such association to loan its credit, its name or its capital to any member of said association, and for such loan to any other person or association, the consent in writing of a majority in number and value of interest shall be requisite.

How association may be dissolved.

35. SEC. 8. That such association may be dissolved:

I. Whenever the period fixed for the duration of the association expires;
II. Whenever by a vote of a majority in number and value of interest it shall be so determined; and notice of such winding up shall be given by publication in two newspapers published in the proper city or county at least six consecutive times, and immediately upon the commencement of said advertising, said association shall cease to carry on its business, except so far as may be required for the beneficial winding up thereof.

Association may sue and be sued, and upon whom service may be made.

36. SEC. 9. That said association shall sue and be sued in their association name; and when suit is brought against any such association, service thereof shall be made upon the chairman, secretary or treasurer thereof, which service shall be as complete and effective as if made upon each and every member of such association.

Association may adopt and use common seal.

37. SEC. 10. That whenever any association formed under the act to which this is a supplement shall have occasion to execute any deed of conveyance, or bonds with or without coupons, and mortgages, to secure, purchase or borrow moneys, such associations shall have a right to adopt and use a common seal, and to acknowledge such instruments or writings by their chairman and secretary.

Supplement.

Approved March 23, 1883.

P. L. 1883, p. 188.

Association empowered to hold real estate.

38. SEC. 1. That any partnership association, formed or to be formed under the act to which this is a supplement, shall have power to purchase and hold real estate and dispose of the same in fee-simple, or for a less estate, the title thereof to be in the name adopted by such association, and shall be as valid and effectual in law or equity as if the same were held in the individual names of the partners of said association, and every deed or conveyance of the same and every mortgage for purchase or borrowed moneys, shall be made in the name adopted by said association, and executed in the same manner as set forth in section ten of the act to which this is a supplement.

Title to real estate held by associations heretofore formed, made valid.

39. SEC. 2. That any association heretofore formed under the act to which this is a supplement, now holding any real estate in their association name, either by purchase or subscription, the title thereof shall be as good and effectual in law or equity as if the same were acquired after the passage of this act.

Party and Partition Walls.

1. Party making excavation where there is a wall on adjoining lands to preserve such wall from injury.
2. Chancellor may determine rights of owners where center line of partition wall is not on division line.
3. Mortgagees and judgment creditors may be made parties.
4. Exceptions to master's report may be taken.
5. When owners, &c., refuse to receive amount of award, amount shall be paid into court.
6. Payment of award shall not convey title.
7. Cases in which act shall not apply.
8. Court shall fix costs.