

362.010 Repealed, 1970.

Catchline at repeal: Limited partnerships, for what purposes may be formed.

History: Repealed 1970 Ky. Acts ch. 97, sec. 31. -- Amended 1964 Ky. Acts ch. 152, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3767.

362.020 Repealed, 1970.

Catchline at repeal: Statement by partners -- Verification.

History: Repealed 1970 Ky. Acts ch. 97, sec. 31. -- Amended 1960 Ky. Acts ch. 151, sec. 1, effective June 16, 1960. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3769.

362.030 Repealed, 1970.

Catchline at repeal: Statement and affidavit to be recorded -- Publication.

History: Repealed 1970 Ky. Acts ch. 97, sec. 31. -- Amended 1966 Ky. Acts ch. 239, sec. 212. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3770.

362.040 Repealed, 1970.

Catchline at repeal: General and special partners -- Liabilities and powers.

History: Repealed 1970 Ky. Acts ch. 97, sec. 31. -- Amended 1960 Ky. Acts ch. 151, sec. 2, effective June 16, 1960. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3768.

362.050 Repealed, 1970.

Catchline at repeal: Firm name.

History: Repealed 1970 Ky. Acts ch. 97, sec. 31. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3773.

362.060 Repealed, 1970.

Catchline at repeal: When special partner treated as general partner.

History: Repealed 1970 Ky. Acts ch. 97, sec. 31. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 3773, 3779.

362.070 Repealed, 1970.

Catchline at repeal: Partners, how to sue and be sued.

History: Repealed 1970 Ky. Acts ch. 97, sec. 31. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3778.

362.080 Repealed, 1970.

Catchline at repeal: Special partner, when liable for capital withdrawn.

History: Repealed 1970 Ky. Acts ch. 97, sec. 31. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3774.

362.090 Repealed, 1970.

Catchline at repeal: Renewal or continuance of partnership.

History: Repealed 1970 Ky. Acts ch. 97, sec. 31. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3772.

362.095 Repealed, 1988.

Catchline at repeal: Foreign limited partnership -- Requirements for doing business in this state -- Name.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Amended 1988 Ky. Acts ch. 187, sec. 1. -- Amended 1986 Ky. Acts ch. 204, sec. 10, effective July 15, 1986. -- Amended 1980 Ky. Acts ch. 294, sec. 9, effective July 15, 1980. -- Amended 1978 Ky. Acts ch. 384, sec. 102, effective June 17, 1978. -- Created 1972 Ky. Acts ch. 319, sec. 1.

Legislative Research Commission Note This section was amended by the 1988 General Assembly and also repealed. Pursuant to KRS 446.260, the repeal prevails.

362.100 Repealed, 1970.

Catchline at repeal: Creditors to be paid before special partner.

History: Repealed 1970 Ky. Acts ch. 97, sec. 31. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3775.

362.110 Repealed, 1970.

Catchline at repeal: Preference to creditor, when invalid.

History: Repealed 1970 Ky. Acts ch. 97, sec. 31. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3776.

362.120 Repealed, 1970.

Catchline at repeal: When partnership deemed to be dissolved.

History: Repealed 1970 Ky. Acts ch. 97, sec. 31. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3771.

362.130 Repealed, 1970.

Catchline at repeal: Dissolution, when to be advertised.

History: Repealed 1970 Ky. Acts ch. 97, sec. 31. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3777.

362.150 Short title.

KRS 362.150 to 362.360 may be cited as Uniform Partnership Act.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 1, effective June 17, 1954.

362.155 Definitions for KRS 362.150 to 362.360.

In KRS 362.150 to 362.360:

- (1) "Court" includes every court and judge having jurisdiction in the case.
- (2) "Business" includes every trade, occupation, or profession.
- (3) "Person" includes individuals, partnerships, corporations, and other associations.
- (4) "Bankrupt" includes bankrupt under the Federal Bankruptcy Act or insolvent under any state insolvent act.
- (5) "Conveyance" includes every assignment, lease, mortgage, or encumbrance.
- (6) "Real property" includes land and any interest or estate in land.
- (7) "Registered limited liability partnership" includes a partnership formed pursuant to an agreement governed by the laws of this Commonwealth or a state or jurisdiction registered under KRS 362.555 and complying with KRS 14A.3-010.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 148, effective January 1, 2011. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1994 Ky. Acts ch. 389, sec. 94, effective July 15, 1994. -- Created 1954 Ky. Acts ch. 38, sec. 2, effective June 17, 1954.

362.160 Interpretation of knowledge and notice.

- (1) A person has "knowledge" of a fact within the meaning of KRS 362.150 to 362.360 not only when he has actual knowledge thereof, but also when he has knowledge of such other facts as in the circumstances shows bad faith.
- (2) A person has "notice" of a fact within the meaning of KRS 362.150 to 362.360 when the person who claims the benefit of the notice:
 - (a) States the fact to such person; or
 - (b) Delivers through the mail, or by other means of communication, a written statement of the fact to such person or to a proper person at his place of business or residence.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 3, effective June 17, 1954.

362.165 Rules of construction.

- (1) The rule that statutes in derogation of the common law are to be strictly construed shall have no application to KRS 362.150 to 362.360.
- (2) The law of estoppel shall apply under KRS 362.150 to 362.360.
- (3) The law of agency shall apply under KRS 362.150 to 362.360.
- (4) KRS 362.150 to 362.360 shall be so interpreted and construed as to effect its general purpose to make uniform the law of those states which enact it.
- (5) KRS 362.150 to 362.360 shall not be construed so as to impair the obligations of any contract existing when they go into effect, nor to affect any action or proceedings begun or right accrued before they take effect.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 4, effective June 17, 1954.

362.170 Rules for other cases.

In any case not provided for in KRS 362.150 to 362.360 the rules of law and equity, including the law merchant, shall govern.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 5, effective June 17, 1954.

362.175 Partnership defined.

- (1) A partnership is an association of two (2) or more persons to carry on as co-owners a business for profit and includes, for all purposes of the laws of this Commonwealth, a registered limited liability partnership.
- (2) But any association formed under any other statute of this state, or any statute adopted by authority, other than the authority of this state, is not a partnership under KRS 362.150 to 362.360, unless such association would have been a partnership in this state prior to the adoption of KRS 362.150 to 362.360; but KRS 362.150 to 362.360 shall apply to limited partnerships except insofar as the statutes relating to such partnerships are inconsistent herewith.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1994 Ky. Acts ch. 389, sec. 95, effective July 15, 1994. -- Created 1954 Ky. Acts ch. 38, sec. 6, effective June 17, 1954.

362.180 Rules for determining the existence of a partnership.

In determining whether a partnership exists, these rules shall apply:

- (1) Except as provided by KRS 362.225 persons who are not partners as to each other are not partners as to third persons.
- (2) Joint tenancy, tenancy in common, tenancy by the entireties, joint property, common property, or part ownership does not of itself establish a partnership, whether such co-owners do or do not share any profits made by the use of the property.
- (3) The sharing of gross returns does not of itself establish a partnership, whether or not the persons sharing them have a joint or common right or interest in any property from which the returns are derived.
- (4) The receipt by a person of a share of the profits of a business is prima facie evidence that he is a partner in the business, but no such inference shall be drawn if such profits were received in payment:
 - (a) As a debt by installments or otherwise,
 - (b) As wages of an employee or rent to a landlord,
 - (c) As an annuity to a widow, or widower or representative of a deceased partner,
 - (d) As interest on a loan, though the amount of payment vary with the profits of the business,
 - (e) As the consideration for the sale of a goodwill of a business or other property by installments or otherwise.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1974 Ky. Acts ch. 386, sec. 66. -- Created 1954 Ky. Acts ch. 38, sec. 7, effective June 17, 1954.

362.185 Partnership property.

- (1) All property originally brought into the partnership stock or subsequently acquired by purchase or otherwise, on account of the partnership, is partnership property.
- (2) Unless the contrary intention appears, property acquired with partnership funds is partnership property.
- (3) Any estate in real property may be acquired in the partnership name. Title so acquired can be conveyed only in the partnership name.
- (4) A conveyance to a partnership in the partnership name, though without words of inheritance, passes the entire estate of the grantor unless a contrary intent appears.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 8, effective June 17, 1954.

362.190 Partner agent of partnership as to partnership business.

- (1) Subject to the limitations set forth in KRS 362.220(2), every partner shall be an agent of the partnership for the purpose of its business, and the act of every partner, including the execution in the partnership name of any instrument, for apparently carrying on in the usual way the business of the partnership of which he is a member shall bind the partnership, unless the partner so acting has in fact no authority to act for the partnership in the particular matter, and the person with whom he is dealing has knowledge of the fact that he has no authority.
- (2) An act of a partner which is not apparently for the carrying on of the business of the partnership in the usual way shall not bind the partnership unless authorized by the other partners.
- (3) Unless authorized by the other partners or unless they have abandoned the business, one (1) or more but less than all the partners shall have no authority to:
 - (a) Assign the partnership property in trust for creditors or on the assignee's promise to pay the debts of the partnership;
 - (b) Dispose of the goodwill of the business;
 - (c) Do any other act which would make it impossible to carry on the ordinary business of a partnership;
 - (d) Confess a judgment;
 - (e) Submit a partnership claim or liability to arbitration or reference.
- (4) No act of a partner in contravention of a restriction on authority shall bind the partnership to persons having knowledge of the restriction.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1994 Ky. Acts ch. 389, sec. 96, effective July 15, 1994. -- Created 1954 Ky. Acts ch. 38, sec. 9, effective June 17, 1954.

362.195 Conveyance of real property of the partnership.

- (1) Where title to real property is in the partnership name, any partner may convey title to such property by a conveyance executed in the partnership name; but the partnership may recover such property unless the partner's act binds the partnership under the provisions of KRS 362.190(1) or unless such property has been conveyed by the grantee or a person claiming through such grantee to a holder for value without knowledge that the partner, in making the conveyance, has exceeded his authority.
- (2) Where title to real property is in the name of the partnership, a conveyance executed by a partner, in his own name, passes the equitable interest of the partnership, provided the act is one within the authority of the partner under the provisions of KRS 362.190(1).
- (3) Where title to real property is in the name of one (1) or more but not all the partners, and the record does not disclose the right of the partnership, the partners in whose name the title stands may convey title to such property, but the partnership may recover such property if the partners' act does not bind the partnership under the provisions of KRS 362.190(1), unless the purchaser of his assignee, is a holder for value, without knowledge.
- (4) Where the title to real property is in the name of one (1) or more or all the partners, or in a third person in trust for the partnership, a conveyance executed by a partner in the partnership name, or in his own name, passes the equitable interest of the partnership, provided the act is one within the authority of the partner under the provisions of KRS 362.190(1).
- (5) Where the title to real property is in the names of all the partners a conveyance executed by all the partners passes all their rights in such property.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 10, effective June 17, 1954.

362.200 Repealed, 1992.

Catchline at repeal: Partnership bound by admission of partner.

History: Repealed 1990 Ky. Acts ch. 88, secs. 92 and 93, effective July 1, 1992. --
Created 1954 Ky. Acts ch. 38, sec. 11, effective June 17, 1954.

Note: Repeal of this section became effective July 1, 1992, in compliance with 1992
Ky. Acts ch. 324, secs. 30 and 33.

362.205 Partnership charged with knowledge of or notice to partner.

Notice to any partner of any matter relating to partnership affairs, and the knowledge of the partner acting in the particular matter, acquired while a partner or then present to his mind, and the knowledge of any other partner who reasonably could and should have communicated it to the acting partner, operate as notice to or knowledge of the partnership, except in the case of a fraud on the partnership committed by or with the consent of that partner.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 12, effective June 17, 1954.

362.210 Partnership bound by partner's wrongful act.

When, by any wrongful act or omission of any partner acting in the ordinary course of the business of the partnership or with the authority of his co-partners, loss or injury is caused to any person, not being a partner in the partnership, or any penalty is incurred, the partnership is liable therefor to the same extent as the partner so acting or omitting to act.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 13, effective June 17, 1954.

362.215 Partnership bound by partner's breach of trust.

The partnership is bound to make good the loss:

- (1) Where one partner acting within the scope of his apparent authority receives money or property of a third person and misapplies it; and
- (2) Where the partnership in the course of its business receives money or property of a third person and the money or property so received is misapplied by any partner while it is in the custody of the partnership.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 14, effective June 17, 1954.

362.220 Nature of partner's liability.

- (1) Except as provided in subsection (2) of this section, all partners shall be liable:
 - (a) Jointly and severally for everything chargeable to the partnership under KRS 362.210 and 362.215; and
 - (b) Jointly for all other debts and obligations of the partnership; but any partner may enter into a separate obligation to perform a partnership contract.
- (2) Subject to subsection (3) of this section and subject to any agreement among the partners, a partner in a registered limited liability partnership shall not be liable directly or indirectly, including by way of indemnification, contribution, assessment or otherwise, for debts, obligations, and liabilities of or chargeable to the partnership, whether arising in tort, contract, or otherwise, arising from negligence, malpractice, wrongful acts, or misconduct committed while the partnership is a registered limited liability partnership and in the course of the partnership business by another partner or an employee, agent, or representative of the partnership.
- (3) Subsection (2) of this section shall not affect the liability of a partner in a registered limited liability partnership for his own negligence, wrongful acts, or misconduct.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1994 Ky. Acts ch. 389, sec. 97, effective July 15, 1994. -- Created 1954 Ky. Acts ch. 38, sec. 15, effective June 17, 1954.

362.225 Partner by estoppel.

- (1) When a person, by words spoken or written or by conduct, represents himself, or consents to another representing him to anyone, as a partner in an existing partnership or with one or more persons not actual partners, he is liable to any such person to whom such representation has been made, who has, on the faith of such representation given credit to the actual or apparent partnership, and if he has made such representation or consented to its being made in a public manner he is liable to such person, whether the representation has or has not been made or communicated to such person so giving credit by or with the knowledge of the apparent partner making the representation or consenting to its being made:
 - (a) When a partnership liability results, he is liable as though he were an actual member of the partnership.
 - (b) When no partnership liability results, he is liable jointly with the other persons, if any, so consenting to the contract or representation as to incur liability, otherwise separately.
- (2) When a person has been thus represented to be a partner in an existing partnership, or with one or more persons not actual partners, he is an agent of the persons consenting to such representation to bind them to the same extent and in the same manner as though he were a partner in fact, with respect to persons who rely upon the representation. Where all the members of the existing partnership consent to the representation, a partnership act or obligation results; but in all other cases it is the joint act or obligation of the person acting and the persons consenting to the representation.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 16, effective June 17, 1954.

362.230 Liability of incoming partner.

A person admitted as a partner into an existing partnership is liable for all the obligations of the partnership arising before his admission as though he had been a partner when such obligations were incurred, except that the liability shall be satisfied only out of partnership property.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 17, effective June 17, 1954.

362.235 Rules determining rights and duties of partners.

The rights and duties of the partners in relation to the partnership shall be determined, subject to any agreement between them, by the following rules:

- (1) Each partner shall be repaid his contributions, whether by way of capital or advances to the partnership property, and share equally in the profits and surplus remaining after all liabilities, including those to partners, are satisfied; and, except as provided in KRS 362.220(2), each partner shall contribute toward the losses, whether of capital or otherwise, sustained by the partnership according to his share in the profits.
- (2) Except as provided in KRS 362.220(2), the partnership shall indemnify every partner in respect of payments made and personal liabilities reasonably incurred by him in the ordinary and proper conduct of its business, or for the preservation of its business or property.
- (3) A partner, who in aid of the partnership makes any payment or advance beyond the amount of capital which he agreed to contribute, shall be paid interest from the date of the payment or advance.
- (4) A partner shall receive interest on the capital contributed by him only from the date when repayment should be made.
- (5) All partners have equal rights in the management and conduct of the partnership business.
- (6) No partner shall be entitled to remuneration for acting in the partnership business, except that a surviving partner shall be entitled to reasonable compensation for his services in winding up the partnership affairs.
- (7) No person shall become a member of a partnership without the consent of all the partners.
- (8) Any difference arising as to ordinary matters connected with the partnership business may be decided by a majority of the partners; but no act in contravention of any agreement between the partners shall be done rightfully without the consent of all the partners.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1994 Ky. Acts ch. 389, sec. 98, effective July 15, 1994. -- Created 1954 Ky. Acts ch. 38, sec. 18, effective June 17, 1954.

362.240 Partnership books.

The partnership books shall be kept, subject to any agreement between the partners, at the principal place of business of the partnership, and every partner shall at all times have access to and may inspect and copy any of them.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 19, effective June 17, 1954.

362.245 Duty of partners to render information.

Partners shall render on demand true and full information on all things affecting the partnership to any partner or to the legal representative of any deceased partner or partner under legal disability.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1956 Ky. Acts ch. 89, sec. 1, effective May 18, 1956. -- Created 1954 Ky. Acts ch. 38, sec. 20, effective June 17, 1954.

362.250 Partner accountable as a fiduciary.

- (1) Every partner must account to the partnership for any benefit, and hold as trustee for it any profits derived by him without the consent of the other partners from any transaction connected with the formation, conduct, or liquidation of the partnership or from any use by him of its property.
- (2) This section applies also to the representatives of a deceased partner engaged in the liquidation of the affairs of the partnership as the personal representatives of the last surviving partner.
- (3) That a transaction was fair to the partnership shall not constitute a defense to the breach of the obligation in subsection (1) of this section.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 81, sec. 124, effective July 12, 2012. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 21, effective June 17, 1954.

362.255 Right to an account.

Any partner shall have the right to a formal account as to partnership affairs:

- (1) If he is wrongfully excluded from the partnership business or possession of its property by his co-partners;
- (2) If the right exists under the terms of any agreement;
- (3) As provided by KRS 362.250;
- (4) Whenever other circumstances render it just and reasonable.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 22, effective June 17, 1954.

362.260 Continuation of partnership beyond fixed term.

- (1) When a partnership for a fixed term or particular undertaking is continued after the termination of such term or particular undertaking without any express agreement, the rights and duties of the partners remain the same as they were at such termination, so far as is consistent with a partnership at will.
- (2) A continuation of the business by the partners or such of them as habitually acted therein during the term, without any settlement or liquidation of the partnership affairs, is prima facie evidence of a continuation of the partnership.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 23, effective June 17, 1954.

362.265 Extent of property rights of a partner.

The property rights of a partner are (1) his rights in specific partnership property, (2) his interest in the partnership, and (3) his right to participate in the management.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 24, effective June 17, 1954.

362.270 Nature of a partner's right in specific partnership property.

- (1) A partner is co-owner with his partners of specific partnership property holding as a tenant in partnership.
- (2) The incidents of this tenancy are such that:
 - (a) A partner, subject to the provisions of KRS 362.150 to 362.360 and to any agreement between the partners, has an equal right with his partners to possess specific partnership property for partnership purposes; but he has no right to possess such property for any other purpose without the consent of his partners.
 - (b) A partner's right in specific partnership property is not assignable except in connection with the assignment of rights of all the partners in the same property.
 - (c) A partner's right in specific partnership property is not subject to attachment or execution, except on a claim against the partnership. When partnership property is attached for a partnership debt the partners, or any of them, or the representatives of a deceased partner, cannot claim any right under the homestead or exemption laws.
 - (d) On the death of a partner his right in specific partnership property vests in the surviving partner or partners, except where the deceased was the last surviving partner, when his right in such property vests in his legal representative. Such surviving partner or partners, or the legal representative of the last surviving partner, has no right to possess the partnership property for any but a partnership purpose.
 - (e) A partner's right in specific partnership property is not subject to dower, curtesy, or allowances to widows, widowers, heirs, or next of kin.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1974 Ky. Acts ch. 386, sec. 67. -- Created 1954 Ky. Acts ch. 38, sec. 25, effective June 17, 1954.

362.275 Nature of partner's interest in the partnership.

A partner's interest in the partnership is his share of the profits and surplus, and the same is personal property.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 26, effective June 17, 1954.

362.280 Assignment of partner's interest.

- (1) A conveyance by a partner of his interest in the partnership does not of itself dissolve the partnership, nor, as against the other partners in the absence of agreement, entitle the assignee, during the continuance of the partnership, to interfere in the management or administration of the partnership business or affairs, or to require any information or account of partnership transactions, or to inspect the partnership books; but it merely entitles the assignee to receive in accordance with his contract the profits to which the assigning partner would otherwise be entitled.
- (2) In case of a dissolution of the partnership, the assignee is entitled to receive his assignor's interest and may require an account from the date only of the last account agreed to by all the partners.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1968 Ky. Acts ch. 152, sec. 150. -- Created 1954 Ky. Acts ch. 38, sec. 27, effective June 17, 1954.

362.285 Partner's interest subject to charging order.

- (1) This section provides the exclusive remedy by which the judgment creditor of a partner or the transferee of a partner may satisfy a judgment out of the judgment debtor's transferable interest.
- (2) On application to a court of competent jurisdiction by a judgment creditor of a partner or a partner's transferee, a court may charge the transferable interest of the judgment debtor with payment of the unsatisfied amount of the judgment. To the extent so charged, the judgment creditor has only the rights of a transferee and shall have no right to participate in the management of or to cause the dissolution of the partnership. The court may appoint a receiver of the share of the distributions due or to become due to the judgment debtor in respect of the partnership and make all other orders, directions, accounts, and inquiries the judgment debtor might have made or which the circumstances of the case may require to give effect to the charging order.
- (3) A charging order constitutes a lien on and the right to receive distributions made with respect to the judgment debtor's transferable interest in the partnership.
- (4) The court may order a foreclosure of the interest subject to the charging order at any time. The purchaser at the foreclosure sale has the rights of a transferee. A charging order does not of itself constitute an assignment of the transferable interest.
- (5) At any time before foreclosure, an interest charged may be redeemed:
 - (a) By the judgment debtor;
 - (b) With property other than partnership property, by one (1) or more of the other partners; or
 - (c) With partnership property, by one (1) or more of the other partners with the consent of all of the partners whose interests are not so charged.
- (6) This section does not deprive a partner of a right under exemption laws with respect to the partner's interest in the partnership.
- (7) The partnership is not a necessary party to an application for a charging order. Service of the charging order on a partnership may be made by the court granting the charging order or as the court may otherwise direct.
- (8) This section shall not apply to the enforcement of a judgment by a partnership against a partner of that partnership.
- (9) This section shall apply to the issuance of a charging order against the interest of a partner or assignee of a partner of a foreign partnership.

Effective: June 29, 2017

History: Amended 2017 Ky. Acts ch. 193, sec. 16, effective June 29, 2017. -- Repealed, reenacted, and amended 2010 Ky. Acts ch. 133, sec. 49, effective July 15, 2010. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 28, effective June 17, 1954.

362.290 Dissolution defined.

The dissolution of a partnership is the change in the relation of the partners caused by any partner ceasing to be associated in the carrying on as distinguished from the winding up of the business.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 29, effective June 17, 1954.

362.295 Partnership not terminated by dissolution.

On dissolution the partnership is not terminated, but continues until the winding up of partnership affairs is completed.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 30, effective June 17, 1954.

362.300 Causes of dissolution.

Dissolution is caused:

- (1) Without violation of the agreement between the partners:
 - (a) By the termination of the definite term or particular undertaking specified in the agreement,
 - (b) By the express will of any partner when no definite term or particular undertaking is specified,
 - (c) By the express will of all the partners who have not assigned their interests or suffered them to be charged for their separate debts, either before or after the termination of any specified term or particular undertaking,
 - (d) By the expulsion of any partner from the business bona fide in accordance with such a power conferred by the agreement between the partners;
- (2) In contravention of the agreement between the partners, where the circumstances do not permit a dissolution under any other provision of this section, by the express will of any partner at any time;
- (3) By any event which makes it unlawful for the business of the partnership to be carried on or for the members to carry it on in partnership;
- (4) By the death of any partner;
- (5) By the bankruptcy of any partner or the partnership;
- (6) By decree of court under KRS 362.305.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006, Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 31, effective June 17, 1954.

362.305 Dissolution by decree of court.

- (1) On application by or for a partner the court shall decree a dissolution whenever:
 - (a) A partner has been adjudged mentally disabled by a court of competent jurisdiction in any judicial proceeding or is shown to be of unsound mind,
 - (b) A partner becomes in any other way incapable of performing his part of the partnership contract,
 - (c) A partner has been guilty of such conduct as tends to affect prejudicially the carrying on of the business,
 - (d) A partner willfully or persistently commits a breach of the partnership agreement, or otherwise so conducts himself in matters relating to the partnership business that it is not reasonably practicable to carry on the business in partnership with him,
 - (e) The business of the partnership can only be carried on at a loss,
 - (f) Other circumstances render a dissolution equitable.
- (2) On the application of the purchaser of a partner's interest under KRS 362.280 or 362.285:
 - (a) After the termination of the specified term or particular undertaking,
 - (b) At any time if the partnership was a partnership at will when the interest was assigned or when the charging order was issued.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1982 Ky. Acts ch. 141, sec. 94, effective July 1, 1982. - - Amended 1978 Ky. Acts ch. 92, sec. 10, effective June 17, 1978. -- Created 1954 Ky. Acts ch. 38, sec. 32, effective June 17, 1954.

Note: 1980 Ky. Acts ch. 396, sec. 101 would have amended this section effective July 1, 1982. However, 1980 Ky. Acts ch. 396 was repealed by 1982 Ky. Acts ch. 141, sec. 146, also effective July 1, 1982.

362.310 General effect of dissolution on authority of partner.

Except so far as may be necessary to wind up partnership affairs or to complete transactions begun but not then finished, dissolution terminates all authority of any partner to act for the partnership,

- (1) With respect to the partners,
 - (a) When the dissolution is not by the act, bankruptcy or death of a partner; or
 - (b) When the dissolution is by such act, bankruptcy or death of a partner, in cases where KRS 362.315 so requires.
- (2) With respect to persons not partners, as declared in KRS 362.320.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 33, effective June 17, 1954.

362.315 Right of partner to contribution from co-partners after dissolution.

Where the dissolution is caused by the act, death or bankruptcy of a partner, each partner is liable to his co-partners for his share of any liability created by any partner acting for the partnership as if the partnership had not been dissolved unless:

- (1) The dissolution being by act of any partner, the partner, acting for the partnership had knowledge of the dissolution;
- (2) The dissolution being by the death or bankruptcy of a partner, the partner acting for the partnership had knowledge or notice of the death or bankruptcy; or
- (3) The liability arises from a debt, obligation, or liability for which the partner is not liable as provided in KRS 362.220(2).

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1994 Ky. Acts ch. 389, sec. 99, effective July 15, 1994. -- Created 1954 Ky. Acts ch. 38, sec. 34, effective June 17, 1954.

362.320 Power of partner to bind partnership to third persons after dissolution.

- (1) After dissolution a partner can bind the partnership except as provided in subsection (3):
 - (a) By any act appropriate for winding up partnership affairs or completing transactions unfinished at dissolution;
 - (b) By any transaction which would bind the partnership if dissolution had not taken place, provided the other party to the transaction:
 - (I) Had extended credit to the partnership prior to dissolution and had no knowledge or notice of the dissolution; or
 - (II) Though he had not so extended credit, had nevertheless known of the partnership prior to dissolution, and, having no knowledge or notice of dissolution, the fact of dissolution had not been advertised in a newspaper of general circulation in the place (or in each place if more than one) at which the partnership business was regularly carried on.
- (2) The liability of a partner under paragraph (b) of subsection (1) shall be satisfied out of partnership assets alone when such partner had been prior to dissolution:
 - (a) Unknown as a partner to the person with whom the contract is made; and
 - (b) So far unknown and inactive in partnership affairs that the business reputation of the partnership could not be said to have been in any degree due to his connection with it.
- (3) The partnership is in no case bound by any act of a partner after dissolution:
 - (a) Where the partnership is dissolved because it is unlawful to carry on the business, unless the act is appropriate for winding up partnership affairs; or
 - (b) Where the partner has become bankrupt; or
 - (c) Where the partner has no authority to wind up partnership affairs; except by a transaction with one who:
 - (I) Had extended credit to the partnership prior to dissolution and had no knowledge or notice of his want of authority; or
 - (II) Had not extended credit to the partnership prior to dissolution, and, having no knowledge or notice of his want of authority, the fact of his want of authority has not been advertised in the manner provided for advertising the fact of dissolution in subdivision (II) of paragraph (b) of subsection (1) of this section.
- (4) Nothing in this section shall affect the liability under KRS 362.225 of any person who after dissolution represents himself or consents to another representing him as a partner in a partnership engaged in carrying on business.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 35, effective June 17, 1954.

362.325 Effect of dissolution on partner's existing liability.

- (1) The dissolution of the partnership shall not of itself discharge the existing liability of any partner.
- (2) A partner shall be discharged from any existing liability upon dissolution of the partnership by an agreement to that effect between himself, the partnership creditor, and the person or partnership continuing the business; and the agreement may be inferred from the course of dealing between the creditor having knowledge of the dissolution and the person or partnership continuing the business.
- (3) If a person agrees to assume the existing obligations of a dissolved partnership, the partners whose obligations have been assumed shall be discharged from any liability to any creditor of the partnership who, knowing of the agreement, consents to a material alteration in the nature or time of payment of the obligations.
- (4) The individual property of a deceased partner shall be liable for obligations of the partnership incurred while he was a partner and for which he was liable under KRS 362.220 but subject to the prior payment of his separate debts.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1994 Ky. Acts ch. 389, sec. 100, effective July 15, 1994. -- Created 1954 Ky. Acts ch. 38, sec. 36, effective June 17, 1954.

362.330 Right to wind up.

Unless otherwise agreed the partners who have not wrongfully dissolved the partnership or the legal representative of the last surviving partner, not bankrupt, has the right to wind up the partnership affairs; provided, however, that any partner, his legal representative or his assignee, upon cause shown, may obtain winding up by the court.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 37, effective June 17, 1954.

362.335 Rights of partners to application of partnership property.

- (1) When dissolution is caused in any way, except in contravention of the partnership agreement, each partner as against his co-partners and all persons claiming through them in respect of their interest in the partnership, unless otherwise agreed, may have the partnership property applied to discharge its liabilities, and the surplus applied to pay in cash the net amount owing to the respective partners. But if dissolution is caused by expulsion of a partner, bona fide under the partnership agreement and if the expelled partner is discharged from all partnership liabilities, either by payment or agreement under subsection (2) of KRS 362.325, he shall receive in cash only the net amount due him from the partnership.
- (2) When dissolution is caused in contravention of the partnership agreement the rights of the partners shall be as follows:
 - (a) Each partner who has not caused dissolution wrongfully shall have:
 - (I) All the rights specified in subsection (1) of this section, and
 - (II) The right, as against each partner who has caused the dissolution wrongfully, to damages for breach of the agreement.
 - (b) The partners who have not caused the dissolution wrongfully, if they all desire to continue the business in the same name, either by themselves or jointly with others, may do so, during the agreed term for the partnership and for that purpose may possess the partnership property, provided they secure the payment by bond approved by the court, or pay to any partner who has caused the dissolution wrongfully, the value of his interest in the partnership at the dissolution, less any damages recoverable under subdivision (II) of paragraph (a) of subsection (2) of this section, and in like manner indemnify him against all present or future partnership liabilities.
 - (c) A partner who has caused the dissolution wrongfully shall have:
 - (I) If the business is not continued under the provisions of paragraph (b) of this subsection, all the rights of a partner under subsection (1) of this section, subject to subdivision (II) of paragraph (a) of this subsection.
 - (II) If the business is continued under paragraph (b) of this subsection the right as against his co-partners and all claiming through them in respect of their interests in the partnership, to have the value of his interest in the partnership, less any damages caused to his co-partners by the dissolution, ascertained and paid him in cash, or the payment secured by bond approved by the court, and to be released from all existing liabilities of the partnership; but in ascertaining the value of the partner's interest the value of the goodwill of the business shall not be considered.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 38, effective June 17, 1954.

362.340 Rights where partnership is dissolved for fraud or misrepresentation.

Where a partnership contract is rescinded on the ground of the fraud or misrepresentation of one (1) of the parties thereto, the party entitled to rescind is, without prejudice to any other right, entitled:

- (1) To a lien on, or right of retention of, the surplus of the partnership property after satisfying the partnership liabilities to third persons for any sum of money paid by him for the purchase of an interest in the partnership and for any capital or advances contributed by him; and
- (2) To stand, after all liabilities to third persons have been satisfied, in the place of the creditors of the partnership for any payments made by him in respect of the partnership liabilities; and
- (3) To be indemnified by the person guilty of the fraud or making the representation against all debts and liabilities of the partnership.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 39, effective June 17, 1954.

362.345 Rules for distribution.

In settling accounts between the partners after dissolution, the following rules shall be observed, subject to any agreement to the contrary:

- (1) The assets of the partnership are:
 - (a) The partnership property,
 - (b) The contributions of the partners specified in subsection (4) of this section.
- (2) The liabilities of the partnership shall rank in order of payment, as follows:
 - (a) Those owing to creditors other than partners,
 - (b) Those owing to partners other than for capital and profits,
 - (c) Those owing to partners in respect of capital,
 - (d) Those owing to partners in respect of profits.
- (3) The assets shall be applied in the order of their declaration in subsection (1) of this section to the satisfaction of the liabilities.
- (4) Except as provided in KRS 362.220(2):
 - (a) The partners shall contribute, as provided by subsection (1) of KRS 362.235 the amount necessary to satisfy the liabilities; and
 - (b) If any, but not all, of the partners are insolvent, or, not being subject to process, refuse to contribute, the other partners shall contribute their share of the liabilities, and, in the relative proportions in which they share the profits, the additional amount necessary to pay the liabilities.
- (5) An assignee for the benefit of creditors or any person appointed by the court shall have the right to enforce the contributions specified in subsection (4) of this section.
- (6) Any partner or his legal representative shall have the right to enforce the contributions specified in subsection (4) of this section, to the extent of the amount which he has paid in excess of his share of the liability.
- (7) The individual property of a deceased partner shall be liable for the contributions specified in subsection (4) of this section.
- (8) When partnership property and the individual properties of the partners are in possession of a court for distribution, partnership creditors shall have priority on partnership property and separate creditors on individual property, saving the rights of lien or secured creditors as heretofore.
- (9) If a partner has become bankrupt or his estate is insolvent, the claims against his separate property shall rank in the following order:
 - (a) Those owing to separate creditors,
 - (b) Those owing to partnership creditors,
 - (c) Those owing to partners by way of contribution.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1994 Ky. Acts ch. 389, sec. 101, effective July 15,

1994. -- Created 1954 Ky. Acts ch. 38, sec. 40, effective June 17, 1954.

362.350 Liability of persons continuing the business in certain cases.

- (1) When any new partner is admitted into an existing partnership, or when any partner retires and assigns (or the representative of the deceased partner assigns) his rights in partnership property to two (2) or more of the partners, or to one (1) or more of the partners and one (1) or more third persons, if the business is continued without liquidation of the partnership affairs, creditors of the first or dissolved partnership are also creditors of the partnership so continuing the business.
- (2) When all but one (1) partner retire and assign (or the representative of a deceased partner assigns) their rights in partnership property to the remaining partner, who continues the business without liquidation of partnership affairs, either alone or with others, creditors of the dissolved partnership are also creditors of the person or partnership so continuing the business.
- (3) When any partner retires or dies and the business of the dissolved partnership is continued as set forth in subsections (1) and (2) of this section, with the consent of the retired partners or the representative of the deceased partner, but without any assignment of his right in partnership property, rights of creditors of the dissolved partnership, and of the creditors of the person or partnership continuing the business shall be as if such assignment had been made.
- (4) When all the partners or their representatives assign their rights in partnership property to one (1) or more third persons who promise to pay the debts and who continue the business of the dissolved partnership, creditors of the dissolved partnership are also creditors of the person or partnership continuing the business.
- (5) When any partner wrongfully causes a dissolution and the remaining partners continue the business under the provisions of paragraph (b) of subsection (2) of KRS 362.335, either alone or with others, and without liquidation of the partnership affairs, creditors of the dissolved partnership are also creditors of the person or partnership continuing the business.
- (6) When a partner is expelled and the remaining partners continue the business either alone or with others, without liquidation of the partnership affairs, creditors of the dissolved partnership are also creditors of the person or partnership continuing the business.
- (7) The liability of a third person becoming a partner in the partnership continuing the business, under this section, to the creditors of the dissolved partnership shall be satisfied out of partnership property only.
- (8) When the business of a partnership after dissolution is continued under any conditions set forth in this section the creditors of the dissolved partnership, as against the separate creditors of the retiring or deceased partner or the representative of the deceased partner, have a prior right to any claim of the retired partner or the representative of the deceased partner against the person or partnership continuing the business, on account of the retired or deceased partner's interest in the dissolved partnership or on account of any consideration promised for such interest or for his right in partnership property.
- (9) Nothing in this section shall be held to modify any right of creditors to set aside any

assignment on the ground of fraud.

- (10) The use by the person or partnership continuing the business of the partnership name, or the name of a deceased partner as part thereof, shall not of itself make the individual property of the deceased partner liable for any debts contracted by such person or partnership.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 41, effective June 17, 1954.

362.355 Rights of retiring or estate of deceased partner when the business is continued.

When any partner retires or dies, and the business is continued under any of the conditions set forth in subsections (1), (2), (3), (5), and (6) of KRS 362.350 or paragraph (b) of subsection (2) of KRS 362.335, without any settlement of accounts as between him or his estate and the person or partnership continuing the business, unless otherwise agreed, he or his legal representative as against such persons or partnership may have the value of his interest at the date of dissolution ascertained, and shall receive as an ordinary creditor an amount equal to the value of his interest in the dissolved partnership with interest, or, at his option or at the option of his legal representative, in lieu of interest, the profits attributable to the use of his right in the property of the dissolved partnership; provided that the creditors of the dissolved partnership as against the separate creditors, or the representative of the retired or deceased partner, shall have priority on any claim arising under this section, as provided by subsection (8) of KRS 362.350.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 42, effective June 17, 1954.

362.360 Accrual of actions.

The right to an account of his interest shall accrue to any partner, or his legal representative, as against the winding up partners or the surviving partners or the person or partnership continuing the business, at the date of dissolution in the absence of any agreement to the contrary.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1954 Ky. Acts ch. 38, sec. 43, effective June 17, 1954.

362.401 Definitions.

As used in KRS 362.403 to 362.525, unless the context otherwise requires, the term:

- (1) "Certificate of limited partnership" means the certificate referred to in KRS 362.415, or the certificate of limited partnership as amended or restated;
- (2) "Business entity" means a domestic or foreign limited liability company, corporation, partnership, limited partnership, business or statutory trust and not-for-profit unincorporated association;
- (3) "Contribution" means any cash, property, services rendered, or a promissory note or other obligation to contribute cash or property or to perform services, which a partner contributes to a limited partnership in his capacity as a partner;
- (4) "Event of withdrawal of a general partner" means an event that causes a person to cease to be a general partner as provided in KRS 362.445;
- (5) "Foreign limited partnership" means a limited partnership formed under the laws of any state other than this state and having as partners one (1) or more general partners and one (1) or more limited partners;
- (6) "General partner" means a person who has been admitted to a limited partnership as a general partner in accordance with the partnership agreement and is named in the certificate of limited partnership as a general partner;
- (7) "Limited partner" means a person who has been admitted to a limited partnership as a limited partner in accordance with the partnership agreement;
- (8) "Limited partnership" or "domestic limited partnership" means a partnership formed by two (2) or more persons under the laws of this state and having one (1) or more general partners and one (1) or more limited partners;
- (9) "Name of record with the Secretary of State" means any real, fictitious, reserved, registered, or assumed name of a business entity;
- (10) "Partner" means a limited partner or general partner;
- (11) "Partnership agreement" means any valid agreement, written or oral, of the partners as to the affairs of a limited partnership and the conduct of its business;
- (12) "Partnership interest" means a partner's share of the profits and losses of a limited partnership and the right to receive distributions of partnership assets;
- (13) "Person" means a natural person; trust; estate; or business entity;
- (14) "Real name" shall have the meaning set forth in KRS 365.015; and
- (15) "State" means a state, territory, or possession of the United States, the District of Columbia or the Commonwealth of Puerto Rico.

Effective: July 15, 2010

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 142, effective July 15, 2010. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007; and amend ch. 137, sec. 142, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 1, effective July 15, 1988.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183,

provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

Legislative Research Commission Note (6/26/2007). 2007 Ky. Acts ch. 137, sec. 142, subsection (14) cited "Section 164 of this Act." It is apparent from context that the section referred to should have been Section 163 of the Act, KRS 365.015. The Reviser of Statutes has made this change under the authority of KRS 7.136.

362.403 Name of limited partnership.

The name of each limited partnership shall satisfy the requirements of KRS 14A.3-010.

Effective: January 1, 2011

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 143, effective July 15, 2010; and repealed, reenacted, and amended ch. 151, sec. 88, effective January 1, 2011. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007; and amend ch. 137, sec. 143, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 2, effective July 15, 1988.

Legislative Research Commission Note (1/1/2011). This section was repealed, reenacted, and amended by 2010 Ky. Acts ch. 151, and repealed and reenacted by 2010 Ky. Acts ch. 51. Pursuant to Section 184 of Acts ch. 51, it was the intent of the General Assembly that the repeal and reenactment not serve to void the amendment, and these Acts do not appear to be in conflict, therefore, they have been codified together.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

362.405 Repealed, 2011.

Catchline at repeal: Reservation of name.

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 144, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007; and amend 2007 Ky. Acts ch. 137, sec. 144, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 3, effective July 15, 1988.

362.407 Recordkeeping office -- Agent for service of process.

Each limited partnership shall continuously maintain in this Commonwealth:

- (1) A registered office and registered agent that comply with KRS 14A.4-010; and
- (2) An office which may, but need not be, a place of business in this state, at which shall be kept the records required by KRS 362.409 to be maintained.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 89, effective January 1, 2011. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1998 Ky. Acts ch. 341, sec. 49, effective July 15, 1998. -- Created 1988 Ky. Acts ch. 284, sec. 4, effective July 15, 1988.

362.409 Records to be kept.

- (1) Each limited partnership shall keep, at the office referred to in KRS 362.407(2), the following records:
 - (a) A current list of the full names and last known business, residence, or mailing addresses of all partners, separately identifying in alphabetical order the general partners and the limited partners;
 - (b) A copy of the certificate of limited partnership and all certificates of amendment thereto, together with executed copies of any powers of attorney pursuant to which any certificate was executed;
 - (c) Copies of the limited partnership's federal, state and local income tax returns and reports, if any, for the three (3) most recent years;
 - (d) Copies of any then effective written partnership agreement and of any financial statements of the limited partnership for the three (3) most recent years; and
 - (e) Unless contained in a written partnership agreement, a writing setting out:
 1. The amount of cash and a description and statement of the agreed value of the other property or services contributed by each partner and which each partner has agreed to contribute;
 2. The times at which, or events upon the happening of which, any additional contributions agreed to be made by each partner are to be made;
 3. Any right of a partner to receive distributions, or of a general partner to make distributions to a partner, that includes a return of all or any part of the partner's contribution; and
 4. Any events upon the happening of which the limited partnership is to be dissolved and its affairs wound up.
- (2) Records kept under this section may be inspected and copied during ordinary business hours at the reasonable request, and at the expense, of any partner.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 122, effective January 1, 2011. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1994 Ky. Acts ch. 389, sec. 116, effective July 15, 1994. -- Created 1988 Ky. Acts ch. 284, sec. 5, effective July 15, 1988.

362.411 Nature of business that may be carried on.

A limited partnership may carry on any business that a partnership without limited partners may carry on.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 6, effective July 15, 1988.

362.413 Business transactions of partners with partnership.

Except as provided in the partnership agreement, a partner may lend money to, and transact other business with, the limited partnership and, subject to other applicable law, shall have the same rights and obligations with respect thereto as a person who is not a partner.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 7, effective July 15, 1988.

362.415 Formation -- Certificate of limited partnership.

- (1) In order to form a limited partnership, a certificate of limited partnership shall be executed and filed with the Secretary of State. The certificate shall be in the form prescribed by the Secretary of State and shall set forth:
 - (a) The name of the limited partnership;
 - (b) The address of the office and the name and address of the agent for service of process required to be maintained by KRS 14A.4-010 or predecessor law;
 - (c) The name and the business address of each general partner;
 - (d) A mailing address for the limited partnership;
 - (e) The latest date upon which the limited partnership is to dissolve; and
 - (f) Any other matters the general partners determine to include therein.
- (2) A limited partnership shall be formed at the time of the filing of the certificate of limited partnership with the Secretary of State or at any later time specified in the certificate of limited partnership, which shall be a date certain and shall not be later than the ninetieth day after the date it is filed, if, in either case, there has been substantial compliance with the requirements of this section.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 110, effective January 1, 2011. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1998 Ky. Acts ch. 341, sec. 52, effective July 15, 1998. -- Created 1988 Ky. Acts ch. 284, sec. 8, effective July 15, 1988.

362.417 Amendment to or restatement of certificate.

- (1) A certificate of limited partnership may be amended by filing a certificate of amendment that satisfies the requirements of KRS 14A.2-010 to 14A.2-150 with the Secretary of State. The certificate of amendment shall be in the form prescribed by the Secretary of State and shall set forth:
 - (a) The name of the limited partnership;
 - (b) The date of filing the certificate of limited partnership; and
 - (c) The amendment to the certificate of limited partnership.
- (2)
 - (a) Within thirty (30) days after the happening of any of the following events, an amendment to a certificate of limited partnership reflecting the occurrence of the event or events, shall be filed:
 1. The admission of a new general partner;
 2. The withdrawal of a general partner;
 3. The continuation of the business under KRS 362.487 after an event of withdrawal of a general partner; or
 4. A change in name of the limited partnership.
 - (b) A general partner who becomes aware that any statement in a certificate of limited partnership was false when made, or that any arrangements or other facts described in the certificate have changed, making the certificate inaccurate in any respect, shall promptly amend the certificate.
 - (c) A certificate may be amended at any time for any other proper purpose the general partners determine.
- (3) If an amendment to a certificate is filed within the thirty (30) day period referred to in subsection (2) of this section, no person shall be liable because the amendment was not filed earlier.
- (4) A certificate of amendment shall be effective as provided in KRS 14A.2-070.
- (5) A limited partnership may, if desired, integrate into a single instrument all of the provisions of its certificate of limited partnership which are then in effect and operative as a result of filing with the Secretary of State one (1) or more certificates of amendment and it may, at the same time, further amend its certificate of limited partnership.
- (6) If the restated certificate of limited partnership merely restates and integrates, but does not further amend the certificate of limited partnership as theretofore amended, it shall be specifically designated in its heading as a "restated certificate of limited partnership." If the restated certificate restates and integrates and also further amends in any respect the certificate of limited partnership as theretofore amended, it shall be specifically designated in its heading as an "amended and restated certificate of limited partnership". A restated, or amended and restated, certificate of limited partnership shall be executed and filed in the same manner as a certificate of amendment.
- (7) Upon the filing of a restated, or amended and restated, certificate of limited partnership with the Secretary of State, or upon its future effective date or time as

provided for therein, the initial certificate of limited partnership, as amended, shall be superseded. Thereafter, the restated certificate of limited partnership, including further amendments made thereto, shall be the certificate of limited partnership of the limited partnership.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 111, effective January 1, 2011. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1994 Ky. Acts ch. 389, sec. 117, effective July 15, 1994. -- Created 1988 Ky. Acts ch. 284, sec. 9, effective July 15, 1988.

362.419 Cancellation of certificate.

A certificate of limited partnership shall be canceled upon the dissolution and the completion of winding up of the partnership or at any other time there are no limited partners. A certificate of cancellation shall be in the form prescribed by the Secretary of State and shall be filed with the Secretary of State and shall set forth:

- (1) The name of the limited partnership;
- (2) The date of filing of the certificate of limited partnership;
- (3) The reason for filing the certificate of cancellation; and
- (4) Any other information the general partners filing the certificate of cancellation determine to include therein.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 10, effective July 15, 1988.

362.420 Repealed, 1988.

Catchline at repeal: Formation -- Filing fee.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65. -- Amended 1988 Ky. Acts ch. 187, sec. 2 -- Amended 1986 Ky. Acts ch. 342, sec. 2, effective July 15, 1986. -- Amended 1978 Ky. Acts ch. 384, sec. 490, effective June 17, 1978 -- Created 1970 Ky. Acts ch. 97, sec. 2, effective June 18, 1970.

Legislative Research Commission Note. This section was amended by the 1988 General Assembly and also repealed. Pursuant to KRS 446.260, the repeal prevails.

362.421 Execution of certificates.

- (1) Each certificate required by KRS 362.403 to 362.525 to be filed with the Secretary of State shall be executed in the following manner:
 - (a) An original certificate of limited partnership signed by all general partners;
 - (b) A certificate of amendment, signed by at least one (1) general partner and by each other general partner designated in the certificate as a new general partner; and
 - (c) A certificate of cancellation, signed by all general partners.
- (2) Any person may sign a certificate of limited partnership, certificate of amendment or certificate of cancellation by an attorney-in-fact, but a power of attorney to sign a certificate of amendment relating to the admission of a general partner shall specifically describe the admission.
- (3) The execution of a certificate of limited partnership, certificate of amendment or certificate of cancellation by a general partner shall constitute an affirmation under the penalties of perjury that the facts stated therein are true.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 11, effective July 15, 1988.

362.423 Execution of certificate by judicial act.

If a person required by KRS 362.421 to execute a certificate of limited partnership, certificate of amendment or certificate of cancellation fails or refuses to do so, any other person who is adversely affected by the failure or refusal may petition the Circuit Court to direct the execution of the certificate. If the court finds that it is proper for the certificate to be executed and that any person so designated has failed or refused to execute the certificate, the court shall order the Secretary of State to record an appropriate certificate.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 12, effective July 15, 1988.

362.425 Repealed, 2011.

Catchline at repeal: Filing in office of Secretary of State.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 13, effective July 15, 1988.

362.427 Liability for false statement in certificate.

If a certificate of limited partnership, certificate of amendment or certificate of cancellation contains a false statement, a person who suffers loss by reliance on that statement may recover damages for the loss from:

- (1) Any person who executed the certificate, or caused another to execute it on his behalf, and knew, and any general partner who knew or should have known, the statement to be false at the time the certificate was executed; and
- (2) Any general partner who thereafter knows or should have known that any arrangement or other fact described in the certificate has changed, making the statement inaccurate in any material respect, within a sufficient time before the statement was relied upon reasonably to have enabled that general partner to cancel or amend the certificate or to file a petition for its cancellation or amendment pursuant to KRS 362.423.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 14, effective July 15, 1988.

362.429 Scope of notice.

The fact that a certificate of limited partnership is on file with the Secretary of State shall constitute notice that the partnership is a limited partnership and the persons designated therein as general partners are general partners, but shall not constitute notice of any other fact.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 14, effective July 15, 1988.

362.430 Repealed, 1988.

Catchline at repeal: Business which may be carried on.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 3, effective June 18, 1970.

362.431 Delivery of certificate to limited partners.

Upon the return by the Secretary of State pursuant to KRS 14A.2-100(3) of a certificate, the general partners shall deliver or mail a copy of the certificate of limited partnership and each certificate of amendment or certificate of cancellation to each limited partner unless the partnership agreement provides otherwise.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 147, effective January 1, 2011. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 16, effective July 15, 1988.

362.433 Admission of limited partners.

- (1) A person shall become a limited partner on the later of:
 - (a) The date the original certificate of limited partnership is filed; or
 - (b) At any later date specified in the records of the limited partnership as the date that person shall become a limited partner.
- (2) After the filing of a limited partnership's original certificate of limited partnership, a person may be admitted as an additional limited partner:
 - (a) In the case of a person acquiring a partnership interest directly from the limited partnership, upon compliance with the partnership agreement or, if the partnership agreement does not so provide, upon the written consent of all partners; and
 - (b) In the case of an assignee of a partnership interest of a partner who has the power, as provided in KRS 362.483, to grant the assignee the right to become a limited partner, upon the exercise of that power and compliance with any conditions limiting the grant or exercise of the power.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 17, effective July 15, 1988.

362.435 Voting rights of limited partners.

Subject to KRS 362.437, the partnership agreement may grant to all or a specified group of the limited partners the right to vote, with or without the concurrence of the general partners, on a per capita or any other basis on any matter and may make any appropriate provision for the exercise of such voting right.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 18, effective July 15, 1988.

362.437 Liability of limited partners to third parties.

- (1) Except as provided in subsection (4) of this section, a limited partner shall not be liable for the obligations of a limited partnership unless he is also a general partner or, in addition to the exercise of his rights and powers as a limited partner, he participates in the control of the business. However, if the limited partner participates in the control of the business, he shall be liable only to persons who transact business with the limited partnership reasonably believing, based upon the limited partner's conduct, that the limited partner is a general partner.
- (2) A limited partner shall not participate in the control of the business within the meaning of subsection (1) solely by doing one (1) or more of the following things:
 - (a) Being a contractor for, or an agent or employee of, the limited partnership or of a general partner or being an officer, director, or shareholder of a general partner that is a corporation;
 - (b) Consulting with or advising a general partner with respect to the business of the limited partnership;
 - (c) Acting as surety, guarantor or endorser for the limited partnership, guaranteeing or assuming one (1) or more specific obligations of the limited partnership or providing collateral for the limited partnership;
 - (d) Taking any action required or permitted by law to bring or pursue a derivative action in the right of the limited partnership;
 - (e) Requesting, attending or participating in a meeting of partners;
 - (f) Proposing, approving, or disapproving, by voting or otherwise, one (1) or more of the following matters:
 1. The dissolution and winding up of the limited partnership;
 2. The sale, exchange, lease, mortgage, assignment, pledge, or other transfer of, or granting of a security interest in, all, or substantially all, of the assets of the limited partnership;
 3. The incurrence, renewal, refinancing, payment or other discharge of indebtedness by the limited partnership other than in the ordinary course of its business;
 4. A change in the nature of the business;
 5. The admission or removal of a general partner;
 6. The admission or removal of a limited partner;
 7. A transaction involving an actual or potential conflict of interest between a general partner and the limited partnership or the limited partners;
 8. An amendment to the partnership agreement or certificate of limited partnership; and
 9. A matter related to the business of the limited partnership not otherwise enumerated in this subsection which the partnership agreement states in writing is subject to the approval or disapproval of limited partners;

- (g) Winding up the limited partnership pursuant to KRS 362.491; or
 - (h) Exercising any right or power permitted to limited partners under KRS 362.403 to 362.525 and not specifically enumerated in this subsection.
- (3) The enumeration in subsection (2) of this section shall not mean that the possession or exercise by a limited partner of any power other than a power enumerated in that subsection constitutes participation by him in the business of the limited partnership.
- (4) A limited partner who knowingly permits his name to be used in the name of the limited partnership, except under a circumstance permitted by KRS 362.403(2), shall be liable to creditors who extend credit to the limited partnership without actual knowledge that the limited partner is not a general partner.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 19, effective July 15, 1988.

362.439 Liability of person erroneously believing to be a limited partner.

- (1) Except as provided in subsection (2) of this section, a person who makes a contribution to a business enterprise and erroneously, but in good faith, believes that he has become a limited partner in the enterprise shall not be a general partner in the enterprise and shall not be bound by its obligations by reason of making the contribution, receiving distributions from the enterprise, or exercising any rights of a limited partner, if, within a reasonable time after ascertaining the mistake he:
 - (a) Causes an appropriate certificate of limited partnership or a certificate of amendment to be executed and filed; or
 - (b) Withdraws from future equity participation in the enterprise by executing and filing with the Secretary of State a certificate declaring withdrawal under this section.
- (2) A person who makes a contribution of the kind described in subsection (1) of this section shall be liable as a general partner to any third party who transacts business with the enterprise before the person withdraws and an appropriate certificate is filed to show withdrawal or before an appropriate certificate is filed to show that the person is not a general partner, but in either case, only if the third party actually believed in good faith that the person was a general partner at the time of the transaction.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 20, effective July 15, 1988.

362.440 Repealed, 1988.

Catchline at repeal: Character of limited partner's contribution.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 4, effective June 18, 1970.

362.441 Limited partner's right to information.

Each limited partner may:

- (1) Inspect and copy any of the partnership records required to be maintained by KRS 362.409; and
- (2) Obtain from the general partners from time to time, upon reasonable demand, and subject to such reasonable standards as may be set forth in the partnership agreement, or otherwise established by the general partners, and for any purpose reasonably related to the limited partner's interest as a limited partner:
 - (a) True and full information regarding the state of the business and financial condition of the limited partnership;
 - (b) Promptly after becoming available, copies of the limited partnership's federal, state, and local income tax returns for each year; and
 - (c) Such other information regarding the affairs of the limited partnership as is just and reasonable.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 21, effective July 15, 1988.

362.443 Admission of additional general partners.

After the filing of a limited partnership's original certificate of limited partnership, additional general partners may be admitted as provided in writing in the partnership agreement or, if the partnership agreement does not provide in writing for the admission of additional general partners, with the written consent of all partners.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 22, effective July 15, 1988.

362.445 Events of withdrawal of general partner.

Except as approved by the specific written consent of all partners at the time, a person shall cease to be a general partner of a limited partnership upon the happening of any of the following events:

- (1) The general partner withdraws from the limited partnership as provided in KRS 362.463;
- (2) The general partner ceases to be a member of the limited partnership as provided in KRS 362.479;
- (3) The general partner is removed as a general partner in accordance with the partnership agreement;
- (4) Unless otherwise provided in writing in the partnership agreement, the general partner:
 - (a) Makes an assignment for the benefit of creditors;
 - (b) Files a voluntary petition in bankruptcy;
 - (c) Is adjudged a bankrupt or insolvent or has entered against him an order for any relief in any bankruptcy or insolvency proceeding;
 - (d) Files a petition or answer seeking for himself any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;
 - (e) Files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him in any proceeding of this nature; or
 - (f) Seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the general partner or of all or any substantial part of his properties.
- (5) Unless otherwise provided in writing in the partnership agreement, one hundred twenty (120) days after the commencement of any proceeding against the general partner seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, if the proceeding has not been dismissed, or if within ninety (90) days after the appointment without the general partner's consent or acquiescence of a trustee, receiver, or liquidator of the general partner or of all or any substantial part of the general partner's properties, the appointment has not been vacated or stayed, or ninety (90) days after the expiration of any such stay, the appointment has not been vacated.
- (6) In the case of a general partner who is a natural person, his death or the entry of an order by a court of competent jurisdiction adjudicating him incompetent to manage his person or his property.
- (7) In the case of a general partner who is acting as a general partner by virtue of being a trustee of a trust, upon the termination of the trust, but not merely the substitution of a new trustee.
- (8) In the case of a general partner that is a separate partnership, upon the dissolution and commencement of winding up of the separate partnership.

- (9) In the case of a general partner that is a corporation, upon the filing of a certificate of dissolution, or its equivalent, for the corporation or the revocation of its certificate of incorporation or its equivalent; or
- (10) In the case of a general partner that is an estate, upon the distribution by the fiduciary of the entire interest of the estate in the partnership.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- 1988 Ky. Acts ch. 284, sec. 23, effective July 15, 1988.

362.447 General power and liabilities of general partners.

- (1) Except as provided in KRS 362.403 to 362.525 or in the partnership agreement, a general partner of a limited partnership shall have all of the rights and powers, and is subject to all of the restrictions, of a partner in a partnership without limited partners.
- (2) Except as provided in KRS 362.403 to 362.525, a general partner of a limited partnership shall have all of the liabilities of a partner in a partnership without limited partners to persons other than the partnership and the other partners. Except as provided in KRS 362.403 to 362.525 or in the partnership agreement, a general partner of a limited partnership shall have all of the liabilities of a partner in a partnership without limited partners to the partnership and to the other partners.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 24, effective July 15, 1988.

362.449 Contributions by general partner.

A general partner of a limited partnership may make contributions to the limited partnership and share in the profits and losses of, and in distributions from, the limited partnership as a general partner. A general partner also may make contributions to the limited partnership, and share in the profits and losses of, and distributions from, the limited partnership, as a limited partner. A person who is both a general partner and a limited partner shall have all of the rights and powers, and shall be subject to all of the restrictions and liabilities of a general partner, and, except as provided in the partnership agreement, also shall have all of the powers, and shall be subject to all of the restrictions, of a limited partner to the extent of his participation in the partnership as a limited partner.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 25, effective July 15, 1988.

362.450 Repealed, 1988.

Catchline at repeal: A name not to contain surname of limited partner -- Exceptions.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 5, effective June 18, 1970.

362.451 Voting rights of general partners.

The partnership agreement may grant to all, or certain identified general partners or a specified class or group of the general partners, the right to vote on a per capita or any other basis, separately or with all or any class or group of the limited partners or the general partners, on any matter and may make appropriate provision for the exercise of such voting rights.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 26, effective July 15, 1988.

362.453 Form of contribution.

The contribution of a partner may be in cash, property, or services rendered, or a promissory note or other obligation to contribute cash or property or to perform services.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 27, effective July 15, 1988.

362.455 Liability for contribution.

- (1) A promise by a limited partner to contribute to the limited partnership shall not be enforceable unless it is set out in a writing signed by or on behalf of, pursuant to a power of attorney which need not be of record, the limited partner.
- (2) Except as provided in the partnership agreement, a partner shall be obligated to the limited partnership to perform any enforceable promise to contribute cash or property or to perform services, even if he is unable to perform because of his death or disability or any other reason. If a partner does not make the required contribution of property or services, he shall be obligated, at the option of the limited partnership, to contribute cash equal to that portion of the value, as stated in the partnership records required to be kept pursuant to KRS 362.409, of the stated contribution that has not been made.
- (3) Unless otherwise provided in the partnership agreement, the obligation of a partner to make a contribution or return money or other property paid or distributed in violation of this section may be compromised only by consent of all the partners. Notwithstanding the compromise, a creditor of a limited partnership who extends credit or otherwise acts in reliance upon that obligation after the partner has signed a writing which reflects the obligation, and before the amendment or cancellation of the writing to reflect the compromise, may enforce the original obligation.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 28, effective July 15, 1988.

362.457 Sharing of profits and losses.

The profits and losses of a limited partnership shall be allocated among the partners, and among classes of partners, in the manner provided in writing in the partnership agreement. If the partnership agreement does not so provide in writing, profits and losses shall be allocated on the basis of the value, as stated in the partnership records required to be kept pursuant to KRS 362.409, of the contributions made by each partner to the extent they have been received by the partnership and have not been returned.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 29, effective July 15, 1988.

362.459 Sharing of distributions.

Distributions of cash or other assets of a limited partnership shall be allocated among the partners, and among classes of partners, in the manner provided in writing in the partnership agreement. If the partnership agreement does not so provide in writing, distributions shall be made on the basis of the value, as stated in the partnership records required to be kept pursuant to KRS 362.409, of the contributions made by each partner to the extent they have been received by the partnership and have not been returned.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 30, effective July 15, 1988.

362.460 Repealed, 1988.

Catchline at repeal: Liability for false statements in certificate.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 6, effective June 18, 1970.

362.461 Interim distributions.

Except as provided in KRS 362.473, a partner shall be entitled to receive distributions from a limited partnership before his withdrawal from the limited partnership and before the dissolution and winding up thereof to the extent and at the times or upon the happening of the events specified in the partnership agreement.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 31, effective July 15, 1988.

362.463 Withdrawal of general partner.

A general partner may withdraw from a limited partnership at any time by giving written notice to the other partners, but if the withdrawal violates the partnership agreement, the limited partnership may recover from the withdrawing general partner, in addition to any other remedies available to it, damages for breach of the partnership agreement and offset the damages against the amount otherwise distributable to him.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 32, effective July 15, 1988.

362.465 Withdrawal of limited partner.

Unless otherwise provided in a partnership agreement, a limited partner has no right to withdraw from a limited partnership. If the partnership agreement does not specify a time a limited partner may withdraw, a limited partner may not withdraw prior to the time for the dissolution and winding up of the limited partnership without the unanimous consent of the partners.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1998 Ky. Acts ch. 341, sec. 50, effective July 15, 1998. -- Created 1988 Ky. Acts ch. 284, sec. 33, effective July 15, 1988.

362.467 Distribution upon withdrawal.

Except as provided in KRS 362.473, upon withdrawal, a withdrawing partner shall receive any distribution to which he is entitled in writing under the partnership agreement.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1998 Ky. Acts ch. 341, sec. 51, effective July 15, 1998. -- Created 1988 Ky. Acts ch. 284, sec. 34, effective July 15, 1988.

362.469 Distribution in kind.

Except as provided in writing in the partnership agreement:

- (1) A partner, regardless of the nature of his contribution, shall not demand or receive any distribution from a limited partnership in any form other than cash.
- (2) A partner shall not be compelled to accept a distribution of any asset in kind from a limited partnership to the extent that the percentage of the asset distributed to him exceeds a percentage of that asset which is equal to the percentage in which he shares in distributions from the limited partnership.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 35, effective July 15, 1988.

362.470 Repealed, 1988.

Catchline at repeal: Limited partner not liable to creditors unless he takes part in control of business -- Acts that do not constitute control of business.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Amended 1984 Ky. Acts ch. 93, sec. 1, effective July 13, 1984. -- Created 1970 Ky. Acts ch. 97, sec. 7, effective June 18, 1970.

362.471 Right of distribution.

At the time a partner becomes entitled to receive a distribution, he shall have the status of, and be entitled to all remedies available to, a creditor of the limited partnership with respect to the distribution.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 36, effective July 15, 1988.

362.473 Limitation of distribution.

A partner shall not receive a distribution from a limited partnership to the extent that, after giving effect to the distribution, all liabilities of the limited partnership, other than liabilities to partners on account of their partnership interests, exceed the fair value of the partnership assets.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 37, effective July 15, 1988.

362.475 Liability upon return of contributions.

- (1) (a) If a partner receives the return of any part of his contribution without violation of the partnership agreement or KRS 362.403 to 362.525, he shall be liable to the limited partnership for a period of one (1) year thereafter for the amount of the returned contribution, without interest, but only to the extent necessary to discharge the limited partnership's liabilities to creditors who extended credit to the limited partnership during the period the contribution was held by the limited partnership.
- (b) If a partner receives the return of any part of his contribution in violation of the partnership agreement or KRS 362.403 to 362.525, he shall be liable to the limited partnership for a period of six (6) years thereafter for the amount of the contribution, without interest, wrongfully returned.
- (2) A partner shall receive a return of his contribution to the extent that a distribution to him reduces his share of the fair value of the net assets of the limited partnership below the value, as set forth in the partnership records required to be kept pursuant to KRS 362.409, of his contribution which has not been distributed to him.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988, Ky. Acts ch. 284, sec. 38, effective July 15, 1988.

362.477 Nature of partnership interest.

A partnership interest shall be personal property.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 39, effective July 15, 1988.

362.479 Assignment of partnership interest.

Unless otherwise provided in the partnership agreement:

- (1) A partnership interest shall be assignable in whole or in part;
- (2) An assignment of a partnership interest shall not dissolve a limited partnership or entitle the assignee to become or to exercise any rights of a partner;
- (3) An assignment shall entitle the assignee to receive such distributions, and to receive such allocation of income, gain, loss, deduction or credit or similar item, to which the assignor was entitled, to the extent assigned; and
- (4) A partner shall cease to be a partner upon the assignment of all of his partnership interest.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 40, effective July 15, 1988.

362.480 Repealed, 1988.

Catchline at repeal: Admission of additional limited partners.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 8, effective June 18, 1970.

362.481 Rights of judgment creditor.

- (1) This section provides the exclusive remedy by which the judgment creditor of a partner or the transferee of a partner may satisfy a judgment out of the judgment debtor's transferable interest.
- (2) On application to a court of competent jurisdiction by any judgment creditor of a partner or a partner's transferee, the court may charge the transferable interest of the judgment debtor with payment of the unsatisfied amount of the judgment. To the extent so charged, the judgment creditor has only the rights of a transferee, and shall have no right to participate in the management of or to cause the dissolution of the partnership. The court may appoint a receiver of the share of the distributions due or to become due to the judgment debtor in respect of the partnership and make all other orders, directions, accounts, and inquiries the judgment debtor might have made or which the circumstances of the case may require to give effect to the charging order.
- (3) A charging order constitutes a lien on and the right to receive distributions made with respect to the judgment debtor's transferable interest. A charging order does not of itself constitute an assignment of the transferable interest.
- (4) The court may order a foreclosure upon the transferable interest subject to the charging order at any time. The purchaser at the foreclosure sale has the rights of a transferee.
- (5) At any time before foreclosure, an interest charged may be redeemed:
 - (a) By the judgment debtor;
 - (b) With property other than limited partnership property, by one (1) or more of the other partners; or
 - (c) With limited partnership property, by the limited partnership with the consent of all partners whose interests are not so charged.
- (6) This section does not deprive any partner or a partner's transferee of the benefit of any exemption laws applicable to the partner's or transferee's transferable interest.
- (7) The partnership is not a necessary party to an application for a charging order. Service of the charging order on a partnership may be made by the court granting the charging order or as the court may otherwise direct.
- (8) This section shall not apply to the enforcement of a judgment by a limited partnership against a partner of that partnership.
- (9) This section shall apply to the issuance of a charging order against the interest of a partner or assignee of a partner of a foreign partnership.

Effective: June 29, 2017

History: Amended 2017 Ky. Acts ch. 193, sec. 17, effective June 29, 2017. -- Repealed, reenacted, and amended 2010 Ky. Acts ch. 133, sec. 50, effective July 15, 2010. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1998 Ky. Acts ch. 341, sec. 53, effective July 15, 1998. -- Created 1988 Ky. Acts ch. 284, sec. 41, effective July 15, 1988.

362.483 Right of assignee to become limited partner.

- (1) An assignee of a partnership interest, including an assignee of a general partner, may become a limited partner if and to the extent that:
 - (a) The assignor gives the assignee that right in accordance with the provisions of the partnership agreement; or
 - (b) All other partners consent.
- (2) An assignee who has become a limited partner shall have, to the extent assigned, the rights and powers, and shall be subject to the restrictions and liabilities, of a limited partner under the partnership agreement and KRS 362.403 to 362.525. An assignee who becomes a limited partner also shall be liable for the obligations of his assignor to make and return contributions as provided in KRS 362.455 and 362.475. However, the assignee shall not be obligated for liabilities unknown to the assignee at the time he became a limited partner and which could not be ascertained from the partnership agreement.
- (3) If an assignee of a partnership interest becomes a limited partner, the assignor shall not be released from his liability to the limited partnership under KRS 362.427 and 362.455.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 42, effective July 15, 1988.

362.485 Power of estate of deceased or incompetent partner.

If a partner who is an individual dies, or a court of competent jurisdiction adjudges a partner who is an individual to be incompetent to manage his person or his property, the partner's executor, administrator, guardian, conservator, or other legal representative may exercise all the partner's rights for the purpose of settling his estate or administering his property, including any power the partner had to give an assignee the right to become a limited partner. If a partner is a corporation, partnership, trust, or other entity and is dissolved or terminated, the powers of that partner may be exercised by its legal representative or successor.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 43, effective July 15, 1988.

362.487 Nonjudicial dissolution.

A limited partnership shall be dissolved, and its affairs shall be wound up, upon the happening of the first to occur of the following events:

- (1) At the time specified in the certificate of limited partnership;
- (2) An event specified in writing in the partnership agreement;
- (3) The written consent of all partners;
- (4) An event of withdrawal of a general partner, unless at the time there is at least one (1) other general partner, and the written provisions of the partnership agreement permit the business of the limited partnership to be carried on by the remaining general partner and that partner does so; but the limited partnership shall not be dissolved and shall not be required to be wound up by reason of any event of withdrawal if, within ninety (90) days after the withdrawal, all partners agree in writing to continue the business of the limited partnership and to the appointment of one (1) or more additional general partners if necessary or desired; or
- (5) The entry of a decree of judicial dissolution under KRS 362.489.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 44, effective July 15, 1988.

362.489 Judicial dissolution.

On application by or for a partner, the Circuit Court for the county in which the certificate of limited partnership is recorded may order dissolution of a limited partnership if it is not reasonably practicable to carry on the business in conformity with the partnership agreement.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 45, effective July 15, 1988.

362.490 Repealed, 1988.

Catchline at repeal: Rights, powers and liabilities of a general partner.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 9, effective June 18, 1970.

362.491 Winding up.

Except as otherwise provided in the partnership agreement, the general partners who have not wrongfully dissolved a limited partnership or, if none, the limited partners, may wind up the limited partnership's affairs; but the Circuit Court for the county in which the certificate of limited partnership is recorded, upon cause shown, may wind up the limited partnership affairs upon application of any partner, his legal representative or assignee.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 46, effective July 15, 1988.

362.493 Distribution of assets.

Upon the winding up of a limited partnership, the assets shall be distributed as follows:

- (1) To creditors, including partners who are creditors, to the extent permitted by law, in satisfaction of liabilities of the limited partnership, other than liabilities for distributions to partners under KRS 362.403 to 362.525;
- (2) Except as otherwise provided in the partnership agreement, to partners and former partners in satisfaction of liabilities for distributions under KRS 362.403 to 362.525; and
- (3) Except as otherwise provided in the partnership agreement, to partners first for the return of their contributions and secondly, respecting their partnership interests, in the proportions in which the partners share in distributions.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 47, effective July 15, 1988.

362.495 Repealed, 2010.

Catchline at repeal: Law governing foreign limited partnerships.

History: Repealed 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. -- Repealed 2007 Ky. Acts ch. 137, sec. 181, effective June 26, 2007. Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 48, effective July 15, 1988.

Legislative Research Commission Note (7/15/2010). This section was repealed in 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. However, 2010 Ky. Acts ch. 51, sec. 180, provides that "The repeals set out in Section 179 of this Act are hereby expressly made retroactive to the first moment of June 26, 2007." That language, therefore, applies to this section, and the repeal will be applied retroactively to affirm the repeal of this section contained in 2007 Ky. Acts ch. 137, sec. 181, effective June 26, 2007.

362.497 Repealed, 2010.

Catchline at repeal: Registration of foreign limited partnership.

History: Repealed 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. -- Repealed 2007 Ky. Acts ch. 137, sec. 181, effective June 26, 2007. Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1998 Ky. Acts ch. 341, sec. 54, effective July 15, 1998. -- Amended 1994 Ky. Acts ch. 389, sec. 118, effective July 15, 1994. -- Created 1988 Ky. Acts ch. 284, sec. 53, effective July 15, 1988.

Legislative Research Commission Note (7/15/2010). This section was repealed in 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. However, 2010 Ky. Acts ch. 51, sec. 180, provides that "The repeals set out in Section 179 of this Act are hereby expressly made retroactive to the first moment of June 26, 2007." That language, therefore, applies to this section, and the repeal will be applied retroactively to affirm the repeal of this section contained in 2007 Ky. Acts ch. 137, sec. 181, effective June 26, 2007.

362.499 Repealed, 2010.

Catchline at repeal: Filing of application by foreign limited partnership.

History: Repealed 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. -- Repealed 2007 Ky. Acts ch. 137, sec. 181, effective June 26, 2007. Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 54, effective July 15, 1988.

Legislative Research Commission Note (7/15/2010). This section was repealed in 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. However, 2010 Ky. Acts ch. 51, sec. 180, provides that "The repeals set out in Section 179 of this Act are hereby expressly made retroactive to the first moment of June 26, 2007." That language, therefore, applies to this section, and the repeal will be applied retroactively to affirm the repeal of this section contained in 2007 Ky. Acts ch. 137, sec. 181, effective June 26, 2007.

362.500 Repealed, 1988.

Catchline at repeal: Rights of a limited partner.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 10, effective June 18, 1970.

362.501 Repealed, 2010.

Catchline at repeal: Name under which foreign limited partnership must register.

History: Repealed 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. -- Repealed 2007 Ky. Acts ch. 137, sec. 181, effective June 26, 2007. Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 55, effective July 15, 1988.

Legislative Research Commission Note (7/15/2010). This section was repealed in 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. However, 2010 Ky. Acts ch. 51, sec. 180, provides that "The repeals set out in Section 179 of this Act are hereby expressly made retroactive to the first moment of June 26, 2007." That language, therefore, applies to this section, and the repeal will be applied retroactively to affirm the repeal of this section contained in 2007 Ky. Acts ch. 137, sec. 181, effective June 26, 2007.

362.503 Repealed, 2010.

Catchline at repeal: Changes and amendment.

History: Repealed 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. -- Repealed Ky. Acts ch. 137, sec. 181, effective June 26, 2007. Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 56, effective July 15, 1988.

Legislative Research Commission Note (7/15/2010). This section was repealed in 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. However, 2010 Ky. Acts ch. 51, sec. 180, provides that "The repeals set out in Section 179 of this Act are hereby expressly made retroactive to the first moment of June 26, 2007." That language, therefore, applies to this section, and the repeal will be applied retroactively to affirm the repeal of this section contained in 2007 Ky. Acts ch. 137, sec. 181, effective June 26, 2007.

362.505 Repealed, 2010.

Catchline at repeal: Cancellation of registration of foreign limited partnership.

History: Repealed 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. -- Repealed 2007 Ky. Acts ch. 137, sec. 181, effective June 26, 2007. Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 57, effective July 15, 1988.

Legislative Research Commission Note (7/15/2010). This section was repealed in 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. However, 2010 Ky. Acts ch. 51, sec. 180, provides that "The repeals set out in Section 179 of this Act are hereby expressly made retroactive to the first moment of June 26, 2007." That language, therefore, applies to this section, and the repeal will be applied retroactively to affirm the repeal of this section contained in 2007 Ky. Acts ch. 137, sec. 181, effective June 26, 2007.

362.507 Repealed, 2010.

Catchline at repeal: Registration required for access to courts -- Effects of failure to register.

History: Repealed 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. -- Repealed 2007 Ky. Acts ch. 137, sec. 181, effective June 26, 2007. Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1994 Ky. Acts ch. 389, sec. 119, effective July 15, 1994. -- Created 1988 Ky. Acts ch. 284, sec. 57, effective July 15, 1988.

Legislative Research Commission Note (7/15/2010). This section was repealed in 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. However, 2010 Ky. Acts ch. 51, sec. 180, provides that "The repeals set out in Section 179 of this Act are hereby expressly made retroactive to the first moment of June 26, 2007." That language, therefore, applies to this section, and the repeal will be applied retroactively to affirm the repeal of this section contained in 2007 Ky. Acts ch. 137, sec. 181, effective June 26, 2007.

362.509 Repealed, 2010.

Catchline at repeal: Action by Attorney General to restrain foreign limited partnership from transacting business.

History: Repealed 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. -- Repealed 2007 Ky. Acts ch. 137, sec. 181, effective June 26, 2007. Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 58, effective July 15, 1988.

Legislative Research Commission Note (7/15/2010). This section was repealed in 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. However, 2010 Ky. Acts ch. 51, sec. 180, provides that "The repeals set out in Section 179 of this Act are hereby expressly made retroactive to the first moment of June 26, 2007." That language, therefore, applies to this section, and the repeal will be applied retroactively to affirm the repeal of this section contained in 2007 Ky. Acts ch. 137, sec. 181, effective June 26, 2007.

362.510 Repealed, 1988.

Catchline at repeal: Status of person erroneously believing himself a limited partner.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 11, effective June 18, 1970.

362.511 Right of limited partner to bring derivative action.

A limited partner may bring an action in the right of a limited partnership to recover a judgment in its favor if general partners with authority to do so have refused to bring the action or if an effort to cause those general partners to bring the action is not likely to succeed.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 49, effective July 15, 1988.

362.513 Derivative action: proper plaintiff.

In a derivative action, the plaintiff shall be a partner at the time of bringing the action and either:

- (1) At the time of the transaction of which he complains; or
- (2) His status as a partner shall have devolved upon him by operation of law or pursuant to the terms of the partnership agreement from a person who was a partner at the time of the transaction.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 50, effective July 15, 1988.

362.515 Derivative action: pleadings.

In a derivative action, the complaint shall set forth with particularity the effort of the plaintiff to secure initiation of the action by a general partner or the reasons for not making the effort.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 51, effective July 15, 1988.

362.517 Derivative action: expenses.

If a derivative action is successful, in whole or in part, or if anything is received by the plaintiff as a result of a judgment, compromise, or settlement of any action or claim, the court may award the plaintiff reasonable expenses, including reasonable attorney's fees. If anything is so received by the plaintiff, the court shall make the award of plaintiff's expenses payable out of those proceeds and shall direct plaintiff to remit to the limited partnership the remainder. If those proceeds are insufficient to reimburse the plaintiff's reasonable expenses, the court may direct that any award of plaintiff's expenses, or a portion thereof, be paid by the limited partnership.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 52, effective July 15, 1988.

362.519 Construction and application of act.

KRS 362.403 to 362.525 shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of KRS 362.403 to 362.525 among states enacting it.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 59, effective July 15, 1988.

362.520 Repealed, 1988.

Catchline at repeal: One person both general and limited partner.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 12, effective June 18, 1970.

362.521 Effect on existing partnerships.

- (1) A limited partnership formed under any statute of this state prior to the adoption of KRS 362.403 to 362.525, until or unless it becomes a limited partnership under KRS 362.2-102 to 362.2-977, shall continue to be governed by the provisions of the statute under which it was formed.
- (2) A limited partnership formed under any statute of this state prior to the adoption of KRS 362.2-102 to 362.2-977 may elect to become subject to KRS 362.2-102 to 362.2-977 upon the filing of an amended and restated certificate of limited partnership which complies with the provisions of KRS 362.2-201.
- (3) Upon the occurrence of any event which would require the filing of a certificate of amendment by a limited partnership under KRS 362.403 to 362.525 or under the statute under which the limited partnership was formed, the limited partnership shall file an amended and restated certificate of limited partnership which complies with the provisions of KRS 362.2-201.
- (4) A limited partnership formed under any statute of this state prior to the adoption of KRS 362.403 to 362.525 shall not be required to change its name to include the word "Limited" or its abbreviation "Ltd." before the time it becomes subject to KRS 362.2-102 to 362.2-977.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch.149, sec. 239, effective January 1, 2008. -- Amended 2006 Ky. Acts ch. 149, sec. 238, effective July 12, 2006. -- Created 1988 Ky. Acts ch. 284, sec. 60, effective July 15, 1988.

362.523 Applicability of Uniform Partnership Act.

In any case not provided for in KRS 362.401 to 362.525, the provisions of KRS 362.155 to 362.360 and the rules of law and equity shall govern.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 61, effective July 15, 1988.

362.525 Effect of repeal of prior statute.

The repeal of any statutory provision by 1988 Acts Ch. 284, sec. 65, shall not impair, or otherwise affect, the organization or the continued existence of a limited partnership existing on July 15, 1988, nor does the repeal impair any contract or affect any right accrued before July 15, 1988.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 62, effective July 15, 1998.

362.527 Short title.

KRS 362.401 to 362.525 may be cited as the "Kentucky Revised Uniform Limited Partnership Act."

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1988 Ky. Acts ch. 284, sec. 63, effective July 15, 1988.

362.530 Repealed, 1988.

Catchline at repeal: Loans and other business transactions with limited partner.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 13, effective June 18, 1970.

362.531 Merger of domestic limited partnerships with domestic or foreign limited partnerships, limited liability companies, or corporations.

- (1) One (1) or more domestic limited partnerships may merge pursuant to a written plan of merger described in subsection (2) of this section with one (1) or more domestic or foreign limited partnerships, limited liability companies, or corporations if:
 - (a) The merger is not prohibited by the partnership agreement of any domestic limited partnership that is a party to the merger, and each domestic limited partnership that is a party to the merger, approves the plan of merger in accordance with this chapter and complies with the applicable terms of its partnership agreement in effecting the merger;
 - (b) Each domestic limited liability company, as a party to the merger, complies with the applicable merger provisions of the Kentucky Revised Statutes;
 - (c) Each domestic corporation, as a party to the merger, complies with the applicable merger provisions of KRS Chapter 271B;
 - (d) The merger is permitted by the laws of the state or country under which each foreign limited partnership, foreign limited liability company, or foreign corporation party to the merger is formed, organized, or incorporated, and each foreign limited partnership, limited liability company, or corporation complies with those laws in effecting the merger; and
- (2) The written plan of merger shall set forth:
 - (a) The name of each constituent business entity that is a party to the merger and the name of the surviving business entity into which each constituent business entity proposes to merge;
 - (b) The terms and conditions of the proposed merger, including but not limited to, a statement which sets forth whether limited liability is retained by the surviving business entity;
 - (c) The manner and basis of converting the partnership interests in each limited partnership and the interests in each business entity that is a party to the merger into interests, shares, or other securities or obligations, as the case may be, of the surviving entity, or of any other business entity, or, in whole or in part, into cash or other property;
 - (d) The amendments to the articles of organization of a limited liability company, or articles of incorporation of a corporation or certificate of limited partnership, as the case may be, of the surviving business entity as are desired to be effected by the merger, or that no changes are desired;
 - (e) Other provisions relating to the proposed merger that are deemed necessary or desirable.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1994 Ky. Acts ch. 389, sec. 112, effective July 15, 1994.

**362.536 Domestic limited partnership's approval of plan of merger -- Amendment -
- Abandonment.**

- (1) Each domestic limited partnership that is to be a party to a proposed merger shall approve the proposed merger, unless the partnership agreement of that limited partnership provides otherwise, by the unanimous vote of the partners of the partnership.
- (2) A plan of merger may provide for the manner, if any, in which the plan may be amended at any time before the filing of the articles of merger with the Secretary of State.
- (3) Unless the domestic limited partnership's partnership agreement or the plan of merger, once authorized, provides otherwise, the merger may be abandoned at any time before the filing of the articles of merger with the Secretary of State by the affirmative vote of all partners of the domestic limited partnership (subject to any contractual rights) in accordance with the procedure set forth in the plan of merger, if any.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1994 Ky. Acts ch. 389, sec. 113, effective July 15, 1994.

362.540 Repealed, 1988.

Catchline at repeal: Relation of limited partners among themselves.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 14, effective June 18, 1970.

362.541 Articles of merger.

- (1) After a plan of merger is approved by each domestic or foreign limited partnership, limited liability company, or corporation that is a party to the merger, the surviving domestic or foreign limited partnership, limited liability company, or corporation shall deliver to the Secretary of State for filing articles of merger duly executed by each party to the merger setting forth:
 - (a) The name of jurisdiction of formation or organization of each constituent business entity which is to merge;
 - (b) The plan of merger;
 - (c) The name of the surviving business entity;
 - (d) A statement that the plan of merger was duly authorized and approved by each constituent business entity in accordance with the laws applicable to such business entity; and
 - (e) If the surviving entity is not a business entity organized under the laws of this Commonwealth, a statement that the surviving business entity:
 1. Agrees that it may be served with process in this Commonwealth in any proceeding for enforcement of any obligation of any constituent business entity party to the merger that was organized under the laws of this Commonwealth, as well as for enforcement of any obligation of the surviving business entity arising from the merger; and
 2. Appoints the Secretary of State as its agent for service of process in any such proceedings. The surviving entity shall specify the address to which a copy of process shall be mailed to it by the Secretary of State.
- (2) The merger shall take effect on the later of the date of the filing of the articles of merger or the date set forth in the articles of merger, in which case it shall not be later than ninety (90) days after the date on which the articles of merger were filed.
- (3) Upon the merger taking effect, if the surviving entity in the merger is a foreign limited partnership or limited liability company, the entity shall be deemed:
 - (a) To appoint the Secretary of State as its agent for service of process in a proceeding to enforce any obligation or rights of dissenting shareholders of each domestic corporation party to the merger;
 - (b) To agree that it will promptly pay to the dissenting shareholders of each domestic corporation party to the merger the amount, if any, to which they are entitled under Subtitle 13 of KRS 271B; and
 - (c) To agree, to the extent required by Section 200 of the Constitution, that the courts of this Commonwealth shall retain jurisdiction over that part of the corporate property within the limits of this Commonwealth in all matters which may arise as if the transaction had not taken place.
- (4) The articles of merger filed by the surviving entity in accordance with this section shall also be deemed to have been filed for any domestic limited liability company party to the merger in accordance with the applicable provisions of the Kentucky Revised Statutes and for any domestic corporation party to the merger in accordance

with KRS Chapter 271B.

- (5) The filing of articles of merger shall act as a certificate of cancellation as described in KRS 362.419 for a domestic limited partnership that is not the surviving entity of the merger and that partnership's certificate of limited partnership shall be canceled upon the effective date of the articles of merger.
- (6) The Secretary of State shall receive a fee of fifty dollars (\$50) for the filing of each articles of merger.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1994 Ky. Acts ch. 389, sec. 114, effective July 15, 1994.

362.546 Effect of merger.

When a merger takes effect:

- (1) The separate existence of every domestic limited partnership that is a party to the merger except the surviving domestic limited partnership, if any, shall cease;
- (2) The title to all real estate and other property owned by each domestic limited partnership that is a party to the merger shall be vested in the surviving entity without reversion or impairment;
- (3) The surviving entity shall be responsible for all liabilities of each domestic limited partnership that is a party to the merger;
- (4) A proceeding pending by or against any domestic limited partnership party to the merger may be continued as if the merger had not occurred, or the surviving entity may be substituted in the proceeding for the domestic limited partnership whose existence ceased;
- (5) If a domestic limited partnership is the surviving entity of the merger, the certificate of limited partnership and partnership agreement of that limited partnership shall be amended to the extent provided in the plan of merger; and
- (6) The partnership interests of every domestic limited partnership that is a party to the merger that are to be converted into partnership interests, membership interests, shares or other securities or obligations of the surviving limited partnership, limited liability company or corporation or into cash or other property, in whole or in part, shall be so converted and the former holders of such partnership interests shall be entitled only to the rights provided in the plan of merger.

Effective: June 26, 2007

History: Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1994 Ky. Acts ch. 389, sec. 115, effective July 15, 1994.

362.550 Repealed, 1988.

Catchline at repeal: Compensation of limited partner.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 15, effective June 18, 1970.

362.555 Registered limited liability partnership -- Manner of registration.

- (1) To become and to continue as a registered limited liability partnership, a partnership that is not a limited partnership shall file with the Secretary of State a statement or a renewal statement, as the case may be, that satisfies the requirements of KRS 14A.2-010 to 14A.2-150 stating the name of the partnership that satisfies the requirements of KRS 14A.3-010; the address of its principal office; the number of partners; the names of the partners; a brief statement of the business in which the partnership engages; and that the partnership registers its status or renews its status, as the case may be, as a registered limited liability partnership.
- (2) The statement or renewal statement shall be executed by a majority in interest of the partners or by one (1) or more partners authorized to execute a statement or renewal statement.
- (3) The statement or renewal statement shall be accompanied by a fee of two hundred dollars (\$200).
- (4) The Secretary of State shall register as a registered limited liability partnership, and shall renew the registration of any registered limited liability partnership, any partnership that submits a completed statement or renewal statement with the required fee.
- (5) Registration shall be effective for one (1) year after the date a statement is filed, unless voluntarily withdrawn by filing with the Secretary of State a written withdrawal notice executed by a majority in interest of the partners or by one (1) or more partners authorized to execute a withdrawal notice. Registration, whether pursuant to an original statement or a renewal statement, as a registered limited liability partnership shall be renewed if, during the sixty (60) day period preceding the date the statement or renewal statement otherwise would have expired, the partnership files with the Secretary of State a renewal statement. Registration pursuant to a renewal statement shall expire one (1) year after the date the registration would have expired if the last renewal of the registration had not occurred.
- (6) The status of a partnership as a registered limited liability partnership shall not be affected by changes made in the information stated in the statement or renewal statement after the filing of the statement or renewal statement.
- (7) The Secretary of State may provide forms for use under this section.

Effective: January 1, 2011

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 145, effective July 15, 2010; and amended ch. 151, sec. 112, effective January 1, 2011. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007; and amend 2007 Ky. Acts ch. 137, sec. 145, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Amended 1998 Ky. Acts ch. 341, sec. 55, effective July 15, 1998. -- Created 1994 Ky. Acts ch. 389, sec. 102, effective July 15, 1994.

Legislative Research Commission Note (1/1/2011). This section was amended by 2010 Ky. Acts ch. 151, and repealed and reenacted by 2010 Ky. Acts ch. 51. Pursuant to Section 184 of Acts ch. 51, it was the intent of the General Assembly that the repeal

and reenactment not serve to void the amendment, and these Acts do not appear to be in conflict, therefore, they have been codified together.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

362.560 Repealed, 1988.

Catchline at repeal: Withdrawal or reduction of limited partner's contribution.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 16, effective June 18, 1970.

362.565 Repealed, 2011.

Catchline at repeal: Name of registered limited liability partnership.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1994 Ky. Acts ch. 389, sec. 103, effective July 15, 1994.

362.570 Repealed, 1988.

Catchline at repeal: Liability of limited partner to partnership.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 17, effective June 18, 1970.

362.575 Intent and policy of Commonwealth regarding registered limited liability partnerships.

- (1) A registered limited liability partnership, formed and existing under KRS 362.155, 362.175, 362.190, 362.220, 362.235, 362.315, 362.325, 362.345, and KRS 362.555 to 362.605, may conduct its business, carry on its operations, and have and exercise the powers granted by KRS 362.155, 362.175, 362.190, 362.220, 362.235, 362.315, 362.325, 362.345, and KRS 362.555 to 362.605 in any state, territory, district, or possession of the United States or in any foreign country.
- (2) It is the intent of the General Assembly that the legal existence of any registered limited liability partnership formed and existing under KRS 362.155, 362.175, 362.190, 362.220, 362.235, 362.315, 362.325, 362.345, and KRS 362.555 to 362.605 shall be recognized outside the boundaries of this Commonwealth and that the laws of this Commonwealth governing any registered limited liability partnership transacting business outside this Commonwealth shall be granted the protection of full faith and credit under the Constitution of the United States.
- (3) It is the policy of this Commonwealth that the internal affairs of registered limited liability partnerships, formed and existing under KRS 362.155, 362.175, 362.190, 362.220, 362.235, 362.315, 362.325, 362.345, and KRS 362.555 to 362.605, including the liability of partners for debts, obligations, and liabilities chargeable to partnerships, shall be subject to and governed by the laws of this Commonwealth.
- (4) Subject to any statutes for the regulation and control of specific types of business limited liability partnerships, formed and existing under the laws of another state or jurisdiction, may engage in any business in this Commonwealth.
- (5) It is the policy of this Commonwealth that the internal affairs of partnerships, including limited liability partnerships, formed and existing under the laws of another state or jurisdiction, including the liability of partners for debts, obligations, and liabilities chargeable to partnerships, shall be subject to and governed by the laws of that other state or jurisdiction.

Effective: July 15, 2010

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 170, effective July 15, 2010. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007; and amend 2007 Ky. Acts ch. 137, sec. 170, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1994 Ky. Acts ch. 389, sec. 104, effective July 15, 1994.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

362.580 Repealed, 1988.

Catchline at repeal: Nature of limited partner's interest in partnership.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 18, effective June 18, 1970.

362.585 Repealed, 2010.

Catchline at repeal: Registration of foreign limited liability partnership -- Effect of withdrawal -- Injunctive action by Attorney General.

History: Repealed 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. -- Repealed 2007 Ky. Acts ch. 137, sec. 181, effective June 26, 2007. Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1994 Ky. Acts ch. 389, sec. 105, effective July 15, 1994.

Legislative Research Commission Note (7/15/2010). This section was repealed in 2010 Ky. Acts ch. 51, sec. 179, effective July 15, 2010. However, 2010 Ky. Acts ch. 51, sec. 180, provides that "The repeals set out in Section 179 of this Act are hereby expressly made retroactive to the first moment of June 26, 2007." That language, therefore, applies to this section, and the repeal will be applied retroactively to affirm the repeal of this section contained in 2007 Ky. Acts ch. 137, sec. 181, effective June 26, 2007.

362.590 Repealed, 1988.

Catchline at repeal: Assignments of limited partner's interest.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 19, effective June 18, 1970.

362.595 Result of failure to comply with KRS 362.555 -- Service of process.

- (1) The failure of a registered limited liability partnership to comply with any requirements of KRS 362.555 shall not impair the validity of any contract, deed, mortgage, security interest, lien, or act of the registered limited liability partnership or prevent the registered limited liability partnership from defending any action, suit, or proceeding in any court of this Commonwealth.
- (2) Subject to subsection (3) of this section, the protection from liability of a partner of a registered limited liability partnership under KRS 362.220(2) shall not be altered by reason of the failure of the partnership to comply with any requirements of KRS 362.555.
- (3) A partner in a partnership which has previously filed a statement under KRS 362.555, and which has failed to comply with the renewal statement requirements of KRS 362.555, shall not be entitled to protection from liability under KRS 362.220(2) in any action or proceeding brought by any person who did business with the partnership during the period it failed to comply and who did not at that time have actual knowledge that it was a limited liability partnership.

Effective: July 15, 2010

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 146, effective July 15, 2010. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007; and amend 2007 Ky. Acts ch. 137, sec. 146, effective June 26, 2007. -- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1994 Ky. Acts ch. 389, sec. 106, effective July 15, 1994.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

362.600 Repealed, 1988.

Catchline at repeal: Effect of retirement, death or insanity of a general partner.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 20, effective June 18, 1970.

362.601 Circumstances preventing distribution -- Liability for unlawful distribution.

- (1) A registered limited liability partnership shall not make a distribution to the extent that at the time of the distribution and after giving effect to the distribution, all liabilities for the registered limited liability partnership exceed the fair value of the assets of the registered limited liability partnership, other than liabilities to partners or transferees on account of their transferable interest in liabilities for which the recourse of creditors is limited to specified property. The fair value of property that is subject to a liability for which the recourse of partners is limited shall be included in the assets of the registered limited liability partnership only to the extent that the fair value of that property exceeds that liability.
- (2) A partner or transferee of a registered limited liability partnership who receives a distribution in violation of subsection (1) of this section is liable to the partnership for the amount of that distribution. A proceeding under this section shall be barred unless it is commenced within two (2) years after the date on which the distribution is paid to the partner or transferee.
- (3) This section does not affect any obligation or liability of a partner or transferee of a registered limited liability partnership under an agreement or other applicable law for the amount of a distribution.
- (4) For purposes of this section, the term "distribution" does not include amounts constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of business pursuant to a bona fide retirement plan or other benefits program.

Effective: July 15, 2010

History: Created 2010 Ky. Acts ch. 133, sec. 4, effective July 15, 2010.

362.605 Suits by and against partnerships -- Effect of judgments.

- (1) A general partnership may sue or be sued in its real name. A judgment by or against a partnership shall bind the partnership as if it were a legal entity. A judgment against a partnership shall not bind a partner in his individual capacity except to the extent permitted by KRS 362.220.
- (2) A limited partnership may sue or be sued in its real name. A judgment by or against a limited partnership shall bind the limited partnership as a legal entity. Judgment against a limited partnership shall not bind a general partner in his, her or its individual capacity except to the extent permitted by KRS 362.447 and 362.220, and only if the general partner is named as a party in the action.
- (3) The real name of a partnership or limited partnership shall be determined in accordance with KRS 365.015.

Effective: June 24, 2015

History: Amended 2015 Ky. Acts ch. 34, sec. 55, effective June 24, 2015. -- Repeal the prior repeal contained in 2006 Ky. Acts ch. 149, sec. 239, which was to have been effective January 1, 2008, 2007 Ky. Acts ch. 137, sec. 180, effective June 26, 2007. -
- Repealed 2006 Ky. Acts ch. 149, sec. 239, effective January 1, 2008. -- Created 1994 Ky. Acts ch. 389, sec. 107, effective July 15, 1994.

362.610 Repealed, 1988.

Catchline at repeal: Death of limited partner.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 21, effective June 18, 1970.

362.620 Repealed, 1988.

Catchline at repeal: Rights of creditors of limited partner.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 22, effective June 18, 1970.

362.630 Repealed, 1988.

Catchline at repeal: Distribution of assets.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 23, effective June 18, 1970.

362.640 Repealed, 1988.

Catchline at repeal: When certificate shall be cancelled or amended.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 24, effective June 18, 1970.

362.650 Repealed, 1988.

Catchline at repeal: Requirements for amendment and for cancellation of certificate -- Filing fee.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Amended 1988 Ky. Acts ch. 187, sec. 3, effective July 15, 1988. -- Amended 1986 Ky. Acts ch. 342, sec. 3, effective July 15, 1986. -- Amended 1978 Ky. Acts ch. 384, sec. 491, effective June 17, 1978. -- Created 1970 Ky. Acts ch. 97, sec. 25, effective June 18, 1970.

Legislative Research Commission Note. This section was amended by the 1988 General Assembly and also repealed. Pursuant to KRS 446.260, the repeal prevails.

362.660 Repealed, 1988.

Catchline at repeal: Parties to actions.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 26, effective June 18, 1970.

362.670 Repealed, 1988.

Catchline at repeal: Name of act.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 27, effective June 18, 1970.

362.680 Repealed, 1988.

Catchline at repeal: Rules of construction.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 28, effective June 18, 1970.

362.690 Repealed, 1988.

Catchline at repeal: Rules for cases not provided for in KRS 362.410 to 362.700.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 29, effective June 18, 1970.

362.700 Repealed, 1988.

Catchline at repeal: Provisions for existing limited partnerships.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1970 Ky. Acts ch. 97, sec. 30, effective June 18, 1970.

362.710 Repealed, 1988.

Catchline at repeal: Application of KRS 365.015.

History: Repealed 1988 Ky. Acts ch. 284, sec. 65, effective July 15, 1988. -- Created 1986 Ky. Acts ch. 342, sec. 4, effective July 15, 1986.

362.1-1001 Renumbered as KRS 362.1-931.

362.1-1002 Repealed, 2011.

Catchline at repeal: Name of limited liability partnership.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 70, effective July 12, 2006.

362.1-1003 Renumbered as KRS 362.1-932.

362.1-101 Definitions for subchapter.

As used in this subchapter, unless the context otherwise requires:

- (1) "Business" includes every trade, occupation, and profession;
- (2) "Debtor in bankruptcy" means a person who is the subject of:
 - (a) An order for relief under Title 11 of the United States Code or a comparable order under a successor statute of general application; or
 - (b) A comparable order under federal, state, or foreign law governing insolvency;
- (3) "Deliver" or "delivery" means any method of delivery used in conventional commercial practice, including delivery by hand, mail, commercial delivery, and electronic transmission;
- (4) "Distribution" means a transfer of money or other property from a partnership to a partner in the partner's capacity as a partner or to the transferee of all or a part of a partner's transferable interest;
- (5) "Electronic transmission" or "electronically transmitted" means any process of communication not directly involving the physical transfer of paper that is suitable for the retention, retrieval, and reproduction of information by the recipient;
- (6) "Entity" means a corporation, foreign corporation, not-for-profit corporation, profit or not-for-profit unincorporated association, business or statutory trust, estate, partnership, limited partnership, trust, two (2) or more persons having a joint or common economic interest, and a state, national, or foreign government;
- (7) "Foreign limited liability partnership" means a partnership that:
 - (a) Is formed under laws other than the laws of this Commonwealth; and
 - (b) Has the status of a limited liability partnership under those laws;
- (8) "Limited liability partnership" means a partnership that has filed a statement of qualification under KRS 362.1-931 and does not have a similar statement in effect in any other jurisdiction;
- (9) "Name of record with the Secretary of State" means any real, fictitious, reserved, registered, or assumed name of an entity;
- (10) "Partnership" means an association of two (2) or more persons to carry on as co-owners a business for profit formed under KRS 362.1-202, predecessor law, or comparable law of another jurisdiction;
- (11) "Partnership agreement" means the agreement, whether written, oral, or implied, among the partners concerning the partnership, including amendments to the partnership agreement;
- (12) "Partnership at will" means a partnership in which the partners have not agreed to remain partners until the expiration of a definite term or the completion of a particular undertaking;
- (13) "Partnership interest" or "partner's interest in the partnership" means all of a partner's interests in the partnership, including the partner's transferable interest and all management and other rights;
- (14) "Person" means an individual, an entity, or any other legal or commercial entity;

- (15) "Professional partnership" means a partnership organized under this subchapter or the laws of another state or foreign country for purposes that include, but are not limited to, the providing of one (1) or more professional services. Except as otherwise expressly provided in this subchapter, all provisions of this subchapter governing partnerships shall be applicable to professional partnerships;
- (16) "Professional services" mean the personal services rendered by physicians, osteopaths, optometrists, podiatrists, chiropractors, dentists, nurses, pharmacists, psychologists, occupational therapists, veterinarians, engineers, architects, landscape architects, certified public accountants, public accountants, physical therapists, and attorneys;
- (17) "Property" means all property, real, personal, or mixed, tangible or intangible, or any interest therein;
- (18) "Regulatory board" means the agency that is charged by law with the licensing and regulation of the practice of the profession which the professional partnership is organized to provide;
- (19) "Sign" or "signature" includes any manual, facsimile, conformed, or electronic signature;
- (20) "State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or insular possession subject to the jurisdiction of the United States;
- (21) "Statement" means a statement of partnership authority under KRS 362.1-303, a statement of denial under KRS 362.1-304, a statement of dissociation under KRS 362.1-704, a statement of dissolution under KRS 362.1-805, a statement of merger under KRS 362.1-907, a statement of qualification under KRS 362.1-931, a statement of foreign qualification under KRS 362.1-951, or an amendment or cancellation of any of the foregoing; and
- (22) "Transfer" includes an assignment, conveyance, lease, mortgage, deed, and encumbrance.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 1, effective July 12, 2006.

362.1-102 Knowledge and notice.

- (1) A person knows a fact if the person has actual knowledge of it.
- (2) A person has notice of a fact if the person:
 - (a) Knows of it;
 - (b) Has received a notification of it;
 - (c) Has reason to know it exists from all of the facts known to the person at the time in question; or
 - (d) By reason of a filing or recording to the extent provided by and subject to the limitations set forth in KRS 362.1-303(4) or (5), 362.1-704(3), or 362.1-805(3).
- (3) A person notifies or gives a notification to another by taking steps reasonably calculated to inform the other person in ordinary course, whether or not the other person obtains knowledge of it.
- (4) A person receives a notification when the notification:
 - (a) Comes to the person's attention; or
 - (b) Is duly delivered at the person's place of business or at any other place held out by the person as a place for receiving communications.
- (5) Except as otherwise provided in subsection (6) of this section, a person other than an individual knows, has notice, or receives a notification of a fact for purposes of a particular transaction when the individual conducting the transaction knows, has notice, or receives a notification of the fact, or in any event when the fact would have been brought to the individual's attention if the person had exercised reasonable diligence. The person exercises reasonable diligence if it maintains reasonable routines for communicating significant information to the individual conducting the transaction and there is reasonable compliance with the routines. Reasonable diligence does not require an individual acting for the person to communicate information unless the communication is part of the individual's regular duties or the individual has reason to know of the transaction and that the transaction would be materially affected by the information.
- (6) A partner's knowledge, notice, or receipt of a notification of a fact relating to the partnership is effective immediately as knowledge by, notice to, or receipt of a notification by the partnership, except in the case of a fraud on the partnership committed by or with the consent of that partner.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 2, effective July 12, 2006.

362.1-103 Effect of partnership agreement -- Nonwaivable provisions.

- (1) Except as otherwise provided in subsection (2) of this section, relations among the partners and between the partners and the partnership are governed by the partnership agreement. To the extent the partnership agreement does not otherwise provide, this subchapter governs relations among the partners and between the partners and the partnership.
- (2) The partnership agreement shall not:
 - (a) Vary the rights and duties under KRS 362.1-105 except to eliminate the duty to provide copies of statements to all of the partners;
 - (b) Unreasonably restrict the right of access to books and records under KRS 362.1-403(2) or unreasonably restrict the right to information KRS 362.1-403(3);
 - (c) Eliminate the duty of loyalty under KRS 362.1-404(2) or 362.1-603(2)(c), but:
 1. The partnership agreement may identify specific types or categories of activities that do not violate the duty of loyalty, if not manifestly unreasonable; or
 2. All of the partners or a number or percentage specified in the partnership agreement may authorize or ratify, after full disclosure of all material facts, a specific act or transaction that otherwise would violate the duty of loyalty;
 - (d) Unreasonably reduce the duty of care under KRS 362.1-404(3) or 362.1-603(2)(c);
 - (e) Eliminate the obligation of good faith and fair dealing under KRS 362.1-404, but the partnership agreement may prescribe the standards by which the performance of the obligation is to be measured, if the standards are not manifestly unreasonable;
 - (f) Vary the power to dissociate as a partner under KRS 362.1-602(1), except to require the notice under KRS 362.1-601(1) to be in writing;
 - (g) Vary the right of a partner or the partnership to seek a partner's expulsion by judicial determination or vary the right of a court to expel a partner in the events specified in KRS 362.1-601(5);
 - (h) Vary the requirement to wind up the partnership business in cases specified in KRS 362.1-801(4), (5), or (6); or
 - (i) Vary the law applicable to a limited liability partnership under KRS 362.1-106(2); or
 - (j) Vary the liabilities and remedies under KRS 362.1-405 to a greater extent than variations are in fact made under this section in the substantive rights in the partnership agreement giving rise to the partner claims at issue.
- (3) If a written partnership agreement contains a provision to the effect that any amendment to the partnership agreement must be in writing and adopted in accordance with the provisions of the partnership agreement, that provision shall be enforceable in accordance with its terms, and any agreement among the partners

concerning the partnership which is not in writing and adopted in accordance with the provisions of the partnership agreement shall not be part of the partnership agreement.

- (4) A partnership agreement may provide that the interest of any partner who fails to make any contribution that the partner is obligated to make or who otherwise violates an obligation undertaken in the partnership agreement shall be subject to specified penalties for, or specified consequences of, such failure. Such penalty or consequence may take the form of reducing or eliminating the defaulting partner's proportionate interest in the partnership, subordinating the partner's interest to that of nondefaulting partners, a forced sale of that interest, forfeiture of his or her interest, the lending by other partners of the amount necessary to meet the defaulting partner's commitment, a fixing of the value of his or her interest by appraisal or by formula and redemption or sale of the interest in the partnership at such value, or other penalty or consequence.
- (5) A partnership agreement may provide rights to any person, including a person who is not a partner or not otherwise a party to the partnership agreement, to the extent set forth therein.
- (6) No partner or other person shall have a vested property right resulting from any provision of a partnership agreement which may not be modified by its amendment or as otherwise permitted by law.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 133, sec. 51, effective July 15, 2010. -- Created 2006 Ky. Acts ch. 149, sec. 3, effective July 12, 2006.

362.1-104 Supplemental principles of law.

- (1) Unless displaced by particular provisions of this subchapter, the principles of law and equity supplement this subchapter.
- (2) If an obligation to pay interest arises under this subchapter and the rate is not specified, then the rate is that specified in KRS 360.010.
- (3) Subject to KRS 362.1-103(2), it shall be the policy of the Commonwealth in this subchapter to give maximum effect to the principles of freedom of contract and the enforceability of partnership agreements. Although this subchapter is in derogation of common law, the rules of construction that require strict construction of statutes that are in derogation of common law shall not apply to its provisions. Except as otherwise expressly provided herein, this subchapter shall not be construed to impair the obligation of any contract existing when this subchapter, or any amendment thereto, becomes effective, nor to affect any action or proceeding begun, or right accrued before this subchapter or any amendment thereto takes effect.
- (4) A professional partnership shall be governed by the laws, whether statutory or common law, applicable to other partnerships. Except for the provisions of this subchapter concerning the personal liability of partners, employees, and agents of a partnership, nothing in this subchapter shall restrict, limit, or expand in any manner the authority and duty of any regulatory board to:
 - (a) License individual persons providing professional services; and
 - (b) Regulate the practice of persons providing professional services which are within the jurisdiction of the regulatory board, even though the persons are partners, employees, or agents of a professional partnership, or provide professional services through a professional partnership, including the establishment of regulations concerning:
 1. The qualifications of partners of a professional partnership;
 2. The transfer of partnership interests in a professional partnership; or
 3. The provision of one (1) or more professional services through a professional partnership.
- (5) Action validly taken pursuant to a provision of this chapter shall not be deemed invalid solely because it is identical or similar in substance to an action that could have been taken pursuant to some other provision of this chapter but fails to satisfy one (1) or more requirements prescribed by such other provision.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 133, sec. 52, effective July 15, 2010. -- Created 2006 Ky. Acts ch. 149, sec. 4, effective July 12, 2006.

362.1-105 Execution, filing, and recording of statements.

- (1) A statement may be filed in the office of Secretary of State. A statement shall satisfy the requirements of KRS 14A.2-010 to 14A.2-150. A filed statement has the effect provided in this subchapter with respect to partnership property located in or transactions that occur in this Commonwealth.
- (2) A certified copy of a statement that has been filed in the office of the Secretary of State may be filed with and recorded by any county clerk to which the statement is presented for filing and recording.
- (3) A statement filed by a partnership shall be executed by at least two (2) partners. Other statements shall be executed by a partner or other person authorized by this subchapter.
- (4) A person authorized by this subchapter to file a statement may amend or cancel the statement by filing an amendment or cancellation that names the partnership, identifies the statement, and states the substance of the amendment or cancellation. No amendment or cancellation shall be made with respect to a statement of merger or statement of dissolution after filing with the Secretary of State.
- (5) A person authorized by this subchapter to file a statement may correct a filed statement if the statement contains information that was incorrect as of the time of the original filing or if the statement was defectively executed, attested, sealed, verified, or acknowledged. A statement is corrected by filing with the Secretary of State a statement of correction that describes the original filing, specifies the information that was incorrect as of the original filing or the manner in which the execution was defective, corrects the incorrect information or the defective execution, and is accompanied by a copy of the original defective statement, accompanied by the proper filing fee. A statement of correction shall be effective as of the effective date of the statement it corrects except as to persons relying on the uncorrected document adversely affected by the correction. As to those persons, the statement of correction shall be effective in the same manner as they were on notice of the original statement.
- (6) A person who files a statement pursuant to this section shall promptly send a copy of the statement to every nonfiling partner and to any other person named as a partner in the statement. Failure to send a copy of a statement to a partner or other person does not limit the effectiveness of the statement as to a person not a partner.
- (7) A person who executes a statement shall be deemed to have declared under penalty of perjury that to that person's knowledge the contents of the statement are accurate.
- (8) The Secretary of State may collect a fee for filing or providing a certified copy of a statement. The county clerk may collect a fee of ten dollars (\$10) for recording a statement.
- (9) The Secretary of State may prescribe and furnish on request forms for:
 - (a) A statement of change of registered office or registered agent;
 - (b) An application to reserve a name;
 - (c) An application to cancel the reservation of a name;

- (d) A resignation of a registered agent or registered office or both;
 - (e) An annual report; and
 - (f) An amendment to the annual report.
- (10) The Secretary of State may mandate the use of the forms listed in subsection (9) of this section.
- (11) The Secretary of State may prescribe and furnish on request forms for any other records required or permitted to be filed pursuant to this subchapter, but their use shall not be mandatory.

Effective: January 1, 2011

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 169, effective July 15, 2010; and amended 2010 Ky. Acts ch. 151, sec. 90, effective January 1, 2011. -- Amended 2007 Ky. Acts ch. 137, sec. 169, effective June 26, 2007. -- Created 2006 Ky. Acts ch. 149, sec. 5, effective July 12, 2006.

Legislative Research Commission Note (1/1/2011). This section was amended by 2010 Ky. Acts ch. 151, and repealed and reenacted by 2010 Ky. Acts ch. 51. Pursuant to Section 184 of Acts ch. 51, it was the intent of the General Assembly that the repeal and reenactment not serve to void the amendment, and these Acts do not appear to be in conflict, therefore, they have been codified together.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

362.1-106 Governing law.

- (1) Except as otherwise provided in subsection (2) of this section, the law of the jurisdiction in which a partnership has its chief executive office governs relations among the partners and between the partners and the partnership.
- (2) The law of this Commonwealth governs relations among the partners and between the partners and the partnership and the liability of partners for an obligation of a limited liability partnership.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 6, effective July 12, 2006.

362.1-107 Partnership subject to amendment or repeal of subchapter.

A partnership governed by this subchapter is subject to any amendment to or repeal of this subchapter.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 7, effective July 12, 2006.

362.1-108 Requirements for documents to be entitled to filing by Secretary of State.

A statement delivered to the Secretary of State for filing, whether submitted by a partnership, a foreign partnership, or otherwise, shall satisfy the requirements of KRS 14A.2-010 to 14A.2-150.

Effective: January 1, 2011

History: Repealed and reenacted 2010 Ky. Acts ch. 151, sec. 91, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 8, effective July 12, 2006.

362.1-109 Fees for filing documents with Secretary of State.

The Secretary of State shall collect the following fees when the statements described in this section are delivered for filing:

- | | |
|---|----------|
| (1) Statement of Partnership Authority | \$40.00 |
| (2) Statement of Denial | \$20.00 |
| (3) Statement of Dissociation | \$20.00 |
| (4) Statement of Dissolution | \$40.00 |
| (5) Statement of Merger | \$40.00 |
| (6) Statement of Qualification | \$40.00 |
| (7) Amendment to a Statement of Qualification | \$40.00 |
| (8) Statement of Foreign Qualification | \$90.00 |
| (9) Reinstatement of a Statement of Qualification | \$100.00 |
| (10) All other filings | \$40.00 |

Effective: January 1, 2011

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 147, effective July 15, 2010; and repealed, reenacted, and amended 2010 Ky. Acts ch. 151, sec. 92, effective January 1, 2011. -- Amended 2007 Ky. Acts ch. 137, sec. 147, effective June 26, 2007. -- Created 2006 Ky. Acts ch. 149, sec. 9, effective July 12, 2006.

Legislative Research Commission Note (1/1/2011). This section was repealed, reenacted, and amended by 2010 Ky. Acts ch. 151, and repealed and reenacted by 2010 Ky. Acts ch. 51. Pursuant to Section 184 of Acts ch. 51, it was the intent of the General Assembly that the repeal and reenactment not serve to void the amendment, and these Acts do not appear to be in conflict, therefore, they have been codified together.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

362.1-110 Effective time and date of document.

A statement filed by or with respect to a partnership shall be effective as provided in KRS 14A.2-070.

Effective: January 1, 2011

History: Repealed and reenacted 2010 Ky. Acts ch. 151, sec. 93, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 10, effective July 12, 2006.

362.1-1101 Repealed, 2011.

Catchline at repeal: Law governing foreign limited liability partnership.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 71, effective July 12, 2006.

362.1-1102 Renumbered as KRS 362.1-951.

362.1-1103 Repealed, 2011.

Catchline at repeal: Effect of failure to qualify.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 73, effective July 12, 2006.

362.1-1104 Repealed, 2011.

Catchline at repeal: Activities not constituting transacting business.

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 151, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Amended 2007 Ky. Acts ch. 137, sec. 151, effective June 26, 2007. -- Created 2006 Ky. Acts ch. 149, sec. 74, effective July 12, 2006.

362.1-1105 Renumbered as KRS 362.1-952.

362.1-111 Repealed, 2011.

Catchline at repeal: Duty of Secretary of State to file document -- Manner of filing --
Effect of filing or refusal to file.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 11, effective July 12, 2006.

362.1-112 Repealed, 2011.

Catchline at repeal: Appeal of refusal of Secretary of State to file.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 12, effective July 12, 2006.

362.1-113 Repealed, 2011.

Catchline at repeal: Effect of certificate of Secretary of State attached to copy of statement filed.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 13, effective July 12, 2006.

362.1-114 Partnership names.

The name of a partnership as set forth on a statement of qualification or statement of foreign qualification shall satisfy the requirements of KRS 14A.3-010.

Effective: January 1, 2011

History: Repealed, reenacted, and amended 2010 Ky. Acts ch. 151, sec. 94, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 14, effective July 12, 2006.

362.1-115 Repealed, 2011.

Catchline at repeal: Reserved partnership name.

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 148, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Amended 2007 Ky. Acts ch. 137, sec. 148, effective June 26, 2007. -- Created 2006 Ky. Acts ch. 149, sec. 15, effective July 12, 2006.

362.1-116 Repealed, 2011.

Catchline at repeal: Registration of name of foreign partnership.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 16, effective July 12, 2006.

362.1-117 Registered office -- Registered agent.

Each limited liability partnership and each foreign limited liability partnership authorized to transact business in the Commonwealth shall continuously maintain in this Commonwealth a registered office and a registered agent that comply with KRS 14A.4-010.

Effective: January 1, 2011

History: Repealed, reenacted, and amended 2010 Ky. Acts ch. 151, sec. 95, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 17, effective July 12, 2006.

362.1-118 Repealed, 2011.

Catchline at repeal: Change of registered office or registered agent.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 18, effective July 12, 2006.

362.1-119 Repealed, 2011.

Catchline at repeal: Resignation of registered agent.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 19, effective July 12, 2006.

362.1-120 Service of process.

An agent named pursuant to KRS 362.1-303(1)(a)3. is not a registered agent for the partnership, and service of process is not accomplished against that agent.

Effective: January 1, 2011

History: Repealed, reenacted, and amended 2010 Ky. Acts ch. 151, sec. 96, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 20, effective July 12, 2006.

362.1-1201 Renumbered as KRS 362.1-971.

362.1-1202 Renumbered as KRS 362.1-972.

362.1-1203 Renumbered as KRS 362.1-973.

362.1-1204 Renumbered as KRS 362.1-974.

362.1-1205 Renumbered as KRS 362.1-975.

362.1-121 Annual report.

Each limited liability partnership and each foreign limited liability partnership authorized to transact business in this Commonwealth shall deliver to the Secretary of State for filing an annual report in the office of the Secretary of State on such form as shall be prescribed by the Secretary of State as provided in KRS 14A.6-010.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 133, sec. 53, effective July 15, 2010; and amended ch. 151, sec. 97, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 21, effective July 12, 2006.

Legislative Research Commission Note (1/1/2011). This section was amended by 2010 Ky. Acts chs. 133 and 151, which do not appear to be in conflict and have been codified together.

362.1-122 Administrative dissolution of a statement of qualification or statement of partnership authority.

- (1) The Secretary of State may commence a proceeding to administratively dissolve a statement of qualification if:
 - (a) The limited liability partnership does not deliver its annual report with the Secretary of State on or before the due date;
 - (b) The limited liability partnership is without a registered agent or registered office in this Commonwealth for sixty (60) days or more; or
 - (c) The limited liability partnership does not notify the Secretary of State within sixty (60) days that its registered agent or registered office has been changed, that its registered agent has resigned, or that its registered office has been discontinued.
- (2) If the Secretary of State determines that one (1) or more grounds exist under subsection (1) of this section for the administrative dissolution of a statement of qualification, then the Secretary of State shall serve the partnership with written notice of the determination by mailing such notice by first class mail to the limited liability partnership at the street address of the partnership's chief executive office as set forth in the partnership's most recent annual report filed pursuant to KRS 362.1-121 or, if none, that set forth in the statement of partnership qualification filed pursuant to KRS 14A.6-010 or the statement of foreign qualification filed by a foreign limited liability partnership pursuant to KRS 362.1-951.
- (3) If the limited liability partnership does not correct each ground for dissolution or demonstrate to the reasonable satisfaction of the Secretary of State that each ground determined by the Secretary of State does not exist within sixty (60) days from the date on which the notice was mailed, then the Secretary of State shall administratively dissolve the statement of qualification by signing a certificate of dissolution that recites the ground or grounds for dissolution and its effective date. The Secretary of State shall file the original certificate and serve a copy on the limited liability partnership by mailing such certificate by first class mail to the partnership at its chief executive office address. The administrative dissolution of a statement of qualification shall not terminate the authority of the registered agent of the partnership.
- (4) The administrative dissolution of a statement of qualification affects only the partnership's status as a limited liability partnership and is not an event of dissolution of the partnership.
- (5) The partnership whose statement of qualification has been administratively dissolved may apply to the Secretary of State for reinstatement of the statement at any time after the effective date of the dissolution by filing an application that:
 - (a) Recites the name of the partnership, identifies the statement that was administratively dissolved and the effective date of that administrative dissolution;
 - (b) States that the ground or grounds for dissolution either did not exist or have been eliminated;

- (c) States that the name of the partnership satisfies the requirements of KRS 14A.3-010; and
 - (d) Is accompanied by the reinstatement penalty and the current fee for filing each delinquent annual report.
- (6) If the Secretary of State determines that the application contains the information required by subsection (5) of this section and that the information provided therein is correct, then the Secretary of State shall cancel the certificate of administrative dissolution and prepare a certificate reciting the cancellation of the administrative dissolution and the effective date thereof, file the original of the certificate, and serve a copy on the partnership by mailing the certificate by first class mail to the partnership at its chief executive office address. When the revocation of the administrative dissolution is effective, it shall relate back to and take effect as of the effective date of the administrative dissolution, and the statement or statements shall be in full force and effect as if the administrative dissolution had never occurred.
- (7) If the Secretary of State denies a partnership's application for reinstatement of its statement of qualification following administrative dissolution, then the Secretary of State shall serve the partnership with written notice that explains the reason or reasons for denial by mailing the notice by first class mail to the partnership at its chief executive office address. The partnership may appeal the denial of reinstatement to the Franklin Circuit Court within thirty (30) days after the service of the notice of the denial transmitted to the partnership. The partnership may appeal by petitioning the court to set aside the administrative dissolution and attaching to the petition copies of the Secretary of State's certificate of administrative dissolution, the partnership's application for reinstatement, and the Secretary of State's notice of denial. The court may summarily order the Secretary of State to reinstate the statement of qualification or may take any other action the court considers appropriate. The court's final decision may be appealed as in any other civil proceedings.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 133, sec. 54, effective July 15, 2010; and amended ch. 151, secs. 128 and 130, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 22, effective July 12, 2006.

Legislative Research Commission Note (1/1/2011). This section was amended by 2010 Ky. Acts chs. 133 and 151, which do not appear to be in conflict and have been codified together.

362.1-123 Repealed, 2011.

Catchline at repeal: Revocation of a statement of foreign qualification.

History: Amended 2010 Ky. Acts ch. 133, sec. 55, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 23, effective July 12, 2006.

362.1-201 Partnership as entity.

- (1) A partnership is an entity distinct from its partners.
- (2) A limited liability partnership is a partnership and continues to be the same entity that existed before the filing of a statement of qualification under KRS 362.1-931.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 24, effective July 12, 2006.

362.1-202 Formation of partnership.

- (1) Except as otherwise provided in subsection (2) of this section, the association of two (2) or more persons to carry on as co-owners a business for profit forms a partnership, whether or not the persons intend to form a partnership.
- (2) An association formed under a statute other than this subchapter, a predecessor statute, or a comparable statute of another jurisdiction is not a partnership under this subchapter.
- (3) In determining whether a partnership is formed, the following rules apply:
 - (a) Joint tenancy, tenancy in common, tenancy by the entireties, joint property, common property, or part ownership does not by itself establish a partnership, even if the co-owners share profits made by the use of the property.
 - (b) The sharing of gross returns does not by itself establish a partnership, even if the persons sharing them have a joint or common right or interest in property from which the returns are derived.
 - (c) A person who receives a share of the profits of a business is presumed to be a partner in the business, unless the profits were received in payment:
 1. Of a debt by installments or otherwise;
 2. For services as an independent contractor or of wages or other compensation to an employee;
 3. Of rent;
 4. Of an annuity or other retirement or health benefit to a beneficiary, representative, or designee of a deceased or retired partner;
 5. Of interest or other charge on a loan, even if the amount of payment varies with the profits of the business, including a direct or indirect present or future ownership of the collateral, or rights to income, proceeds, or increase in value derived from the collateral; or
 6. For the sale of the goodwill of a business or other property by installments or otherwise.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 25, effective July 12, 2006.

362.1-203 Partnership property.

Property transferred to or otherwise acquired by a partnership is property of the partnership and not of the partners individually.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 26, effective July 12, 2006.

362.1-204 When property is partnership property.

- (1) Property is partnership property if acquired in the name of:
 - (a) The partnership; or
 - (b) One (1) or more partners with an indication in the instrument transferring title to the property of the person's capacity as a partner or of the existence of a partnership but without an indication of the name of the partnership.
- (2) Property is acquired in the name of the partnership by a transfer to:
 - (a) The partnership in its name; or
 - (b) One (1) or more partners in their capacity as partners in the partnership, if the name of the partnership is indicated in the instrument transferring title to the property.
- (3) Property is presumed to be partnership property if purchased with partnership assets, even if not acquired in the name of the partnership or of one (1) or more partners with an indication in the instrument transferring title to the property of the person's capacity as a partner or of the existence of a partnership.
- (4) Property acquired in the name of one (1) or more of the partners, without an indication in the instrument transferring title to the property of the person's capacity as a partner or of the existence of a partnership and without use of partnership assets, is presumed to be separate property, even if used for partnership purposes.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 27, effective July 12, 2006.

362.1-301 Partner agent of partnership.

Subject to the effect of a statement of partnership authority under KRS 362.1-303:

- (1) Each partner is an agent of the partnership for the purpose of its business. An act of a partner, including the execution of an instrument in the partnership name, for apparently carrying on in the ordinary course the partnership business or business of the kind carried on by the partnership binds the partnership, unless the partner had no authority to act for the partnership in the particular matter and the person with whom the partner was dealing had notice that the partner lacked authority.
- (2) An act of a partner which is not apparently for carrying on in the ordinary course the partnership business or business of the kind carried on by the partnership binds the partnership only if the act was authorized by all of the other partners.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 28, effective July 12, 2006.

362.1-302 Transfer of partnership property.

- (1) Partnership property may be transferred as follows:
 - (a) Subject to the effect of a statement of partnership authority under KRS 362.1-303, partnership property held in the name of the partnership may be transferred by an instrument of transfer executed by a partner in the partnership name.
 - (b) Partnership property held in the name of one (1) or more partners with an indication in the instrument transferring the property to them of their capacity as partners or of the existence of a partnership, but without an indication of the name of the partnership, may be transferred by an instrument of transfer executed by the persons in whose name the property is held.
 - (c) Partnership property held in the name of one (1) or more persons other than the partnership, without an indication in the instrument transferring the property to them of their capacity as partners or of the existence of a partnership, may be transferred by an instrument of transfer executed by the persons in whose name the property is held.
- (2) A partnership may recover partnership property from a transferee only if it proves that execution of the instrument of initial transfer did not bind the partnership under KRS 362.1-301 and:
 - (a) As to a subsequent transferee who gave value for property transferred under subsection (1)(a) or (b) of this section, proves that the subsequent transferee had notice that the person who executed the instrument of initial transfer lacked authority to bind the partnership; or
 - (b) As to a transferee who gave value for property transferred under subsection (1)(c) of this section, proves that the transferee had notice that the property was partnership property and that the person who executed the instrument of initial transfer lacked authority to bind the partnership.
- (3) A partnership shall not recover partnership property from a subsequent transferee if the partnership would not have been entitled to recover the property, under subsection (2) of this section, from any earlier transferee of the property.
- (4) If a person holds all of the partners' interests in the partnership, all of the partnership property vests in that person. The person may execute a document in the name of the partnership to evidence vesting of the property in that person and may file or record the document.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 29, effective July 12, 2006.

362.1-303 Statement of partnership authority.

- (1) A partnership may file a statement of partnership authority, which:
 - (a) Shall include:
 1. The name of the partnership, which shall comply with KRS 14A.3-010;
 2. The street address of its chief executive office and of one (1) office in this Commonwealth, if any;
 3. The names and mailing addresses of all of the partners or of an agent appointed and maintained by the partnership for the purpose of subsection (2) of this section;
 4. The names of the partners authorized to execute an instrument transferring real property held in the name of the partnership;
 5. The date any statement of qualification or statement of foreign qualification was previously filed by the partnership with the Secretary of State; and
 - (b) May state the authority, or limitations on the authority, of some or all of the partners to enter into other transactions on behalf of the partnership and any other matter.
- (2) The agent named in the statement of partnership authority pursuant to subsection (1)(a)3. of this section, if any, shall maintain a list of the names and mailing addresses of all of the partners and make it available to any person on written request for good cause shown.
- (3) If a filed statement of partnership authority is executed pursuant to KRS 362.1-105(3) and states the name of the partnership but does not contain all of the other information required by subsection (1) of this section, then the statement nevertheless operates with respect to a person not a partner as provided in subsections (4) and (5) of this section.
- (4) Except as otherwise provided in subsection (7) of this section, a filed statement of partnership authority supplements the authority of a partner to enter into transactions on behalf of the partnership as follows:
 - (a) Except for transfers of real property, a grant of authority contained in a filed statement of partnership authority is conclusive in favor of a person who gives value without notice to the contrary, so long as and to the extent that a limitation on that authority is not then contained in another filed statement. A filed cancellation of a limitation on authority revives the previous grant of authority.
 - (b) A grant of authority to transfer real property held in the name of the partnership contained in a certified copy of a filed statement of partnership authority recorded in the office for recording transfers of that real property is conclusive in favor of a person who gives value without having notice to the contrary, so long as and to the extent that a certified copy of a filed statement containing a limitation on that authority is not then of record in the office for recording transfers of that real property. The recording in the office for

recording transfers of that real property of a certified copy of a filed cancellation of a limitation on authority revives the previous grant of authority.

- (5) A person not a partner has knowledge of a limitation on the authority of a partner to transfer real property held in the name of the partnership if a certified copy of the filed statement containing the limitation on authority is of record in the office for recording transfers of that real property.
- (6) Except as otherwise provided in subsections (4) and (5) of this section and KRS 362.1-702 and 362.1-803, a person not a partner does not have notice of a limitation on the authority of a partner merely because the limitation is contained in a filed statement.
- (7) Unless earlier canceled, a filed statement of partnership authority is canceled by operation of law five (5) years after the date on which the statement, or the most recent amendment to the statement of partnership authority expressly extending its term for not more than five (5) years from the date of the amendment, was filed with the Secretary of State.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 129, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 30, effective July 12, 2006.

362.1-304 Statement of denial.

A partner or other person named as a partner in a filed statement of partnership authority or in a list maintained by an agent pursuant to KRS 362.1-303(2) may file a statement of denial stating the name of the partnership, the date of filing of the statement of partnership authority, and the fact that is being denied, which may include denial of a person's authority or status as a partner. A statement of denial is a limitation on authority as provided in KRS 362.1-303(4) and (5).

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 31, effective July 12, 2006.

362.1-305 Partnership liable for partner's actionable conduct.

- (1) A partnership is liable for loss or injury caused to a person, or for a penalty incurred, as a result of a wrongful act or omission, or other actionable conduct, of a partner acting in the ordinary course of business of the partnership or with authority of the partnership.
- (2) If, in the course of the partnership's business or while acting with authority of the partnership, a partner receives or causes the partnership to receive money or property of a person not a partner, and the money or property is misapplied by a partner, then the partnership is liable for the loss.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 32, effective July 12, 2006.

362.1-306 Partner's liability.

- (1) Except as otherwise provided in subsections (2) and (3) of this section, all partners are liable jointly and severally for all obligations of the partnership unless otherwise agreed by the claimant or provided by law.
- (2) A person admitted as a partner into an existing partnership is not personally liable for any partnership obligation incurred before the person's admission as a partner.
- (3) An obligation of a partnership arising out of or related to circumstances or events occurring or incurred while the partnership is a limited liability partnership, whether arising in contract, tort, or otherwise, is solely the obligation of the partnership. A partner is not personally liable, directly or indirectly, by way of indemnification, contribution, assessment, or otherwise, for such an obligation solely by reason of being or so acting as a partner. This subsection applies notwithstanding anything inconsistent in the partnership agreement that existed immediately before the vote required to become a limited liability partnership under KRS 362.1-931(2).
- (4) Subsection (3) of this section shall not affect the liability of a partner in a limited liability partnership for his own negligence, wrongful acts, or misconduct.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 81, sec. 115, effective July 12, 2012. -- Created 2006 Ky. Acts ch. 149, sec. 33, effective July 12, 2006.

362.1-307 Actions by and against partnership and partners.

- (1) A partnership may sue and be sued in the name of the partnership.
- (2) An action may be brought against the partnership and, to the extent not inconsistent with KRS 362.1-306, any or all of the partners in the same action or in separate actions.
- (3) A judgment against a partnership is not by itself a judgment against a partner. A judgment against a partnership may not be satisfied from a partner's assets unless there is also a judgment against the partner.
- (4) A judgment creditor of a partner shall not levy execution against the assets of a partner to satisfy a judgment based on a claim against the partnership unless the partner is personally liable for the claim under KRS 362.1-306 and:
 - (a) A judgment based on the same claim has been obtained against the partnership and a writ of execution on the judgment has been returned unsatisfied in whole or in part;
 - (b) The partnership is a debtor in bankruptcy;
 - (c) The partner has agreed that the creditor need not exhaust partnership assets;
 - (d) A court grants permission to the judgment creditor to levy execution against the assets of a partner based on a finding that partnership assets subject to execution are clearly insufficient to satisfy the judgment, that exhaustion of partnership assets is excessively burdensome, or that the grant of permission is an appropriate exercise of the court's equitable powers; or
 - (e) Liability is imposed on the partner by law or contract independent of the existence of the partnership.
- (5) This section applies to any partnership liability or obligation resulting from a representation by a partner or purported partner under KRS 362.1-308.
- (6) A partner in a limited liability partnership is not a proper party to a proceeding against such a partnership solely by reason of being a partner.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 34, effective July 12, 2006.

362.1-308 Liability of purported partner.

- (1) If a person, by words or conduct, purports to be a partner or consents to being represented by another as a partner in a partnership or with one (1) or more persons not partners, then the purported partner is liable to a person to whom the representation is made, if that person, relying on the representation, enters into a transaction with the actual or purported partnership and the purported partner would have been personally liable for obligations of the partnership under KRS 362.1-306(1).
- (2) Subject to subsection (1) of this section, if the representation, either by the purported partner or by a person with the purported partner's consent, is made in a public manner, then the purported partner is liable to a person who relies upon the purported partnership even if the purported partner is not aware of being held out as a partner to the claimant. If partnership liability results, then the purported partner is liable with respect to that liability as if the purported partner were a partner. If no partnership liability results, then the purported partner is liable with respect to that liability jointly and severally with any other person consenting to the representation.
- (3) Subject to subsection (1) of this section, if a person is thus represented to be a partner in an existing partnership, or with one or more persons not partners, then the purported partner is an agent of persons consenting to the representation to bind them to the same extent and in the same manner as if the purported partner were a partner, with respect to persons who enter into transactions in reliance upon the representation. If all of the partners of the existing partnership consent to the representation, then a partnership act or obligation results. If fewer than all of the partners of the existing partnership consent to the representation, then the person acting and the partners consenting to the representation are jointly and severally liable.
- (4) A person is not liable as a partner merely because the person is named by another in a statement of partnership authority.
- (5) A person does not continue to be liable as a partner merely because of a failure to file a statement of dissociation or to amend a statement of partnership authority to indicate the partner's dissociation from the partnership.
- (6) Except as otherwise provided in subsections (1) and (2) of this section, persons who are not partners as to each other are not liable as partners to other persons.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 35, effective July 12, 2006.

362.1-401 Partner's rights and duties.

- (1) Each partner is deemed to have an account that is:
 - (a) Credited with an amount equal to the money plus the value of any other property, net of the amount of any liabilities, the partner contributes to the partnership and the partner's share of the partnership profits; and
 - (b) Charged with an amount equal to the money plus the value of any other property, net of the amount of any liabilities, distributed by the partnership to the partner and the partner's share of the partnership losses.
- (2) Each partner is entitled to an equal share of the partnership profits and is chargeable with a share of the partnership losses in proportion to the partner's share of the profits.
- (3) A partnership shall reimburse a partner for payments made and indemnify a partner for liabilities incurred by the partner in the ordinary course of the business of the partnership or for the preservation of its business or property.
- (4) A partnership shall reimburse a partner for an advance to the partnership beyond the amount of capital the partner agreed to contribute.
- (5) A payment or advance made by a partner which gives rise to a partnership obligation under subsection (3) or (4) of this section constitutes a loan to the partnership which accrues interest from the date of the payment or advance.
- (6) Each partner has equal rights in the management and conduct of the partnership business.
- (7) A partner may use or possess partnership property only on behalf of the partnership.
- (8) A partner is not entitled to remuneration for services performed for the partnership, except for reasonable compensation for services rendered in winding up the business of the partnership.
- (9) A person may become a partner only with the consent of all of the partners.
- (10) A difference arising as to a matter in the ordinary course of business of a partnership may be decided by a majority of the partners. An act outside the ordinary course of business of a partnership and an amendment to the partnership agreement may be undertaken only with the consent of all of the partners.
- (11) This section does not affect the obligations of a partnership to other persons under KRS 362.1-301.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 36, effective July 12, 2006.

362.1-402 Distributions in kind.

- (1) A partner, regardless of the nature of the partner's contribution, has no right to demand and receive any distribution in kind from a partnership. A partner shall not be compelled to accept a distribution of any asset in kind from a partnership to the extent that the percentage of the asset distributed to the partner exceeds a percentage of that asset which is equal to the percentage in which the partner shares in distributions from the partnership. A partner may be compelled to accept a distribution of any asset in kind from a partnership to the extent that the percentage of the asset distributed to the partner is equal to a percentage of that asset which is equal to the percentage in which the partner shares in distributions from the partnership.
- (2) The property of a partnership subject to this subchapter shall not be subject to KRS 381.135(1)(a)1.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 37, effective July 12, 2006.

362.1-403 Partner's rights and duties with respect to information.

- (1) A partnership shall keep its books and records, if any, at its chief executive office.
- (2) A partnership shall provide partners and their agents and attorneys access to its books and records. It shall provide former partners and their agents and attorneys access to books and records pertaining to the period during which they were partners. The right of access provides the opportunity to inspect and copy books and records during ordinary business hours. A partnership may impose a reasonable charge, covering the costs of labor and material, for copies of documents furnished.
- (3) Each partner and the partnership shall furnish to a partner, and to the legal representative of a deceased partner or partner under legal disability:
 - (a) Without demand, any information concerning the partnership's business and affairs reasonably required for the proper exercise of the partner's rights and duties under the partnership agreement or this subchapter; and
 - (b) On demand, any other information concerning the partnership's business and affairs, except to the extent the demand or the information demanded is unreasonable or otherwise improper under the circumstances.
- (4) The partnership agreement may impose reasonable limitations upon use of information obtained under this section and may define appropriate remedies, including liquidated damages, for the breach of any reasonable limitation on use.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 38, effective July 12, 2006.

362.1-404 General standards of partner's conduct.

- (1) The fiduciary duties a partner owes to the partnership and the other partners include the duty of loyalty and the duty of care set forth in subsections (2) and (3) of this section.
- (2) A partner's duty of loyalty to the partnership and the other partners includes, but is not limited to, the following:
 - (a) To account to the partnership and hold as trustee for it any property, profit, or benefit derived by the partner in the conduct and winding up of the partnership business or derived from a use by the partner of partnership property, including the appropriation of a partnership opportunity;
 - (b) To refrain from dealing with the partnership in the conduct or winding up of the partnership business as or on behalf of a party having an interest adverse to the partnership; and
 - (c) To refrain from competing with the partnership in the conduct of the partnership business before the dissolution of the partnership.
- (3) A partner's duty of care to the partnership and the other partners in the conduct and winding up of the partnership business includes, but is not limited to, acting with the care that a reasonable person in a like position would exercise under similar circumstances and in a manner that the partner believes to be in the best interests of the partnership.
- (4) A partner shall discharge the duties to the partnership and the other partners under this subchapter or under the partnership agreement and exercise any rights consistently with the obligation of good faith and fair dealing.
- (5) A partner does not violate a duty or obligation under this subchapter or under the partnership agreement merely because the partner's conduct furthers the partner's own interest. That a transaction was fair to the partnership shall not constitute a defense to the breach of the obligation in subsection (2) of this section.
- (6) A partner may lend money to, borrow money from, act as a surety, guarantor, or endorser for, guarantee or assume one (1) or more specific obligations of, provide collateral for and transact other business with the partnership, and as to each loan or transaction the rights and obligations of the partner are the same as those of a person who is not a partner, subject to other applicable law.
- (7) This section applies to a person winding up the partnership business as the personal or legal representative of the last surviving partner as if the person were a partner.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 81, sec. 116, effective July 12, 2012. -- Created 2006 Ky. Acts ch. 149, sec. 39, effective July 12, 2006.

362.1-405 Actions by partnership and partners.

- (1) A partnership may maintain an action against a partner for a breach of the partnership agreement, or for the violation of a duty to the partnership causing harm to the partnership.
- (2) A partner may maintain an action against the partnership or another partner for legal or equitable relief, with or without an accounting as to partnership business, to:
 - (a) Enforce the partner's rights under the partnership agreement;
 - (b) Enforce the partner's rights under this subchapter, including:
 1. The partner's rights under KRS 362.1-401, 362.1-403, or 362.1-404;
 2. The partner's right on dissociation to have the partner's interest in the partnership purchased pursuant to KRS 362.1-701 or enforce any other right under KRS 362.1-601 to 362.1-705; or
 3. The partner's right to compel a dissolution and winding up of the partnership business under or enforce any other right under KRS 362.1-801 to 362.1-807; or
 - (c) Enforce the rights and otherwise protect the interests of the partner, including rights and interests arising independently of the partnership relationship.
- (3) The accrual of, and any time limitation on, a right of action for a remedy under this section is governed by KRS Chapter 413. A right to an accounting upon a dissolution and winding up does not revive a claim barred by law.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 40, effective July 12, 2006.

362.1-406 Continuation of partnership beyond definite term or particular undertaking.

- (1) If a partnership for a definite term or particular undertaking is continued, without an express agreement, after the expiration of the term or completion of the undertaking, then the rights and duties of the partners remain the same as they were at the expiration or completion, so far as is consistent with a partnership at will.
- (2) If the partners, or the partners who habitually acted in the business during the term or undertaking, continue the business without any settlement or liquidation of the partnership, then they are presumed to have agreed that the partnership will continue.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 41, effective July 12, 2006.

362.1-501 Partner not co-owner of partnership property.

Partnership property is owned by the partnership as an entity. A partner is not a co-owner of partnership property and has no interest in partnership property which can be transferred, either voluntarily or involuntarily.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 42, effective July 12, 2006.

362.1-502 Partner's transferable interest in partnership.

The only transferable interest of a partner in the partnership is the partner's share of the profits and losses of the partnership and the partner's right to receive distributions. The interest is personal property.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 43, effective July 12, 2006.

362.1-503 Transfer of partner's transferable interest.

- (1) A transfer, in whole or in part, of a partner's transferable interest in the partnership:
 - (a) Is permissible;
 - (b) Does not by itself cause the partner's dissociation or a dissolution and winding up of the partnership business; and
 - (c) Does not, as against the other partners or the partnership, entitle the transferee, during the continuance of the partnership, to participate in the management or conduct of the partnership business, to require access to information concerning partnership transactions, or to inspect or copy the partnership books or records.
- (2) A transferee of a partner's transferable interest in the partnership has a right:
 - (a) To receive, in accordance with the transfer, distributions to which the transferor would otherwise be entitled;
 - (b) To receive upon the dissolution and winding up of the partnership business, in accordance with the transfer, the net amount otherwise distributable to the transferor; and
 - (c) To seek under KRS 362.1-801(6) a judicial determination that it is equitable to wind up the partnership business.
- (3) In a dissolution and winding up, a transferee is entitled to an account of partnership transactions only from the date of the latest account agreed to by all of the partners.
- (4) Upon transfer, the transferor retains the rights and duties of a partner other than the transferable interest so transferred.
- (5) A partnership need not give effect to a transferee's rights under this section until it has notice of the transfer.
- (6) A transfer of a partner's transferable interest in the partnership in violation of a restriction on transfer contained in the partnership agreement is ineffective as to a person having notice of the restriction at the time of transfer.
- (7) Limitations upon transfer set forth in KRS 362.1-501 to 362.1-504 or adopted by the partners in accordance with this subchapter are enforceable notwithstanding KRS 355.9-406 and 355.9-408.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 44, effective July 12, 2006.

362.1-504 Partner's transferable interest subject to charging order.

- (1) This section provides the exclusive remedy by which the judgment creditor of a partner or the transferee of a partner may satisfy a judgment out of the judgment debtor's transferable interest.
- (2) On application to a court of competent jurisdiction by a judgment creditor of a partner or a partner's transferee, a court may charge the transferable interest of the judgment debtor with payment of the unsatisfied amount of the judgment. To the extent so charged, the judgment creditor has only the rights of a transferee and shall have no right to participate in the management of or to cause the dissolution of the partnership. The court may appoint a receiver of the share of the distributions due or to become due to the judgment debtor in respect of the partnership and make all other orders, directions, accounts, and inquiries the judgment debtor might have made or which the circumstances of the case may require to give effect to the charging order.
- (3) A charging order constitutes a lien on and the right to receive distributions made with respect to the judgment debtor's transferable interest in the partnership.
- (4) The court may order a foreclosure of the interest subject to the charging order at any time. The purchaser at the foreclosure sale has the rights of a transferee. A charging order does not of itself constitute an assignment of the transferable interest.
- (5) At any time before foreclosure, an interest charged may be redeemed:
 - (a) By the judgment debtor;
 - (b) With property other than partnership property, by one (1) or more of the other partners; or
 - (c) With partnership property, by one (1) or more of the other partners with the consent of all of the partners whose interests are not so charged.
- (6) This subchapter does not deprive a partner or a partner's transferee of a right under exemption laws with respect to the partner's or transferee's interest in the partnership.
- (7) The partnership is not a necessary party to an application for a charging order. Service of the charging order on a partnership may be made by the court granting the charging order or as the court may otherwise direct.
- (8) This section shall not apply to the enforcement of a judgment by a partnership against a partner of that partnership.
- (9) This section shall apply to the issuance of a charging order against the interest of a partner or transferee of a partner of a foreign partnership.

Effective: June 29, 2017

History: Amended 2017 Ky. Acts ch. 193, sec. 18, effective June 29, 2017. -- Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 149, effective July 15, 2010; and amended ch. 133, sec. 56, effective July 15, 2010. -- Amended 2007 Ky. Acts ch. 137, sec. 149, effective June 26, 2007. -- Created 2006 Ky. Acts ch. 149, sec. 45, effective July 12, 2006.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby

made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

Legislative Research Commission Note (7/15/2010). This section was amended by 2010 Ky. Acts ch. 133, and repealed and reenacted by 2010 Ky. Acts ch. 51. Pursuant to Section 184 of Acts ch. 51, it was the intent of the General Assembly that the repeal and reenactment not serve to void the amendment, and these Acts do not appear to be in conflict; therefore, they have been codified together.

362.1-601 Events causing partner's dissociation.

A partner is dissociated from a partnership upon the occurrence of any of the following events:

- (1) When the partnership has notice of the partner's express will to withdraw as a partner unless a later date is specified by the partner in the notice;
- (2) An event agreed to in the partnership agreement as causing the partner's dissociation;
- (3) The partner's expulsion pursuant to the partnership agreement;
- (4) The partner's expulsion by the unanimous vote of the other partners if:
 - (a) It is unlawful to carry on the partnership business with that partner;
 - (b) There has been a transfer of all or substantially all of that partner's transferable interest in the partnership, other than a transfer for security purposes that has not been foreclosed, or a court order charging the partner's interest, which has not been foreclosed;
 - (c) Within ninety (90) days after the partnership notifies a corporate partner that it will be expelled because it has filed a certificate of dissolution or the equivalent, its charter has been revoked, or its right to conduct business has been suspended by the jurisdiction of its incorporation, there is no revocation of the certificate of dissolution or no reinstatement of its charter or its right to conduct business; or
 - (d) A partnership that is a partner has been dissolved and its business is being wound up;
- (5) On application by the partnership or another partner, the partner's expulsion by judicial determination because:
 - (a) The partner engaged in wrongful conduct that adversely and materially affected the partnership business;
 - (b) The partner willfully or persistently committed a material breach of the partnership agreement or of a duty owed to the partnership or the other partners under KRS 362.1-404; or
 - (c) The partner engaged in conduct relating to the partnership business which makes it not reasonably practicable to carry on the business in partnership with the partner;
- (6) The partner's:
 - (a) Becoming a debtor in bankruptcy;
 - (b) Executing an assignment for the benefit of creditors;
 - (c) Seeking, consenting to, or acquiescing in the appointment of a trustee, receiver, or liquidator of that partner or of all or substantially all of that partner's property; or
 - (d) Failing, within ninety (90) days after the appointment, to have vacated or stayed the appointment of a trustee, receiver, or liquidator of the partner or of all or substantially all of the partner's property obtained without the partner's

consent or acquiescence, or failing within ninety (90) days after the expiration of a stay to have the appointment vacated;

- (7) In the case of a partner who is an individual:
 - (a) The partner's death;
 - (b) The appointment of a guardian or general conservator for the partner; or
 - (c) A judicial determination that the partner has otherwise become incapable of performing the partner's duties under the partnership agreement;
- (8) In the case of a partner that is a trust or is acting as a partner by virtue of being a trustee of a trust, distribution of the trust's entire transferable interest in the partnership, but not merely by reason of the substitution of a successor trustee;
- (9) In the case of a partner that is an estate or is acting as a partner by virtue of being a personal representative of an estate, distribution of the estate's entire transferable interest in the partnership, but not merely by reason of the substitution of a successor personal representative; or
- (10) Termination of any other partner who is an entity.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 46, effective July 12, 2006.

362.1-602 Partner's power to dissociate -- Wrongful dissociation.

- (1) A partner has the power to dissociate at any time, rightfully or wrongfully, by express will pursuant to KRS 362.1-601(1).
- (2) A partner's dissociation is wrongful only if any of the following apply:
 - (a) It is in breach of an express provision of the partnership agreement; or
 - (b) In the case of a partnership for a definite term or particular undertaking, before the expiration of the term or the completion of the undertaking if any of the following apply:
 1. The partner withdraws by express will, unless the withdrawal follows within ninety (90) days after another partner's dissociation by death or otherwise under KRS 362.1-601(6) to (10) or wrongful dissociation under this subsection;
 2. The partner is expelled by judicial determination under KRS 362.1-601(5);
 3. The partner is dissociated by becoming a debtor in bankruptcy; or
 4. In the case of a partner who is not an individual, trust other than a business trust, or estate, the partner is expelled or otherwise dissociated because it willfully dissolved or terminated.
- (3) A partner who wrongfully dissociates is liable to the partnership and to the other partners for damages caused by the dissociation. The liability is in addition to any other obligation of the partner to the partnership or to the other partners.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 47, effective July 12, 2006.

362.1-603 Effect of partner's dissociation.

- (1) If a partner's dissociation results in a dissolution and winding up of the partnership business, then KRS 362.1-801 to 362.1-807 apply; otherwise, KRS 362.1-701 to 362.1-705 apply.
- (2) Upon a partner's dissociation, the dissociating partner's:
 - (a) Right to participate in the management and conduct of the partnership business terminates, except as otherwise provided in KRS 362.1-803;
 - (b) Duty of loyalty under KRS 362.1-404(2)(c) terminates; and
 - (c) Duty of loyalty under KRS 362.1-404(2)(a) and (b) and duty of care under KRS 362.1-404(3) continue only with regard to matters arising and events occurring before the partner's dissociation, unless the partner participates in winding up the partnership's business pursuant to KRS 362.1-803.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 48, effective July 12, 2006.

362.1-701 Purchase of dissociated partner's interest.

- (1) If a partner is dissociated from a partnership without resulting in a dissolution and winding up of the partnership business under KRS 362.1-801, then the partnership shall cause the dissociated partner's interest in the partnership to be purchased for a buyout price determined pursuant to subsection (2) of this section.
- (2) The buyout price of a dissociated partner's interest is the amount that would have been distributable to the dissociating partner under KRS 362.1-807(2) if, on the date of dissociation, the assets of the partnership were sold at a price equal to the greater of the liquidation value or the value based on a sale of the entire business as a going concern without the dissociated partner and the partnership were wound up as of that date. Interest shall be paid from the date of dissociation to the date of payment.
- (3) Damages for wrongful dissociation under KRS 362.1-602(2), and all other amounts owing, whether or not presently due, from the dissociated partner to the partnership, shall be offset against the buyout price. Interest shall be paid from the date the amount owed becomes due to the date of payment.
- (4) A partnership shall indemnify a dissociated partner whose interest is being purchased against all partnership liabilities, whether incurred before or after the dissociation, except liabilities incurred by an act of the dissociated partner under KRS 362.1-702.
- (5) If no agreement for the purchase of a dissociated partner's interest is reached within one hundred twenty (120) days after a written demand for payment, then the partnership shall pay, or cause to be paid, in cash to the dissociated partner the amount the partnership estimates to be the buyout price and accrued interest, reduced by any offsets and accrued interest under subsection (3) of this section.
- (6) If a deferred payment is authorized under subsection (8) of this section, then the partnership may tender a written offer to pay the amount it estimates to be the buyout price and accrued interest, reduced by any offsets under subsection (3) of this section, stating the time of payment, the amount and type of security for payment, and the other terms and conditions of the obligation.
- (7) The payment or tender required by subsection (5) or (6) of this section shall be accompanied by the following:
 - (a) A statement of partnership assets and liabilities as of the date of dissociation;
 - (b) The latest available partnership balance sheet and income statement, if any;
 - (c) An explanation of how the estimated amount of the payment was calculated; and
 - (d) Written notice that the payment is in full satisfaction of the obligation to purchase unless, within one hundred twenty (120) days after the written notice, the dissociated partner commences an action to determine the buyout price, any offsets under subsection (3) of this section, or other terms of the obligation to purchase.
- (8) A partner who wrongfully dissociates before the expiration of a definite term or the completion of a particular undertaking is not entitled to payment of any portion of the buyout price until the expiration of the term or completion of the undertaking,

unless the partner establishes to the satisfaction of the court that earlier payment will not cause undue hardship to the business of the partnership. A deferred payment shall be adequately secured and bear interest.

- (9) A dissociated partner may maintain an action against the partnership, pursuant to KRS 362.1-405(2)(b)2., to determine the buyout price of that partner's interest, any offsets under subsection (3) of this section, or other terms of the obligation to purchase. The action shall be commenced within one hundred twenty (120) days after the partnership has tendered payment or an offer to pay or within one (1) year after written demand for payment if no payment or offer to pay is tendered. The court shall determine the buyout price of the dissociated partner's interest, any offset due under subsection (3) of this section, and accrued interest, and enter judgment for any additional payment or refund. If deferred payment is authorized under subsection (8) of this section, then the court shall also determine the security for payment and other terms of the obligation to purchase. The court may assess reasonable attorney's fees and the fees and expenses of appraisers or other experts for a party to the action, in amounts the court finds equitable, against a party that the court finds acted arbitrarily, vexatiously, or not in good faith. The finding may be based on the partnership's failure to tender payment or an offer to pay or to comply with subsection (7) of this section.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 49, effective July 12, 2006.

362.1-702 Dissociated partner's power to bind and liability to partnership.

- (1) For two (2) years after a partner dissociates without resulting in a dissolution and winding up of the partnership business, the partnership, including a surviving partnership under KRS 362.1-901 to 362.1-908, is bound by an act of the dissociated partner which would have bound the partnership under KRS 362.1-301 before dissociation only if at the time of entering into the transaction the other party:
 - (a) Reasonably believed that the dissociated partner was then a partner;
 - (b) Did not have notice of the partner's dissociation; and
 - (c) Is not deemed to have knowledge under KRS 362.1-303(5) or notice under KRS 362.1-704(3).
- (2) A dissociated partner is liable to the partnership for any damage caused to the partnership arising from an obligation incurred by the dissociated partner after dissociation for which the partnership is liable under subsection (1) of this section.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 50, effective July 12, 2006.

362.1-703 Dissociated partner's liability to other persons.

- (1) A partner's dissociation does not of itself discharge the partner's liability for a partnership obligation incurred before dissociation. A dissociated partner is not liable for a partnership obligation incurred after dissociation, except as otherwise provided in subsection (2) of this section.
- (2) A partner who dissociates without resulting in a dissolution and winding up of the partnership business is liable as a partner to the other party in a transaction entered into by the partnership, or a surviving partnership under KRS 362.1-901 to 362.1-908, within two (2) years after the partner's dissociation, only if the partner is liable for the obligation under KRS 362.1-306 and at the time of entering into the transaction the other party:
 - (a) Reasonably believed that the dissociated partner was then a partner;
 - (b) Did not have notice of the partner's dissociation; and
 - (c) Is not deemed to have knowledge under KRS 362.1-303(5) or notice under KRS 362.1-704(3).
- (3) By agreement with the partnership creditor and the partners continuing the business, a dissociated partner may be released from liability for a partnership obligation.
- (4) A dissociated partner is released from liability for a partnership obligation if a partnership creditor, with notice of the partner's dissociation but without the partner's consent, agrees to a material alteration in the nature or time of payment of a partnership obligation.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 51, effective July 12, 2006.

362.1-704 Statement of dissociation.

- (1) A dissociated partner or the partnership may file a statement of dissociation stating the name of the partnership and that the partner is dissociated from the partnership.
- (2) A statement of dissociation is a limitation on the authority of a dissociated partner for the purposes of KRS 362.1-303(4) and (5).
- (3) For the purposes of KRS 362.1-702(1)(c) and 362.1-703(2)(c), a person not a partner has notice of the dissociation ninety (90) days after the statement of dissociation is filed.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 52, effective July 12, 2006.

362.1-705 Continued use of partnership name.

Continued use of a partnership name, or a dissociated partner's name as part of the partnership name, by partners continuing the business does not of itself make the dissociated partner liable for an obligation of the partners or the partnership continuing the business.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 53, effective July 12, 2006.

362.1-801 Events causing dissolution and winding up of partnership business.

A partnership is dissolved, and its business shall be wound up, only upon the occurrence of any of the following events:

- (1) In a partnership at will, the partnership's having notice from a partner, other than a partner who is dissociated under KRS 362.1-601(2) to (10), of that partner's express will to withdraw as a partner, or on a later date specified by the partner;
- (2) In a partnership for a definite term or particular undertaking:
 - (a) Within ninety (90) days after a partner's dissociation by death or otherwise under KRS 362.1-601(6) to (10) or wrongful dissociation under KRS 362.1-602(2), the express will of at least half of the remaining partners to wind up the partnership business, for which purpose a partner's rightful dissociation pursuant to KRS 362.1-602(2)(b)1. constitutes the expression of that partner's will to wind up the partnership business;
 - (b) The express will of all of the partners to wind up the partnership business; or
 - (c) The expiration of the term or the completion of the undertaking;
- (3) An event agreed to in the partnership agreement resulting in the winding up of the partnership business;
- (4) An event that makes it unlawful for all or substantially all of the business of the partnership to be continued, but a cure of illegality within ninety (90) days after notice to the partnership of the event is effective retroactively to the date of the event for purposes of this section;
- (5) On application by a partner, a judicial determination that:
 - (a) The economic purpose of the partnership is likely to be unreasonably frustrated;
 - (b) Another partner has engaged in conduct relating to the partnership business which makes it not reasonably practicable to carry on the business in partnership with that partner; or
 - (c) It is not otherwise reasonably practicable to carry on the partnership business in conformity with the partnership agreement; or
- (6) On application by a transferee of a partner's transferable interest, a judicial determination that it is equitable to wind up the partnership business:
 - (a) After the expiration of the term or completion of the undertaking, if the partnership was for a definite term or particular undertaking at the time of the transfer or entry of the charging order that gave rise to the transfer; or
 - (b) At any time, if the partnership was a partnership at will at the time of the transfer or entry of the charging order that gave rise to the transfer.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 54, effective July 12, 2006.

362.1-802 Partnership continues after dissolution.

- (1) Subject to subsection (2) of this section, a partnership continues after dissolution only for the purpose of winding up its business. The partnership is terminated when the winding up of its business is completed.
- (2) At any time after the dissolution of a partnership and before the winding up of its business is completed, all of the partners, including any dissociating partner other than a wrongfully dissociating partner, may waive the right to have the partnership's business wound up and the partnership terminated. In that event:
 - (a) The partnership resumes carrying on its business as if dissolution had never occurred, and any liability incurred by the partnership or a partner after the dissolution and before the waiver is determined as if dissolution had never occurred; and
 - (b) The rights of a third party accruing under KRS 362.1-804(1) or arising out of conduct in reliance on the dissolution before the third party has notice of the waiver shall not be adversely affected.
- (3) The dissolution of a partnership that is or was a limited liability partnership shall not abate or suspend KRS 362.1-306(3).

Effective: July 15, 2010

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 150, effective July 15, 2010. -- Amended 2007 Ky. Acts ch. 137, sec. 150, effective June 26, 2007. -- Created 2006 Ky. Acts ch. 149, sec. 55, effective July 12, 2006.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

362.1-803 Right to wind up partnership business.

- (1) After dissolution, a partner who has not wrongfully dissociated may participate in winding up the partnership's business, but on application of any partner, partner's legal representative, or transferee, the Circuit Court for the county in which the registered office is located or, if none, the Franklin Circuit Court, for good cause shown, may order judicial supervision of the winding up.
- (2) The legal representative of the last surviving partner may wind up a partnership's business.
- (3) A person winding up a partnership's business may preserve the partnership business or property as a going concern for a reasonable time, prosecute and defend actions and proceedings, whether civil, criminal, or administrative, settle and close the partnership's business, dispose of and transfer the partnership's property, discharge the partnership's liabilities, distribute the assets of the partnership pursuant to KRS 362.1-807, settle disputes by mediation or arbitration, and perform other necessary acts.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 56, effective July 12, 2006.

362.1-804 Partner's power to bind partnership after dissolution.

Subject to KRS 362.1-805, a partnership is bound by a partner's act after dissolution that:

- (1) Is appropriate for winding up the partnership business; or
- (2) Would have bound the partnership under KRS 362.1-301 before dissolution, if the other party to the transaction did not have notice of the dissolution.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 57, effective July 12, 2006.

362.1-805 Statement of dissolution.

- (1) After dissolution, a partner who has not wrongfully dissociated may file a statement of dissolution stating the name of the partnership, that the partnership has dissolved and is winding up its business, and the date of dissolution.
- (2) A statement of dissolution cancels a filed statement of partnership authority for the purposes of KRS 362.1-303(4) and is a limitation on authority for the purposes of KRS 362.1-303(5).
- (3) For the purposes of KRS 362.1-301 and 362.1-804, a person not a partner has notice of the dissolution and the limitation on the partners' authority as a result of the statement of dissolution ninety (90) days after it is filed.
- (4) After filing a statement of dissolution, a dissolved partnership may file and, if appropriate, record a statement of partnership authority which will operate with respect to a person not a partner as provided in KRS 362.1-303(4) and (5) in any transaction, whether or not the transaction is appropriate for winding up the partnership business.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 58, effective July 12, 2006.

362.1-806 Partner's liability to other partners after dissolution.

- (1) Except as otherwise provided in subsection (2) of this section and KRS 362.1-306, after dissolution a partner is liable to the other partners for the partner's share of any partnership liability incurred under KRS 362.1-804.
- (2) A partner who, with knowledge of the dissolution, incurs a partnership liability under KRS 362.1-804(2) by an act that is not appropriate for winding up the partnership business is liable to the partnership for any damage caused to the partnership arising from the liability.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 59, effective July 12, 2006.

362.1-807 Settlement of accounts and contributions among partners.

- (1) In winding up a partnership's business, the assets of the partnership, including the contributions of the partners required by this section, shall be applied to discharge its obligations to creditors, including, to the extent permitted by law, partners who are creditors. Any surplus shall be applied to pay the net amount distributable to partners in accordance with their right to distributions under subsection (2) of this section.
- (2) Each partner is entitled to a settlement of all partnership accounts upon winding up the partnership business. In settling accounts among the partners, profits and losses that result from the liquidation of the partnership assets shall be credited and charged to the partners' accounts. The partnership shall make a distribution to a partner in an amount equal to any excess of the credits over the charges in the partner's account. A partner shall contribute to the partnership an amount equal to any excess of the charges over the credits in the partner's account but excluding from the calculation charges attributable to an obligation for which the partner is not personally liable under KRS 362.1-306.
- (3) If a partner fails to contribute the full amount required under subsection (2) of this section, then all of the other partners shall contribute, in the proportions in which those partners share partnership losses, the additional amount necessary to satisfy the partnership obligations for which they are personally liable under KRS 362.1-306. A partner or partner's legal representative may recover from the other partners any contributions the partner makes to the extent the amount contributed exceeds that partner's share of the partnership obligations for which the partner is personally liable under KRS 362.1-306.
- (4) After the settlement of accounts, each partner shall contribute, in the proportion in which the partner shares partnership losses, the amount necessary to satisfy partnership obligations that were not known at the time of the settlement and for which the partner is personally liable under KRS 362.1-306.
- (5) The estate of a deceased partner is liable for the partner's obligation to contribute to the partnership.
- (6) An assignee for the benefit of creditors of a partnership or a partner, or a person appointed by a court to represent creditors of a partnership or a partner, may enforce a partner's obligation to contribute to the partnership.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 60, effective July 12, 2006.

362.1-901 Definitions for KRS 362.1-901 to 362.1-908.

As used in KRS 362.1-901 to 362.1-908:

- (1) "Converted organization" means the entity resulting from a conversion;
- (2) "Converting organization" means the entity undertaking a conversion;
- (3) "General partner" means a partner in a partnership and a general partner in a limited partnership;
- (4) "Limited liability company" means a limited liability company organized under the Kentucky Limited Liability Company Act or comparable law of another jurisdiction;
- (5) "Limited liability partnership" means a limited liability partnership as provided for in KRS 362.1-931;
- (6) "Limited partner" means a limited partner in a limited partnership;
- (7) "Limited partnership" means a limited partnership created under the Kentucky Uniform Limited Partnership Act (2006), predecessor law, or comparable law of another jurisdiction; and
- (8) "Partner" includes both a general partner and a limited partner.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 81, sec. 117, effective July 12, 2012. -- Created 2006 Ky. Acts ch. 149, sec. 61, effective July 12, 2006.

362.1-902 Conversion of partnership to limited partnership.

- (1) A partnership may be converted to a limited partnership pursuant to this section.
- (2) The terms and conditions of a conversion of a partnership to a limited partnership shall be approved by all of the partners or by a number or percentage specified for conversion in the partnership agreement.
- (3) After the conversion is approved by the partners, the partnership shall cancel any statement of qualification, statement of partnership authority, or certificate of assumed name filed with the Secretary of State and file a certificate of limited partnership in the jurisdiction in which the limited partnership is to be formed. In addition to all other requirements, the certificate shall include:
 - (a) A statement that the partnership was converted to a limited partnership from a partnership;
 - (b) Its former name; and
 - (c) A statement of the number of votes cast by the partners for and against the conversion and, if the vote is less than unanimous, the number or percentage required to approve the conversion under the partnership agreement.
- (4) The conversion takes effect when the certificate of limited partnership is filed or at any later date specified in the certificate.
- (5) A general partner who becomes a limited partner as a result of the conversion remains liable as a general partner for an obligation incurred by the partnership before the conversion takes effect. If the other party to a transaction with the limited partnership reasonably believes when entering the transaction that the limited partner is a general partner, then the limited partner is liable for an obligation incurred by the limited partnership within ninety (90) days after the conversion takes effect. The limited partner's liability for all other obligations of the limited partnership incurred after the conversion takes effect is that of a limited partner as provided in Subchapter 2 of this chapter.
- (6) A partnership may be converted to a limited liability company as provided in KRS 275.370.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 62, effective July 12, 2006.

362.1-903 Conversion of limited partnership to partnership.

- (1) A limited partnership may be converted to a partnership pursuant to this subsection.
 - (a) Notwithstanding a provision to the contrary in a limited partnership agreement, the terms and conditions of a conversion of a limited partnership to a partnership shall be approved by all of the partners.
 - (b) After the conversion is approved by the partners, the limited partnership shall cancel its certificate of limited partnership and any certificate of assumed name filed with the Secretary of State.
 - (c) The conversion takes effect when the certificate of limited partnership is canceled.
 - (d) A limited partner who becomes a general partner as a result of the conversion remains liable only as a limited partner for an obligation incurred by the limited partnership before the conversion takes effect. Except as otherwise provided in KRS 362.1-306, the partner is liable as a general partner for an obligation of the partnership incurred after the conversion takes effect.
- (2)
 - (a) A limited liability company may be converted to a limited liability partnership pursuant to this subsection.
 - (b) Notwithstanding a provision to the contrary in the operating agreement, the terms and conditions of a conversion of a limited liability company to a limited liability partnership shall be approved by all of the members.
 - (c) After the conversion is approved by the members, the limited liability company shall file with the Secretary of State a statement of qualification satisfying the requirements of KRS 362.1-931(3) and including as well the name of the predecessor limited liability company and a statement that the predecessor limited liability company was converted to a limited liability partnership.
 - (d) The conversion takes effect upon the effective time and date of the statement of qualification as provided for in KRS 14A.2-070.
 - (e) A member who becomes a general partner as a result of a conversion remains liable only as a member for an obligation incurred by the limited liability company before the conversion takes effect. Except as otherwise provided in KRS 362.1-306, a partner is liable as a general partner for an obligation of the partnership incurred after the conversion takes effect.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 81, sec. 118, effective July 12, 2012. -- Created 2006 Ky. Acts ch. 149, sec. 63, effective July 12, 2006.

362.1-904 Effect of conversion -- Entity unchanged.

- (1) A converted organization that has been converted pursuant to KRS 362.1-901 to 362.1-908 is for all purposes the same entity that existed before the conversion.
- (2) When a conversion takes place:
 - (a) All property and contract rights owned by, and all rights, privileges, and immunities of, the converting organization shall remain vested in the converted organization without assignment, reversions, or impairment and without the converting organization having been dissolved;
 - (b) All obligations of the converting partnership organization shall continue as obligations of the converted organization;
 - (c) An action or proceeding pending against the converting partnership organization may be continued as if the organization had not occurred, and the name of the converted organization may be substituted in any pending action or proceeding for the name of the converting organization;
 - (d) Any written partnership agreement of the converted partnership or limited partnership shall be binding upon each person who becomes a partner in the converted partnership or limited partnership; and
 - (e) Except as otherwise provided in the plan of conversion, the terms and conditions of the plan of conversion take effect.
- (3) Unless otherwise provided in the partnership agreement, a partner has no right to dissent from a conversion.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 81, sec. 119, effective July 12, 2012. -- Created 2006 Ky. Acts ch. 149, sec. 64, effective July 12, 2006.

362.1-905 Merger of partnerships.

- (1) Pursuant to a plan of merger approved as provided in subsection (3) of this section, a partnership may be merged with one (1) or more partnerships or limited partnerships.
- (2) The plan of merger shall set forth:
 - (a) The name of each partnership or limited partnership that is a party to the merger;
 - (b) The name of the surviving entity into which the other partnerships or limited partnerships will merge;
 - (c) Whether the surviving entity is a partnership or a limited partnership and the status of each partner;
 - (d) The terms and conditions of the merger;
 - (e) The manner and basis of converting the interests of each party to the merger into interests or obligations of the surviving entity, or into money or other property in whole or part; and
 - (f) The street address of the surviving entity's chief executive office.
- (3) The plan of merger shall be approved:
 - (a) In the case of a partnership that is a party to the merger, by all of the partners, or a number or percentage specified for merger in the partnership agreement; and
 - (b) In the case of a limited partnership that is a party to the merger, by the vote required for approval of a merger by the law of the state or foreign jurisdiction in which the limited partnership is organized and, in the absence of such a specifically applicable law, by all of the partners, notwithstanding a provision to the contrary in the partnership agreement.
- (4) After a plan of merger is approved and before the merger takes effect, the plan may be amended or abandoned as provided in the plan.
- (5) The merger takes effect on the later of:
 - (a) The approval of the plan of merger by all parties to the merger, as provided in subsection (3) of this section;
 - (b) The filing of all documents required by law to be filed as a condition to the effectiveness of the merger; or
 - (c) Subject to KRS 14A.2-070, any effective date specified in the plan of merger.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 127, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 65, effective July 12, 2006.

362.1-906 Effect of merger.

- (1) When a merger takes effect:
 - (a) The separate existence of every partnership or limited partnership that is a party to the merger, other than the surviving entity, ceases;
 - (b) All property owned by each of the merged partnerships or limited partnerships vests in the surviving entity;
 - (c) All obligations of every partnership or limited partnership that is a party to the merger become the obligations of the surviving entity; and
 - (d) An action or proceeding pending against a partnership or limited partnership that is a party to the merger may be continued as if the merger had not occurred, or the surviving entity may be substituted as a party to the action or proceeding.
- (2) The Secretary of State of this Commonwealth is the agent for service of process in an action or proceeding against a surviving foreign partnership or limited partnership to enforce an obligation of a domestic partnership or limited partnership that is a party to a merger. The surviving entity shall promptly notify the Secretary of State of the mailing address of its chief executive office and of any change of address. Upon receipt of process, the Secretary of State shall mail a copy of the process to the surviving foreign partnership or limited partnership.
- (3) A partner of the surviving partnership or limited partnership is liable for:
 - (a) All obligations of a party to the merger for which the partner was personally liable before the merger;
 - (b) All other obligations of the surviving entity incurred before the merger by a party to the merger, but those obligations may be satisfied only out of property of the entity; and
 - (c) Except as otherwise provided in KRS 362.1-306, all obligations of the surviving entity incurred after the merger takes effect, but those obligations may be satisfied only out of property of the entity if the partner is a limited partner.
- (4) If the obligations incurred before the merger by a party to the merger are not satisfied out of the property of the surviving partnership or limited partnership, then the general partners of that party immediately before the effective date of the merger shall contribute the amount necessary to satisfy that party's obligations to the surviving entity, in the manner provided in KRS 362.1-807 or in the Limited Partnership Act of the jurisdiction in which the party was formed, as the case may be, as if the merged party were dissolved.
- (5) A partner of a party to a merger who does not become a partner of the surviving partnership or limited partnership is dissociated from the entity, of which that partner was a partner, as of the date the merger takes effect. The surviving entity shall cause the partner's interest in the entity to be purchased under KRS 362.1-701 or another statute specifically applicable to that partner's interest with respect to a merger. The surviving entity is bound under KRS 362.1-702 by an act of a general partner dissociated under this subsection, and the partner is liable under KRS 362.1-

703 for transactions entered into by the surviving entity after the merger takes effect.

- (6) Unless otherwise provided in the partnership agreement, a partner has no right to dissent from a merger.
- (7) If the surviving business entity is a partnership, the written partnership agreement provided for in the plan of merger, if any, shall be binding upon each partner in that partnership.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 133, sec. 57, effective July 15, 2010. -- Created 2006 Ky. Acts ch. 149, sec. 66, effective July 12, 2006.

362.1-907 Statement of merger.

- (1) After a merger, the surviving partnership or limited partnership may file a statement that one (1) or more partnerships or limited partnerships have merged into the surviving entity.
- (2) A statement of merger shall contain:
 - (a) The name of each partnership or limited partnership that is a party to the merger;
 - (b) The name of the surviving entity into which the other partnerships or limited partnership were merged;
 - (c) The street address of the surviving entity's chief executive office and of an office in this Commonwealth, if any;
 - (d) Whether the surviving entity is a partnership or a limited partnership; and
 - (e) The effective date of this merger as determined in accordance with KRS 362.1-905(5).
- (3) Except as otherwise provided in subsection (4) of this section, for the purposes of KRS 362.1-302, property of the surviving partnership or limited partnership which before the merger was held in the name of another party to the merger is property held in the name of the surviving entity upon filing a statement of merger.
- (4) For the purposes of KRS 362.1-302, real property of the surviving partnership or limited partnership which before the merger was held in the name of another party to the merger is property held in the name of the surviving entity upon recording a certified copy of the statement of merger in the office for recording transfers of that real property.
- (5) A filed and, if appropriate, recorded statement of merger, executed and declared to be accurate pursuant to KRS 362.1-105(3), stating the name of a partnership or limited partnership that is a party to the merger in whose name property was held before the merger and the name of the surviving entity, but not containing all of the other information required by subsection (2) of this section, operates with respect to the partnerships or limited partnerships named to the extent provided in subsections (3) and (4) of this section.
- (6) A limited partnership party to a merger with a partnership shall file with the Secretary of State such documents as are provided for in the law governing the limited partnership.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 67, effective July 12, 2006.

362.1-908 Provisions of KRS 362.1-901 to 362.1-908 nonexclusive.

KRS 362.1-901 to 362.1-908 are not exclusive. Partnerships or limited partnerships may be converted or merged in any other manner provided by law.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 68, effective July 12, 2006.

362.1-931 Statement of qualification.

- (1) A partnership may become a limited liability partnership pursuant to this section.
- (2) The terms and conditions on which a partnership becomes a limited liability partnership shall be approved by the vote necessary to amend the partnership agreement except, in the case of a partnership agreement that expressly considers obligations to contribute to the partnership, the vote necessary to amend those provisions.
- (3) After the approval required by subsection (2) of this section, a partnership may become a limited liability partnership by filing with the Secretary of State a statement of qualification. The statement shall contain:
 - (a) The name of the partnership, which shall comply with KRS 14A.3-010;
 - (b) The address of the partnership's chief executive office and, if different, the street address of an office in this Commonwealth, if any;
 - (c) The street address of the partnership's registered office, and the name of its registered agent that comply with KRS 14A.4-010;
 - (d) A statement that the partnership elects to be a limited liability partnership; and
 - (e) The date any statement of partnership authority was previously filed with the Secretary of State.
- (4) The status of a partnership as a limited liability partnership remains effective, regardless of changes in the partnership, until the statement of qualification is canceled pursuant to KRS 362.1-105(4) or administratively dissolved pursuant to KRS 362.1-122.
- (5) The status of a partnership as a limited liability partnership and the liability of its partners is not affected by errors or later changes in the information required to be contained in the statement of qualification under subsection (3) of this section.
- (6) The filing of a statement of qualification establishes that a partnership has satisfied all conditions precedent to the qualification of the partnership as a limited liability partnership.
- (7) An amendment or cancellation of a statement of qualification is effective when it is filed or on a deferred effective date specified in the amendment or cancellation. An amendment to a statement of qualification shall include the date of filing of the statement being amended and all information required in an initial statement of qualification. A cancellation of a statement of qualification shall include the name of the partnership and the date of filing of the statement of qualification.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 98, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 69, effective July 12, 2006.

Formerly codified as KRS 362.1-1001.

362.1-932 Circumstances preventing distribution -- Liability for unlawful distribution.

- (1) A limited liability partnership shall not make a distribution to the extent that at the time of and after giving effect to the distribution, all liabilities of the limited liability partnership exceed the fair value of the assets of the limited liability partnership, other than liabilities to partners or transferees on account of their transferable interest in liabilities for which the recourse of creditors is limited to specified property. The fair value of property that is subject to a liability for which the recourse of partners is limited shall be included in the assets of the limited liability partnership only to the extent that the fair value of that property exceeds that liability.
- (2) A partner or transferee of a limited liability partnership who receives a distribution in violation of subsection (1) of this section is liable to the partnership for the amount of that distribution. A proceeding under this section shall be barred unless it is commenced within two (2) years of the date on which the distribution is paid to the partner or transferee.
- (3) This section does not affect any obligation or liability of a partner or transferee of a limited liability partnership under an agreement or other applicable law for the amount of a distribution.
- (4) For purposes of this section, the term "distribution" does not include amounts constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of business pursuant to a bona fide retirement plan or other benefits program.

Effective: July 15, 2010

History: Created 2010 Ky. Acts ch. 133, sec. 5, effective July 15, 2010.

Formerly codified as KRS 362.1-1003.

362.1-951 Statement of foreign qualification.

- (1) Before transacting business in this Commonwealth, a foreign limited liability partnership shall file a statement of foreign qualification. The statement shall contain:
 - (a) The name of the foreign limited liability partnership which satisfies the requirements of KRS 14A.3-010;
 - (b) The street address of the partnership's chief executive office and, if different, the street address of an office of the partnership in this Commonwealth, if any;
 - (c) The partnership's registered office and the name of its registered agent at that office, which shall comply with KRS 14A.4-010; and
 - (d) Its jurisdiction of organization.
- (2) The status of a partnership as a foreign limited liability partnership remains effective, regardless of changes in the partnership, until it is canceled pursuant to KRS 362.1-105(4) or revoked pursuant to KRS 14A.9-080.
- (3) If the name of a foreign limited liability partnership is not distinguishable upon the records of the Secretary of State, then it may file a statement of foreign qualification using a fictitious name that is distinguishable upon the records of the Secretary of State, in which instance the statement of foreign qualification shall be filed under the fictitious name, shall recite that the partnership has filed the statement of foreign qualification under a fictitious name, and shall include in the statement its real name in its jurisdiction of organization.
- (4) Whether a foreign limited liability partnership is transacting business in the Commonwealth shall be determined under KRS 14A.9-010(2).
- (5) The consequences to a foreign limited liability partnership transacting business without a statement of foreign qualification shall be as set forth in KRS 14A.9-020.
- (6) A statement of foreign qualification shall authorize the foreign limited liability partnership to transact business in this Commonwealth subject to the right of the Commonwealth to revoke the statement.
- (7) A foreign limited liability partnership, having filed a statement of foreign qualification, shall have the same as, but no greater rights than, and shall have the same, but no greater privileges than, and except as otherwise provided by this subchapter, shall be subject to the same duties, restrictions, penalties, and liabilities now or later imposed on, a limited liability partnership.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 81, sec. 120, effective July 12, 2012. -- Amended 2010 Ky. Acts ch. 151, sec. 99, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 70, effective July 12, 2006.

Formerly codified as KRS 362.1-1102.

362.1-952 Action by Attorney General.

The Attorney General may maintain an action to restrain a foreign limited liability partnership from transacting business in this Commonwealth in violation of this subchapter.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 75, effective July 12, 2006.

Formerly codified as KRS 362.1-1105.

362.1-971 Uniformity of application and construction.

This subchapter shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this subchapter among the states enacting it.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 76, effective July 12, 2006.

Formerly codified as KRS 362.1-1201.

362.1-972 Short title for subchapter.

This subchapter may be cited as the Kentucky Revised Uniform Partnership Act (2006).

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 77, effective July 12, 2006.

Formerly codified as KRS 362.1-1202.

362.1-973 Severability clause.

If any provision of this subchapter or its application to any person or circumstance is held invalid, then the invalidity shall not affect other provisions or applications of this subchapter which can be given effect without the invalid provision or application, and to this end the provisions of this subchapter are severable.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 78, effective July 12, 2006.

Formerly codified as KRS 362.1-1203.

362.1-974 Effective Date -- Applicability.

- (1) This subchapter governs only a partnership:
 - (a) Formed on or after July 12, 2006, except a partnership that is continuing the business of a dissolved partnership under KRS 362.350; and
 - (b) Formed prior to July 12, 2006, that elects, as provided by subsection (2) of this section, to be governed by this subchapter.
- (2) A partnership formed prior to July 12, 2006, voluntarily may elect, in the manner provided in its partnership agreement or by law for amending the partnership agreement, to be governed by this subchapter. The filing by the partnership of a statement pursuant to this subchapter shall constitute an election to be bound by this subchapter. The provisions of this subchapter relating to the liability of the partnership's partners to third parties apply to limit those partners' liability to a third party who has engaged in business with the partnership within one (1) year before the partnership's election to be governed by this subchapter only if the third party has notice of the partnership's election to be governed by this subchapter.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 79, effective July 12, 2006.

Formerly codified as KRS 362.1-1204.

Legislative Research Commission Note (7/12/2006). Under the authority of KRS 7.136(1)(h), during codification a manifest clerical or typographical error occurring in 2006 Ky. Acts ch. 149, sec. 79, has been corrected. It is clear from the context of the Act that the word "section" appearing in the second sentence of subsection (2) should have been "subchapter."

362.1-975 Savings clause.

This subchapter does not affect an action or proceeding commenced or right accrued before this subchapter takes effect.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 80, effective July 12, 2006.

Formerly codified as KRS 362.1-1205.

362.2-1001 Renumbered as KRS 362.2-931.

362.2-1002 Renumbered as KRS 362.2-932.

362.2-1003 Renumbered as KRS 362.2-933.

362.2-1004 Renumbered as KRS 362.2-934.

362.2-1005 Renumbered as KRS 362.2-935.

362.2-102 Definitions for subchapter.

As used in this subchapter, unless the context otherwise requires:

- (1) "Certificate of limited partnership" means the certificate required by KRS 362.2-201 or filed under KRS 362.415 and includes the certificate as amended or restated;
- (2) "Contribution" means any benefit provided by a person to a limited partnership in order to become a partner or in the person's capacity as a partner;
- (3) "Debtor in bankruptcy" means a person that is the subject of:
 - (a) An order for relief under Title 11 of the United States Code or a comparable order under a successor statute of general application; or
 - (b) A comparable order under federal, state, or foreign law governing insolvency;
- (4) "Deliver" or "delivery" means any method of delivery used in conventional commercial practice, including delivery by hand, mail, commercial delivery, and electronic transmission;
- (5) "Designated office" means:
 - (a) With respect to a limited partnership, the office that a limited partnership is required to designate and maintain under KRS 362.2-114; and
 - (b) With respect to a foreign limited partnership, its principal office;
- (6) "Distribution" means a transfer of money or other property from a limited partnership to a partner in the partner's capacity as a partner or to a transferee on account of a transferable interest owned by the transferee;
- (7) "Electronic transmission" or "electronically transmitted" means any process of communication not directly involving the physical transfer of paper that is suitable for the retention, retrieval, and reproduction of information by the recipient;
- (8) "Entity" means a corporation, foreign corporation, not-for-profit corporation, profit and not-for-profit unincorporated associations, business or statutory trust, estate, partnership, limited partnership, trust, two (2) or more persons having a joint or common economic interest, and a state, national, or foreign government;
- (9) "Foreign limited partnership" means a partnership formed under the laws of a jurisdiction other than this Commonwealth and required by those laws to have one (1) or more general partners and one (1) or more limited partners and includes a foreign limited liability limited partnership;
- (10) "Foreign limited liability limited partnership" means a foreign limited partnership whose general partners have limited liability for the obligations of the foreign limited partnership under a provision similar to KRS 362.2-404(3);
- (11) "General partner" means:
 - (a) With respect to a limited partnership, a person that:
 1. Has been admitted as a general partner under KRS 362.2-401; or
 2. Was a general partner in a limited partnership when that limited partnership became subject to this subchapter under KRS 362.2-974(1) and (2); and
 - (b) With respect to a foreign limited partnership, a person that has rights, powers,

and obligations similar to those of a general partner in a limited partnership;

- (12) "Limited liability limited partnership," except in the phrase "foreign limited liability limited partnership," means a limited partnership whose certificate of limited partnership states that the limited partnership is a limited liability limited partnership;
- (13) "Limited partner" means:
 - (a) With respect to a limited partnership, a person that:
 - 1. Has been admitted as a limited partner under KRS 362.2-301; or
 - 2. Was a limited partner in a limited partnership when that limited partnership became subject to this subchapter under KRS 362.2-974(1) and (2); and
 - (b) With respect to a foreign limited partnership, a person that has rights, powers, and obligations similar to those of a limited partner in a limited partnership;
- (14) "Limited partnership," except in the phrases "foreign limited partnership" and "foreign limited liability limited partnership," means an entity, having one (1) or more general partners and one (1) or more limited partners, which is formed under this subchapter by two (2) or more persons or becomes subject to this subchapter under KRS 362.2-974(1) and (2). The term includes a limited liability limited partnership;
- (15) "Name of record with the Secretary of State" means any real, fictitious, reserved, registered, or assumed name of an entity;
- (16) "Partner" means a limited partner or general partner;
- (17) "Partnership agreement" means the partners' agreement, oral, implied, in record form, or in any combination, concerning the limited partnership. The term includes the agreement as amended;
- (18) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government, governmental subdivision, agency, or instrumentality, or any other legal or commercial entity;
- (19) "Principal office" means the office where the principal executive office of a limited partnership or foreign limited partnership is located, whether or not the office is located in this Commonwealth;
- (20) "Professional services" mean the personal services rendered by physicians, osteopaths, optometrists, podiatrists, chiropractors, dentists, nurses, pharmacists, psychologists, occupational therapists, veterinarians, engineers, architects, landscape architects, certified public accountants, public accountants, physical therapists, and attorneys;
- (21) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form;
- (22) "Required information" means the information that a limited partnership is required to maintain under KRS 362.2-111;
- (23) "Sign" or "signature" includes any manual, facsimile, or conformed or electronic signature;

- (24) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or insular possession subject to the jurisdiction of the United States;
- (25) "Transfer" includes an assignment, conveyance, deed, bill of sale, lease, mortgage, security interest, encumbrance, gift, and transfer by operation of law;
- (26) "Transferable interest" means the partner's right to receive distributions; and
- (27) "Transferee" means a person to which all or part of a transferable interest has been transferred, whether or not the transferor is a partner.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 81, effective July 12, 2006.

362.2-103 Knowledge and notice.

- (1) A person knows a fact if the person has actual knowledge of it.
- (2) Except as otherwise provided in subsections (3) and (4) of this section, a person has notice of a fact if the person:
 - (a) Knows of it;
 - (b) Has received a notification of it; or
 - (c) Has reason to know it exists from all of the facts known to the person at the time in question.
- (3) Subject to subsection (4) of this section, a certificate of limited partnership on file in the office of the Secretary of State is notice that the partnership is a limited partnership and the persons designated in the certificate as general partners are general partners, but is not notice of any other fact.
- (4) A person has notice of:
 - (a) Another person's dissociation as a general partner ninety (90) days after the effective date of an amendment to the certificate of limited partnership which states that the other person has dissociated or ninety (90) days after the effective date of a statement of dissociation pertaining to that other person, whichever occurs first;
 - (b) A limited partnership's dissolution ninety (90) days after the effective date of an amendment to the certificate of limited partnership stating that the limited partnership is dissolved;
 - (c) A limited partnership's cancellation ninety (90) days after the effective date of a statement of cancellation;
 - (d) A limited partnership's conversion under KRS 362.2-951 to 362.2-963 ninety (90) days after the effective date of the articles of conversion; and
 - (e) A merger under KRS 362.2-951 to 362.2-963 ninety (90) days after the effective date of the articles of merger.
- (5) A person notifies or gives a notification to another person by taking steps reasonably required to inform the other person in ordinary course, whether or not the other person learns of it.
- (6) A person receives a notification when the notification:
 - (a) Comes to the person's attention; or
 - (b) Is duly delivered at the person's place of business or at any other place held out by the person as a place for receiving communications.
- (7) Except as otherwise provided in subsection (8) of this section, an entity knows, has notice, or receives a notification of a fact for purposes of a particular transaction when the individual conducting the transaction for the entity knows, has notice, or receives a notification of the fact, or in any event when the fact would have been brought to the individual's attention if the entity had exercised reasonable diligence. An entity exercises reasonable diligence if it maintains reasonable routines for communicating significant information to the individual conducting the transaction

for the entity, and there is reasonable compliance with the routines. Reasonable diligence does not require an individual acting for the entity to communicate information unless the communication is part of the individual's regular duties or the individual has reason to know of the transaction, and that the transaction would be materially affected by the information.

- (8) A general partner's knowledge, notice, or receipt of a notification of a fact relating to the limited partnership is effective immediately as knowledge by, notice to, or receipt of a notification by the limited partnership, except in the case of a fraud on the limited partnership committed by or with the consent of the general partner. A limited partner's knowledge, notice, or receipt of a notification of a fact relating to the limited partnership is not effective as knowledge by, notice to, or receipt of a notification by the limited partnership.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 82, effective July 12, 2006.

362.2-104 Nature, purpose, and duration of entity.

- (1) A limited partnership is an entity distinct from its partners. A limited partnership is the same entity regardless of whether its certificate states that the limited partnership is a limited liability limited partnership.
- (2) A limited partnership may be organized under this subchapter for any lawful purpose except for rendering a professional service.
- (3) A limited partnership has a perpetual duration.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 83, effective July 12, 2006.

362.2-105 Powers of limited partnership.

A limited partnership has the powers to do all things necessary or convenient to carry on its activities, including the power to sue, be sued, and defend in its own name and to maintain an action against a partner for harm caused to the limited partnership by an actual or threatened injury to the limited partnership, breach of the partnership agreement, or violation of a duty to the partnership.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 84, effective July 12, 2006.

362.2-106 Governing law.

- (1) The law of this Commonwealth governs relations among the partners of a limited partnership, and between the partners and the limited partnership, and the liability of partners as partners for an obligation of a limited partnership.
- (2) A limited partnership governed by this subchapter is subject to any amendment or repeal of this subchapter.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 133, sec. 58, effective July 15, 2010. -- Created 2006 Ky. Acts ch. 149, sec. 85, effective July 12, 2006.

362.2-107 Supplemental principles of law -- Rate of interest.

- (1) Unless displaced by particular provisions of this subchapter, the principles of law and equity supplement this subchapter.
- (2) If an obligation to pay interest arises under this subchapter and the rate is not specified, then the rate is that specified in KRS 360.010.
- (3) Subject to KRS 362.2-110(2), it shall be the public policy of the Commonwealth in this subchapter to give maximum effect to the principles of freedom of contract and the enforceability of partnership agreements. Unless displaced by particular provisions of this subchapter, the principles of law and equity shall supplement this subchapter. Although this subchapter is in derogation of the common law, the rules of construction that require strict construction of statutes that are in derogation of common law shall not apply to its provisions. Except as otherwise expressly provided herein, this subchapter shall not be construed to impair the obligation of any contract existing when this subchapter, or any amendment thereto, becomes effective, nor to affect any action or proceeding begun or right accrued before this subchapter or any amendment thereto takes effect.
- (4) Action validly taken pursuant to a provision of this chapter shall not be deemed invalid solely because it is identical or similar in substance to an action that could have been taken pursuant to some other provision of this chapter but fails to satisfy one (1) or more requirements prescribed by such other provision.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 133, sec. 59, effective July 15, 2010. -- Created 2006 Ky. Acts ch. 149, sec. 86, effective July 12, 2006.

362.2-108 Name of limited partnership.

The name of a limited partnership shall satisfy the requirements of KRS 14A.3-010.

Effective: January 1, 2011

History: Repealed and reenacted 2010 Ky. Acts ch. 151, sec. 100, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 87, effective July 12, 2006.

362.2-109 Repealed, 2011.

Catchline at repeal: Reservation of name.

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 152, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Amended 2007 Ky. Acts ch. 137, sec. 152, effective June 26, 2007. -- Created 2006 Ky. Acts ch. 149, sec. 88, effective July 12, 2006.

362.2-110 Effect of partnership agreement -- Nonwaivable provisions.

- (1) Except as otherwise provided in subsection (2) of this section, the partnership agreement governs relations among the partners and between the partners and the partnership. To the extent the partnership agreement does not otherwise provide, this subchapter governs relations among the partners and between the partners and the partnership.
- (2) The partnership agreement shall not:
 - (a) Vary a limited partnership's power under KRS 362.2-105 to sue, be sued, and defend in its own name;
 - (b) Vary the law applicable to a limited partnership under KRS 362.2-106;
 - (c) Vary the requirements of KRS 362.2-204;
 - (d) Vary the information required under KRS 362.2-111 or unreasonably restrict the right to information under KRS 362.2-304 and 362.2-407, but the partnership agreement may provide a different location for the maintenance of the books and records, and impose reasonable limitations on the availability and use of information obtained under those sections, and may define appropriate remedies, including liquidated damages, for a breach of any reasonable limitation on use;
 - (e) Eliminate the duty of loyalty under KRS 362.2-408, but the partnership agreement may:
 1. Identify specific types or categories of activities that do not violate the duty of loyalty, if not manifestly unreasonable; and
 2. Specify the number or percentage of partners which may authorize or ratify, after full disclosure to all partners of all material facts, a specific act or transaction that otherwise would violate the duty of loyalty;
 - (f) Unreasonably reduce the duty of care under KRS 362.2-408(3);
 - (g) Eliminate the obligation of good faith and fair dealing under KRS 362.2-305(2) and 362.2-408(4), but the partnership agreement may prescribe the standards by which the performance of the obligation is to be measured, if the standards are not manifestly unreasonable;
 - (h) Vary the power of a person to dissociate as a general partner under KRS 362.2-604(1), except to require that the notice under KRS 362.2-603(1) be in a record;
 - (i) Vary the right of a court to decree dissolution in the circumstances specified in KRS 362.2-802;
 - (j) Vary the requirement to wind up the partnership's business as specified in KRS 362.2-803;
 - (k) Unreasonably restrict the right to bring an action under KRS 362.2-931 to 362.2-935; or
 - (l) Restrict the right of a partner under KRS 362.2-960(1) to consent to a merger or conversion or the right of a general partner under KRS 362.2-960(2) to consent to an amendment to the certificate of limited partnership which

deletes a statement that the limited partnership is a limited liability limited partnership.

- (3) If a written partnership agreement contains a provision to the effect that any amendment to the partnership agreement must be in writing and adopted in accordance with the provisions of the partnership agreement, that provision shall be enforceable in accordance with its terms, and any agreement among the partners concerning the partnership which is not in writing and adopted in accordance with the provisions of the partnership agreement shall not be part of the partnership agreement.
- (4) A partnership agreement may provide that the interest of any partner who fails to make any contribution that the partner is obligated to make or who otherwise violates an obligation undertaken in the partnership agreement shall be subject to specified penalties for, or specified consequences of, such failure. Such penalty or consequence may take the form of:
 - (a) Reducing or eliminating the defaulting partner's proportionate interest in the partnership;
 - (b) Subordinating the partner's interest to that of nondefaulting partners;
 - (c) A forced sale of that interest;
 - (d) Forfeiture of his or her interest;
 - (e) The lending by other partners of the amount necessary to meet the defaulting partner's commitment;
 - (f) A fixing of the value of his or her interest by appraisal or by formula and redemption or sale of the interest in the partnership at such value; or
 - (g) Other penalty or consequence.
- (5) A partnership agreement may provide rights to any person, including a person who is not a partner or not otherwise a party to the partnership agreement, to the extent set forth therein.
- (6) No partner or other person shall have a vested property right resulting from any provision of a certificate of limited partnership or partnership agreement which may not be modified by its amendment or as otherwise permitted by law.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 133, sec. 60, effective July 15, 2010. -- Created 2006 Ky. Acts ch. 149, sec. 89, effective July 12, 2006.

362.2-1101 Renumbered as KRS 362.2-951.

362.2-1102 Renumbered as KRS 362.2-952.

362.2-1103 Renumbered as KRS 362.2-953.

362.2-1104 Renumbered as KRS 362.2-954.

362.2-1105 Renumbered as KRS 362.2-955.

362.2-1106 Renumbered as KRS 362.2-956.

362.2-1107 Renumbered as KRS 362.2-957.

362.2-1108 Renumbered as KRS 362.2-958.

362.2-1109 Renumbered as KRS 362.2-959.

362.2-111 Required information.

A limited partnership shall maintain at its designated office the following information:

- (1) A current list showing the full name and last known street and mailing address of each partner, separately identifying the general partners, in alphabetical order, and the limited partners, in alphabetical order;
- (2) A copy of the initial certificate of limited partnership and all amendments to and restatements of the certificate, together with signed copies of any powers of attorney under which any certificate, amendment, or restatement has been signed;
- (3) A copy of any filed articles of conversion or merger;
- (4) A copy of the limited partnership's federal, state, and local income tax returns and reports, if any, for the three (3) most recent years;
- (5) A copy of any partnership agreement made in record form and any amendment made in record form to any partnership agreement;
- (6) A copy of any financial statement of the limited partnership for the three (3) most recent years;
- (7) A copy of the three (3) most recent annual reports delivered by the limited partnership to the Secretary of State pursuant to KRS 14A.6-010;
- (8) A copy of any record made by the limited partnership during the past three (3) years of any consent given by or vote taken of any partner pursuant to this subchapter or the partnership agreement; and
- (9) Unless contained in a partnership agreement in record form, a record stating:
 - (a) The amount of cash, and a description and statement of the agreed value of the other benefits, contributed and agreed to be contributed by each partner;
 - (b) The times at which, or events on the happening of which, any additional contributions agreed to be made by each partner are to be made;
 - (c) For any person that is both a general partner and a limited partner, a specification of what transferable interest the person owns in each capacity; and
 - (d) Any events upon the happening of which the limited partnership is to be dissolved and its activities wound up.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 131, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 90, effective July 12, 2006.

362.2-1110 Renumbered as KRS 362.2-960.

362.2-1111 Renumbered as KRS 362.2-961.

362.2-1112 Renumbered as KRS 362.2-962.

362.2-1113 Renumbered as KRS 362.2-963.

362.2-112 Business transactions of partner with partnership.

A partner may lend money to, borrow money from, act as a surety, guarantor, or endorser for, guarantee or assume one (1) or more specific obligations of, provide collateral for, and transact other business with the limited partnership and, subject to other law, has the same rights and obligations with respect to the loan or other transaction as a person that is not a partner.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 91, effective July 12, 2006.

362.2-113 Dual capacity.

A person may be both a general partner and a limited partner. A person that is both a general and limited partner has the rights, powers, duties, and obligations provided by this subchapter and the partnership agreement in each of those capacities. When the person acts as a general partner, the person is subject to the obligations and restrictions under this subchapter and the partnership agreement for general partners. When the person acts as a limited partner, the person is subject to the obligations and restrictions under this subchapter and the partnership agreement for limited partners.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 92, effective July 12, 2006.

362.2-114 Office and agent for service of process.

- (1) Each limited partnership shall designate and continuously maintain in this Commonwealth:
 - (a) A designated office, which need not be a place of its activity in this Commonwealth; and
 - (b) A registered office and agent for service of process at that office that comply with KRS 14A.4-010.
- (2) Each foreign limited partnership qualified to transact business in the Commonwealth of Kentucky shall designate and continuously maintain in this Commonwealth a registered office and agent for service of process that comply with KRS 14A.4-010.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 101, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 93, effective July 12, 2006.

362.2-115 Change of designated office or agent for service of process.

- (1) In order to change its designated office, a limited partnership or a foreign limited partnership shall comply with KRS 14A.5-010.
- (2) A limited partnership or foreign limited partnership may change its registered office or registered agent as provided in KRS 14A.4-020.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 102, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 94, effective July 12, 2006.

362.2-116 Repealed, 2011.

Catchline at repeal: Resignation of agent for service of process.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 95, effective July 12, 2006.

362.2-117 Repealed, 2011.

Catchline at repeal: Service of process.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 96, effective July 12, 2006.

362.2-118 Consent and proxies of partners.

Action requiring the consent of partners under this subchapter may be taken without a meeting, and a partner may appoint a proxy to consent or otherwise act for the partner by signing an appointment record, either personally or by the partner's attorney in fact.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 97, effective July 12, 2006.

362.2-119 Repealed, 2011.

Catchline at repeal: Prescribed forms.

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 153, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Amended 2007 Ky. Acts ch. 137, sec. 153, effective June 26, 2007. -- Created 2006 Ky. Acts ch. 149, sec. 98, effective July 12, 2006.

362.2-120 Repealed, 2011.

Catchline at repeal: Effective time and date of document.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 99, effective July 12, 2006.

362.2-1201 Renumbered as KRS 362.2-971.

362.2-1202 Renumbered as KRS 362.2-972.

362.2-1203 Renumbered as KRS 362.2-973.

362.2-1204 Renumbered as KRS 362.2-974.

362.2-1205 Renumbered as KRS 362.2-975.

362.2-1206 Renumbered as KRS 362.2-976.

362.2-1207 Renumbered as KRS 362.2-977.

362.2-121 Requirements for documents to be filed with the Secretary of State.

Each document delivered by a domestic or foreign limited partnership to the Secretary of State for filing shall satisfy the requirements of KRS 14A.2-010 to 14A.2-150.

Effective: January 1, 2011

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 154, effective July 15, 2010; and ch. 151, sec. 103, effective January 1, 2011. -- Amended 2007 Ky. Acts ch. 137, sec. 154, effective June 26, 2007. -- Created 2006 Ky. Acts ch. 149, sec. 100, effective July 12, 2006.

Legislative Research Commission Note (1/1/2011). This section was repealed and reenacted without change to the existing language by 2010 Ky. Acts ch. 51, effective 7/15/10, and repealed and reenacted with the new language by 2010 Ky. Acts ch. 151, effective 1/1/2011. Pursuant to Section 184 of Acts ch. 51, it was the intent of the General Assembly that the repeal and reenactment by ch. 51 not serve to void amendments made by other bills, and these Acts do not appear to be in conflict, therefore, they have been codified together.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

362.2-122 Fees for filing documents with Secretary of State.

The Secretary of State shall collect the following fees when the following records in this section are delivered for filing:

- (1) Certificate of limited partnership\$40.00
- (2) Amendment of certificate of limited partnership\$40.00
- (3) Restatement of certificate of limited partnership\$40.00
- (4) Amendment and restatement of
certificate of limited partnership\$80.00
- (5) Certificate of dissolution with respect
to a domestic limited partnership\$40.00

Effective: January 1, 2011

History: Repealed, reenacted, and amended 2010 Ky. Acts ch. 151, sec. 104, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 101, effective July 12, 2006.

362.2-123 Repealed, 2011.

Catchline at repeal: Registration of name of foreign limited partnership.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 102, effective July 12, 2006.

362.2-124 Repealed, 2011.

Catchline at repeal: Duty of Secretary of State to file document -- Manner of filing --
Effect of filing or refusal to file -- Appeal of refusal of Secretary of State to file
document

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 103, effective July 12, 2006.

362.2-125 Repealed, 2011.

Catchline at repeal: Effect of certificate of Secretary of State attached to copy of filed document.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 104, effective July 12, 2006.

362.2-201 Formation of limited partnership -- Certificate of limited partnership.

- (1) In order to form a limited partnership, a certificate of limited partnership shall be delivered to the Secretary of State for filing. The certificate shall state:
 - (a) The name of the limited partnership, which shall comply with KRS 14A.3-010;
 - (b) The street address of the initial designated office;
 - (c) The limited partnership's initial registered office and the name of its initial registered agent which shall comply with KRS 14A.4-010;
 - (d) The name and street address of each general partner; and
 - (e) Any additional information required by this subchapter.
- (2) If the limited partnership elects to be a limited liability limited partnership, then the certificate shall contain a statement that the limited partnership elects to be a limited liability limited partnership.
- (3) A certificate of limited partnership may also contain any other matters but shall not vary from the provisions specified in KRS 362.2-110(2) in a manner inconsistent with that section.
- (4) Subject to subsection (2) of this section, if any provision of a partnership agreement is inconsistent with the filed certificate of limited partnership or with a filed statement of dissociation, cancellation, or change, or filed articles of conversion or merger, then:
 - (a) The partnership agreement prevails as to partners and transferees; and
 - (b) The filed certificate of limited partnership, statement of dissociation, cancellation, or change, or articles of conversion or merger prevail as to persons, other than partners and transferees, that reasonably rely on the filed record to their detriment.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 105, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 105, effective July 12, 2006.

362.2-202 Amendment or restatement of certificate.

- (1) In order to amend its certificate of limited partnership, a limited partnership shall deliver to the Secretary of State for filing an amendment that satisfies KRS 14A.2-010 to 14A.2-150 or, pursuant to KRS 362.2-951 to 362.2-963, articles of merger, stating:
 - (a) The name of the limited partnership;
 - (b) The date of filing of its initial certificate; and
 - (c) The changes the amendment makes to the certificate as most recently amended or restated.
- (2) A limited partnership shall promptly deliver to the Secretary of State for filing an amendment to a certificate of limited partnership to reflect:
 - (a) The admission of a new general partner;
 - (b) The dissociation of a person as a general partner; or
 - (c) The appointment of a person to wind up the limited partnership's activities under KRS 362.2-803(3) or (4).
- (3) A general partner who knows that any information in a filed certificate of limited partnership was false when the certificate was filed or has become false due to changed circumstances shall promptly:
 - (a) Cause the certificate to be amended; or
 - (b) If appropriate, deliver to the Secretary of State for filing a statement of change pursuant to KRS 14A.5-010 or a statement of correction pursuant to KRS 14A.2-090.
- (4) A certificate of limited partnership may be amended at any time for any other proper purpose as determined by the limited partnership.
- (5) A restated certificate of limited partnership may be delivered to the Secretary of State for filing in the same manner as an amendment.
- (6) An amendment or restated certificate is effective as provided in KRS 14A.2-070.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 106, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 106, effective July 12, 2006.

362.2-203 Statement of cancellation.

A dissolved limited partnership that has completed winding up shall deliver to the Secretary of State for filing a statement of cancellation that states:

- (1) The name of the limited partnership;
- (2) The date of filing of its initial certificate of limited partnership; and
- (3) Any other information as determined by the general partners filing the statement or by a person appointed pursuant to KRS 362.2-803(3) or (4).

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 107, effective July 12, 2006.

362.2-204 Signing of records.

- (1) Each record delivered to the Secretary of State for filing pursuant to this subchapter shall be signed in the following manner:
 - (a) An initial certificate of limited partnership shall be signed by all general partners listed in the certificate.
 - (b) An amendment adding or deleting a statement that the limited partnership is a limited liability limited partnership shall be signed by all general partners listed in the certificate.
 - (c) An amendment designating as general partner a person admitted under KRS 362.2-803(3)(b) following the dissociation of a limited partnership's last general partner shall be signed by that person.
 - (d) An amendment required by KRS 362.2-803(3) following the appointment of a person to wind up the dissolved limited partnership's activities shall be signed by that person.
 - (e) Any other amendment shall be signed by:
 1. At least one (1) general partner listed in the certificate;
 2. Each other person designated in the amendment as a new general partner; and
 3. Each person that the amendment indicates has dissociated as a general partner, unless:
 - a. The person is deceased, or a guardian or general conservator has been appointed for the person and the amendment so states; or
 - b. The person has previously delivered to the Secretary of State for filing a statement of dissociation.
 - (f) A restated certificate of limited partnership shall be signed by at least one (1) general partner listed in the certificate, and, to the extent the restated certificate effects a change under any other paragraph of this subsection, the certificate shall be signed in a manner that satisfies that paragraph.
 - (g) A statement of cancellation shall be signed by all general partners listed in the certificate or, if the certificate of a dissolved limited partnership lists no general partners, then by the person appointed pursuant to KRS 362.2-803(3) or (4) to wind up the dissolved limited partnership's activities.
 - (h) Articles of conversion shall be signed by each general partner listed in the certificate of limited partnership.
 - (i) Articles of merger shall be signed as provided in KRS 362.2-958(1).
 - (j) Any other record delivered on behalf of a limited partnership to the Secretary of State for filing shall be signed by at least one (1) general partner listed in the certificate.
 - (k) A statement by a person pursuant to KRS 362.2-605(4) stating that the person has dissociated as a general partner shall be signed by that person.
 - (l) A statement of withdrawal by a person pursuant to KRS 362.2-306 shall be

signed by that person.

- (m) A record delivered on behalf of a foreign limited partnership to the Secretary of State for filing shall be signed by at least one (1) general partner of the foreign limited partnership.
 - (n) Any other record delivered on behalf of any person to the Secretary of State for filing shall be signed by that person.
- (2) Any person may sign by an attorney in fact any record to be filed pursuant to this subchapter.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 108, effective July 12, 2006.

362.2-205 Signing and filing by judicial act.

- (1) If a person required by this subchapter to sign a record or deliver a record to the Secretary of State for filing fails or refuses to do so, then any other person that is aggrieved by the failure or refusal may petition the Circuit Court in which the limited partnership maintains its registered office to order:
 - (a) The person to sign the record or deliver the record to the Secretary of State for filing; or
 - (b) The Secretary of State to file the record unsigned.
- (2) If the person aggrieved under subsection (1) of this section is not the limited partnership or foreign limited partnership to which the record pertains, then the aggrieved person shall make that limited partnership or foreign limited partnership a party to the action. A person aggrieved under subsection (1) of this section may seek in the alternative all remedies provided in subsection (1)(a) of this section in the same action.
- (3) A record filed unsigned pursuant to this section is effective without being signed.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 109, effective July 12, 2006.

362.2-206 Delivery to and filing of records by the Secretary of State.

- (1) Unless the Secretary of State determines that a record fails to comply with the filing requirements of this subchapter, and if all filing fees have been paid, then the Secretary of State shall file the record and:
 - (a) For a statement of dissociation, send:
 1. A copy of the filed statement to the person which the statement indicates has dissociated as a general partner; and
 2. A copy of the filed statement to the limited partnership;
 - (b) For a statement of withdrawal, send:
 1. A copy of the filed statement to the person on whose behalf the record was filed; and
 2. If the statement refers to an existing limited partnership, a copy of the filed statement to the limited partnership; and
 - (c) For all other records, send a copy of the filed record to the person, or the duly authorized representative thereof, on whose behalf the record was filed.
- (2) Upon request and payment of a fee, the Secretary of State shall send to the requester a certified copy of the requested record.
- (3) Except as otherwise provided in KRS 14A.2-090 and 14A.4-030, a record delivered to the Secretary of State for filing under this subchapter may specify an effective time and a delayed effective date.

Effective: January 1, 2011.

History: Amended 2010 Ky. Acts ch. 151, sec. 149, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 110, effective July 12, 2006.

362.2-207 Repealed, 2011.

Catchline at repeal: Correcting filed record.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 111, effective July 12, 2006.

362.2-208 Liability for false information in record.

- (1) If a record delivered to the Secretary of State for filing under this subchapter and filed by the Secretary of State contains false information, a person that suffers loss by reliance on the information may recover damages for the loss from:
 - (a) A person that signed the record, or caused another to sign it on the person's behalf, and knew the information to be false at the time the record was signed; and
 - (b) A general partner that has notice that the information was false when the record was filed or has become false due to changed circumstances, if the general partner has notice for a reasonably sufficient time before the information is relied upon to enable the general partner to effect an amendment under KRS 362.2-202, file a petition pursuant to KRS 362.2-205, or deliver to the Secretary of State for filing a statement of change pursuant to KRS 362.2-115 or a statement of correction pursuant to KRS 14A.2-090.
- (2) The provisions of this section are in addition to those in KRS 14A.2-030.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 107, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 112, effective July 12, 2006.

362.2-209 Repealed, 2011.

Catchline at repeal: Certificate of existence or authorization.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 113, effective July 12, 2006.

362.2-210 Annual report for Secretary of State.

A limited partnership subject to this subchapter or a foreign limited partnership authorized to transact business in this Commonwealth shall deliver to the Secretary of State for filing an annual report as provided in KRS 14A.6-010.

Effective: January 1, 2011

History: Repealed and reenacted Ky. Acts ch. 51, sec. 155, effective July 15, 2010; and repealed, reenacted, and amended ch. 151, sec. 108, effective January 1, 2011. -- Amended 2007 Ky. Acts ch. 137, sec. 155, effective June 26, 2007. -- Created 2006 Ky. Acts ch. 149, sec. 114, effective July 12, 2006.

Legislative Research Commission Note (1/1/2011). This section was repealed, reenacted, and amended by 2010 Ky. Acts ch. 151, and repealed and reenacted by 2010 Ky. Acts ch. 51. Pursuant to Section 184 of Acts ch. 51, it was the intent of the General Assembly that the repeal and reenactment not serve to void the amendment, and these Acts do not appear to be in conflict, therefore, they have been codified together.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

362.2-301 Admission of limited partner.

A person becomes a limited partner:

- (1) As provided in the partnership agreement;
- (2) As the result of a merger or conversion under KRS 362.2-951 to 362.2-963; or
- (3) With the consent of all the partners.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 115, effective July 12, 2006.

362.2-302 No right or power as limited partner to bind limited partnership.

A limited partner does not have the right or the power as a limited partner to act for or bind the limited partnership.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 116, effective July 12, 2006.

362.2-303 No liability as limited partner for limited partnership.

- (1) An obligation of a limited partnership, whether arising in contract, tort, or otherwise, is not the obligation of any limited partner. A limited partner is not personally liable, directly or indirectly, by way of indemnification, contribution, assessment, or otherwise, for an obligation of the limited partnership solely by reason of being a limited partner, even if the limited partner participates in the management and control of the limited partnership.
- (2) Subsection (1) of this section shall not affect the liability of a limited partner for his or her own negligence, wrongful acts, or misconduct.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 133, sec. 61, effective July 15, 2010. -- Created 2006 Ky. Acts ch. 149, sec. 117, effective July 12, 2006.

362.2-304 Right to information of limited partner and former limited partner.

- (1) On ten (10) days' demand, made in a record received by the limited partnership, a limited partner may inspect and copy during regular business hours in the limited partnership's designated office the information required by KRS 362.2-111. A limited partner making demand pursuant to this subsection need not demonstrate, state, or have any particular purpose for seeking the information.
- (2) A limited partner, during regular business hours and at a reasonable location specified by the limited partnership, may obtain from the limited partnership and inspect and copy true and full information regarding the state of the activities and financial condition of the limited partnership and other information regarding the activities of the limited partnership as is just and reasonable if:
 - (a) The limited partner seeks the information for a purpose reasonably related to the partner's interest as a limited partner;
 - (b) The limited partner makes a demand in a record received by the limited partnership, describing with reasonable particularity the information sought and the purpose for seeking the information; and
 - (c) The information sought is directly connected to the limited partner's purpose.
- (3) Within ten (10) days after receiving a demand pursuant to subsection (2) of this section, the limited partnership shall in a record inform the limited partner that made the demand:
 - (a) What information the limited partnership will provide in response to the demand;
 - (b) When and where the limited partnership will provide that information; and
 - (c) If the limited partnership declines to provide any demanded information, the limited partnership's reasons for declining.
- (4) Subject to subsection (6) of this section, a person dissociated as a limited partner may inspect and copy during regular business hours in the limited partnership's designated office the information required by KRS 362.2-111 if:
 - (a) The information pertains to the period during which the person was a limited partner;
 - (b) The person seeks the information in good faith; and
 - (c) The person meets the requirements of subsection (2) of this section.
- (5) The limited partnership shall respond to a demand made pursuant to subsection (4) of this section in the same manner as provided in subsection (3) of this section.
- (6) If a limited partner dies, then KRS 362.2-704 applies.
- (7) The limited partnership may impose reasonable limitations on the use of information obtained under this section. In a dispute concerning the reasonableness of a restriction under this subsection, the limited partnership has the burden of proving reasonableness.
- (8) A limited partnership may charge a limited partner or person dissociated as a limited partner who makes a demand under this section reasonable costs of copying,

limited to the costs of labor and material.

- (9) Whenever this subchapter or a partnership agreement provides for a limited partner to give or withhold consent to a matter, before the consent is given or withheld, the limited partnership shall, without demand, provide the limited partner with all information that the limited partnership knows and is material to the limited partner's decision.
- (10) A limited partner or person dissociated as a limited partner may exercise the rights under this section through an attorney or other agent. In that event, any limitations on availability and use under subsection (7) of this section apply both to the limited partner or person and to the attorney or other agent.
- (11) The rights stated in this section do not extend to a transferee, but:
 - (a) Subsection (4) of this section creates rights for a person dissociated as a limited partner;
 - (b) Subsection (6) of this section recognizes the rights of the executor or administrator of a deceased limited partner; and
 - (c) The rights under this section extend to the legal representative of an individual under legal disability who is a limited partner or person dissociated as a limited partner.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 118, effective July 12, 2006.

362.2-305 Limited duties of limited partners.

- (1) A limited partner does not have any fiduciary duty to the limited partnership or to any other partner solely by reason of being a limited partner.
- (2) A limited partner shall discharge the duties to the partnership and the other partners under this subchapter or under the partnership agreement and exercise any rights consistently with the obligation of good faith and fair dealing.
- (3) A limited partner does not violate a duty or obligation under this subchapter or under the partnership agreement merely because the limited partner's conduct furthers the limited partner's own interest.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 119, effective July 12, 2006.

362.2-306 Person erroneously believing self limited partner.

- (1) Except as otherwise provided in subsection (2) of this section, a person that makes an investment in a business enterprise and erroneously but in good faith believes that the person has become a limited partner in the enterprise is not liable for the enterprise's obligations by reason of making the investment, receiving distributions from the enterprise, or exercising any rights of or appropriate to a limited partner if, on ascertaining the mistake, the person:
 - (a) Causes an appropriate certificate of limited partnership, amendment, or statement of correction to be signed and delivered to the Secretary of State for filing; or
 - (b) Withdraws from future participation as an owner in the enterprise by signing and delivering to the Secretary of State for filing a statement of withdrawal under this section.
- (2) A person that makes an investment described in subsection (1) of this section is liable to the same extent as a general partner to any third party that enters into a transaction with the enterprise, believing in good faith that the person is a general partner, before the Secretary of State files a statement of withdrawal, certificate of limited partnership, amendment, or statement of correction to show that the person is not a general partner.
- (3) If a person makes a diligent effort in good faith to comply with subsection (1)(a) of this section and is unable to cause the appropriate certificate of limited partnership, amendment, or statement of correction to be signed and delivered to the Secretary of State for filing, then the person has the right to withdraw from the enterprise pursuant to subsection (1)(b) of this section even if otherwise the withdrawal would breach an agreement with others that are or have agreed to become co-owners of the enterprise.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 120, effective July 12, 2006.

Legislative Research Commission Note (7/12/2006). In 2006 Ky. Acts ch. 149, sec. 120, it is apparent from the context of the section and from the uniform act on which it is based, that the reference to subsection (1)(a) in subsection (3) of this section should have been to (1)(b). Under the authority of KRS 7.136, the Statute Reviser has made this correction.

362.2-401 Admission of general partner.

A person becomes a general partner:

- (1) As provided in the partnership agreement;
- (2) Under KRS 362.2-801(3)(b) following the dissociation of a limited partnership's last general partner;
- (3) As the result of a conversion or merger under KRS 362.2-951 to 362.2-963; or
- (4) With the consent of all the partners.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 121, effective July 12, 2006.

362.2-402 General partner agent of limited partnership.

- (1) Each general partner is an agent of the limited partnership for the purposes of its activities. An act of a general partner, including the signing of a record in the partnership's name, for apparently carrying on in the ordinary course the limited partnership's activities or activities of the kind carried on by the limited partnership, binds the limited partnership, unless the general partner did not have authority to act for the limited partnership in the particular matter and the person with which the general partner was dealing knew, had received a notification, or had notice under KRS 362.2-103(4) that the general partner lacked authority.
- (2) An act of a general partner which is not apparently for carrying on in the ordinary course the limited partnership's activities or activities of the kind carried on by the limited partnership binds the limited partnership only if the act was authorized by all the other partners.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 122, effective July 12, 2006.

362.2-403 Limited partnership liable for general partner's actionable conduct.

- (1) A limited partnership is liable for loss or injury caused to a person, or for a penalty incurred, as a result of a wrongful act or omission, or other actionable conduct, of a general partner acting in the ordinary course of activities of the limited partnership or with authority of the limited partnership.
- (2) If, in the course of the limited partnership's activities or while acting with authority of the limited partnership, a general partner receives or causes the limited partnership to receive money or property of a person not a partner, and the money or property is misapplied by a general partner, the limited partnership is liable for the loss.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 123, effective July 12, 2006.

Legislative Research Commission Note (7/12/2006). In 2006 Ky. Acts ch. 149, sec. 123, it is apparent from the context of the section and from the uniform act on which it is based that the word "then" appearing in subsection (2) should have been "the." Under the authority of KRS 7.136, the Statute Reviser has made this correction.

362.2-404 General partner's liability.

- (1) Except as otherwise provided in subsections (2) and (3) of this section, all general partners are liable jointly and severally for all obligations of the limited partnership unless otherwise agreed by the claimant or provided by law.
- (2) A person admitted as a general partner into an existing limited partnership is not personally liable for any limited partnership obligation incurred before the person's admission as a general partner.
- (3) An obligation of a limited partnership arising out of or related to circumstances or events occurring or incurred while the limited partnership is a limited liability limited partnership, whether arising in contract, tort, or otherwise, is solely the obligation of the limited partnership. A general partner is not personally liable, directly or indirectly, by way of indemnification, contribution, assessment, or otherwise, for such an obligation solely by reason of being or acting as a general partner. This subsection applies despite anything inconsistent in the partnership agreement that existed immediately before the consent required to become a limited liability limited partnership under KRS 362.2-406(2)(b).
- (4) Subsection (3) of this section shall not affect the liability of a general partner for his or her own negligence, wrongful acts, or misconduct.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 81, sec. 121, effective July 12, 2012. -- Amended 2010 Ky. Acts ch. 133, sec. 62, effective July 15, 2010. -- Created 2006 Ky. Acts ch. 149, sec. 124, effective July 12, 2006.

362.2-405 Actions by and against partnership and partners.

- (1) To the extent not inconsistent with KRS 362.2-404, any of the general partners may be joined in an action against the limited partnership or named in separate actions.
- (2) A judgment against a limited partnership is not by itself a judgment against a general partner. A judgment against a limited partnership may not be satisfied from a general partner's assets unless there is also a judgment against the general partner.
- (3) A judgment creditor of a general partner may not levy execution against the assets of the general partner to satisfy a judgment based on a claim against the limited partnership, unless the partner is personally liable for the claim under KRS 362.2-404 and:
 - (a) A judgment based on the same claim has been obtained against the limited partnership and a writ of execution on the judgment has been returned unsatisfied in whole or in part;
 - (b) The limited partnership is a debtor in bankruptcy;
 - (c) The general partner has agreed that the creditor need not exhaust limited partnership assets;
 - (d) A court grants permission to the judgment creditor to levy execution against the assets of a general partner based on a finding that limited partnership assets subject to execution are clearly insufficient to satisfy the judgment, that exhaustion of limited partnership assets is excessively burdensome, or that the grant of permission is an appropriate exercise of the court's equitable powers; or
 - (e) Liability is imposed on the general partner by law or contract independent of the existence of the limited partnership.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 125, effective July 12, 2006.

362.2-406 Management rights of general partner.

- (1) Each general partner has equal rights in the management and conduct of the limited partnership's activities. Except as expressly provided in this subchapter, any matter relating to the activities of the limited partnership may be exclusively decided by the general partner or, if there is more than one (1) general partner, by a majority of the general partners.
- (2) The consent of each partner is necessary to:
 - (a) Amend the partnership agreement;
 - (b) Amend the certificate of limited partnership to add or, subject to KRS 362.2-960, delete a statement that the limited partnership is a limited liability limited partnership; or
 - (c) Sell, lease, exchange, or otherwise dispose of all or substantially all of the limited partnership's property, with or without the good will, other than in the usual and regular course of the limited partnership's activities.
- (3) A limited partnership shall reimburse a general partner for payments made and indemnify a general partner for liabilities incurred by the general partner in the ordinary course of the activities of the partnership or for the preservation of its activities or property.
- (4) A limited partnership shall reimburse a general partner for an advance to the limited partnership beyond the amount of capital the general partner agreed to contribute.
- (5) A payment or advance made by a general partner which gives rise to an obligation of the limited partnership under subsection (3) or (4) of this section constitutes a loan to the limited partnership which accrues interest from the date of the payment or advance.
- (6) A general partner is not entitled to remuneration for services performed for the partnership.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 126, effective July 12, 2006.

362.2-407 Right to information of general partner and former general partner.

- (1) Without having to demonstrate, state, or have any particular purpose for seeking the information, a general partner may during regular business hours inspect and copy:
 - (a) In the limited partnership's designated office, the required information; and
 - (b) At a reasonable location specified by the limited partnership, any other records maintained by the limited partnership regarding the limited partnership's activities and financial condition.
- (2) Each general partner and the limited partnership shall furnish to a general partner:
 - (a) Without demand, any information concerning the limited partnership's activities and activities reasonably required for the proper exercise of the general partner's rights and duties under the partnership agreement or this subchapter; and
 - (b) On demand, any other information concerning the limited partnership's activities, except to the extent the demand or the information demanded is unreasonable or otherwise improper under the circumstances.
- (3) Subject to subsection (5) of this section, on ten (10) days' demand made in a record received by the limited partnership, a person dissociated as a general partner may have access to the information and records described in subsection (1) of this section at the location specified in subsection (1) of this section if:
 - (a) The information or record pertains to the period during which the person was a general partner;
 - (b) The person seeks the information or record in good faith; and
 - (c) The person satisfies the requirements of KRS 362.2-304(2).
- (4) The limited partnership shall respond to a demand made pursuant to subsection (3) of this section in the same manner as provided in KRS 362.2-304(3).
- (5) If a general partner dies, then KRS 362.2-704 applies.
- (6) The limited partnership may impose reasonable limitations on the use of information under this section. In any dispute concerning the reasonableness of a restriction under this subsection, the limited partnership has the burden of proving reasonableness.
- (7) A limited partnership may charge a person dissociated as a general partner that makes a demand under this section reasonable costs of copying, limited to the costs of labor and material.
- (8) A general partner or person dissociated as a general partner may exercise the rights under this section through an attorney or other agent. In that event, any limitation on availability and use under subsection (6) of this section applies to the attorney or other agent and the general partner or person dissociated as a general partner.
- (9) The rights under this section do not extend to a transferee, but:
 - (a) Subsection (3) of this section creates rights for a person dissociated as a general partner, and those rights extend to the legal representative of an individual who dissociated as a general partner under KRS 362.2-603(7)(b) or

(c); and

- (b) Subsection (5) of this section recognizes the rights of the executor or administrator of a deceased general partner.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 127, effective July 12, 2006.

362.2-408 General standards of general partner's conduct.

- (1) The fiduciary duties that a general partner has to the limited partnership and the other partners include the duties of loyalty and care under subsections (2) and (3) of this section.
- (2) A general partner's duty of loyalty to the limited partnership and the other partners includes, but it not limited to, the following:
 - (a) To account to the limited partnership and hold as trustee for it any property, profit, or benefit derived by the general partner in the conduct and winding up of the limited partnership's activities or derived from a use by the general partner of limited partnership property, including the appropriation of a limited partnership opportunity;
 - (b) To refrain from dealing with the limited partnership in the conduct or winding up of the limited partnership's activities as or on behalf of a party having an interest adverse to the limited partnership; and
 - (c) To refrain from competing with the limited partnership in the conduct or winding up of the limited partnership's activities.
- (3) A general partner's duty of care to the limited partnership and the other partners in the conduct and winding up of the limited partnership's activities includes, but it not limited to, acting with the care that a reasonable person in a like position would exercise under similar circumstances and in a manner that the partner believes to be in the best interests of the limited partnership.
- (4) A general partner shall discharge the duties to the limited partnership and the other partners under this subchapter or under the partnership agreement and exercise any rights consistently with the obligation of good faith and fair dealing.
- (5) A general partner does not violate a duty or obligation under this subchapter or under the partnership agreement merely because the general partner's conduct furthers the general partner's own interest. That a transaction was fair to the limited partnership shall not constitute a defense to the breach of the obligation in subsection (2) of this section.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 81, sec. 122, effective July 12, 2012. -- Created 2006 Ky. Acts ch. 149, sec. 128, effective July 12, 2006.

362.2-501 Form of contribution.

A contribution of a partner may consist of tangible or intangible property or other benefit to the limited partnership, including money, services performed, promissory notes, other agreements to contribute cash or property, and contracts for services to be performed.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 129, effective July 12, 2006.

362.2-502 Liability for contribution.

- (1) A partner's obligation to contribute money, property, or other benefit to, or to perform services for, a limited partnership is not excused by the partner's death, disability, or other inability to perform personally.
- (2) If a partner does not make a promised contribution of property or services, then the partner is obligated at the option of the limited partnership to contribute money equal to that portion of the value, as stated in the required information, of the stated contribution which has not been made.
- (3) The obligation of a partner to make a contribution or return money or other property paid or distributed in violation of this subchapter may be compromised only by consent of all partners. A creditor of a limited partnership which extends credit or otherwise acts in reliance on an obligation described in subsection (1) of this section, and without notice of any compromise under this subsection, may enforce the original obligation.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 130, effective July 12, 2006.

362.2-503 Sharing of distributions.

A distribution by a limited partnership shall be shared among the partners on the basis of the value, as stated in the required records when the limited partnership decides to make the distribution, of the contributions the limited partnership has received from each partner.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 131, effective July 12, 2006.

362.2-504 Interim distributions.

A partner does not have a right to any distribution before the dissolution and winding up of the limited partnership unless the limited partnership decides to make an interim distribution.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 132, effective July 12, 2006.

362.2-505 No distribution on account of dissociation.

A person does not have a right to receive a distribution on account of dissociation.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 133, effective July 12, 2006.

362.2-506 Distribution in kind.

- (1) A partner, regardless of the nature of the partner's contribution, has no right to demand or receive any distribution from a limited partnership in any form other than cash. A limited partnership may distribute an asset in kind only to the extent that each partner receives a percentage of the asset equal to the partner's share of distributions.
- (2) The property of a limited partnership subject to this subchapter shall not be subject to KRS 381.135(1)(a)1.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 134, effective July 12, 2006.

362.2-507 Right to distribution.

When a partner becomes entitled to receive a distribution, the partner has the status of, and is entitled to all remedies available to, a creditor of the limited partnership with respect to the distribution. However, the limited partnership's obligation to make a distribution is subject to offset for any amount owed to the limited partnership by the partner or dissociated partner on whose account the distribution is made.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 135, effective July 12, 2006.

362.2-508 Limitations on distribution.

- (1) A limited partnership shall not make a distribution in violation of the partnership agreement.
- (2) A limited partnership shall not make a distribution if after the distribution:
 - (a) The limited partnership would not be able to pay its debts as they become due in the ordinary course of the limited partnership's activities; or
 - (b) The limited partnership's total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the limited partnership were to be dissolved, wound up, and terminated at the time of the distribution, to satisfy the preferential rights upon dissolution, winding up, and termination of partners whose preferential rights are superior to those of persons receiving the distribution.
- (3) A limited partnership may base a determination that a distribution is not prohibited under subsection (2) of this section on financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances or on a fair valuation or other method that is reasonable in the circumstances.
- (4) Except as otherwise provided in subsection (7) of this section, the effect of a distribution under subsection (2) of this section is measured:
 - (a) In the case of distribution by purchase, redemption, or other acquisition of a transferable interest in the limited partnership, as of the date money or other property is transferred or debt incurred by the limited partnership; and
 - (b) In all other cases, as of the date:
 1. The distribution is authorized, if the payment occurs within one hundred twenty (120) days after that date; or
 2. The payment is made, if payment occurs more than one hundred twenty (120) days after that date.
- (5) A limited partnership's indebtedness to a partner incurred by reason of a distribution made in accordance with this section is at parity with the limited partnership's indebtedness to its general, unsecured creditors.
- (6) A limited partnership's indebtedness, including indebtedness issued in connection with or as part of a distribution, is not considered a liability for purposes of determinations under subsection (2) of this section if the terms of the indebtedness provide that payment of principal and interest are made only to the extent that a distribution could then be made to partners under this section.
- (7) If indebtedness is issued as a distribution, each payment of principal or interest on the indebtedness is treated as a distribution, the effect of which is measured on the date the payment is made.
- (8) For purposes of this section, the term "distribution" shall not include amounts constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of business pursuant to a bona fide retirement plan or other benefits program.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 136, effective July 12, 2006.

362.2-509 Liability for improper distributions.

- (1) A general partner that consents to a distribution made in violation of KRS 362.2-508 is personally liable to the limited partnership for the amount of the distribution which exceeds the amount that could have been distributed without the violation if it is established that in consenting to the distribution the general partner failed to comply with KRS 362.2-408.
- (2) A partner or transferee that knew a distribution was made in violation of KRS 362.2-508 is personally liable to the limited partnership but only to the extent that the distribution received by the partner or transferee exceeded the amount that could have been properly paid under KRS 362.2-508.
- (3) A general partner against which an action is brought under subsection (1) of this section may:
 - (a) Implead in the action any other person that as a general partner consented to the distribution in violation of subsection (1) of this section and compel contribution from that person; and
 - (b) Implead in the action any person that received a distribution in violation of subsection (2) of this section and compel contribution from that person in the amount that person received in violation of subsection (2) of this section.
- (4) A proceeding under this section is barred if it is not commenced within two (2) years after the distribution.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 137, effective July 12, 2006.

362.2-601 Dissociation as limited partner.

- (1) A person does not have a right to dissociate as a limited partner before the termination of the limited partnership.
- (2) A person is dissociated from a limited partnership as a limited partner upon the occurrence of any of the following events:
 - (a) The limited partnership's having notice of the person's express will to withdraw as a limited partner or on a later date specified by the person;
 - (b) An event agreed to in the partnership agreement as causing the person's dissociation as a limited partner;
 - (c) The person's expulsion as a limited partner pursuant to the partnership agreement;
 - (d) The person's expulsion as a limited partner by the unanimous consent of the other partners if:
 1. It is unlawful to carry on the limited partnership's activities with that person as a limited partner;
 2. There has been a transfer of all of the person's transferable interest in the limited partnership, other than a transfer for security purposes, or a court order charging the person's interest, which has not been foreclosed;
 3. The person is a corporation and, within ninety (90) days after the limited partnership notifies the person that it will be expelled as a limited partner because it has filed a certificate of dissolution or the equivalent, its charter has been revoked, or its right to conduct business has been suspended by the jurisdiction of its incorporation, there is no revocation of the certificate of dissolution or no reinstatement of its charter or its right to conduct business; or
 4. The person is a limited liability company or partnership that has been dissolved and whose business is being wound up;
 - (e) On application by the limited partnership, the person's expulsion as a limited partner by judicial determination because:
 1. The person engaged in wrongful conduct that adversely and materially affected the limited partnership's activities;
 2. The person willfully or persistently committed a material breach of the partnership agreement or of the obligation of good faith and fair dealing under KRS 362.2-305(2); or
 3. The person engaged in conduct relating to the limited partnership's activities which makes it not reasonably practicable to carry on the activities with the person as limited partner;
 - (f) In the case of a person who is an individual, the person's death;
 - (g) In the case of a person that is a trust or is acting as a limited partner by virtue of being a trustee of a trust, distribution of the trust's entire transferable interest in the limited partnership, but not merely by reason of the substitution of a successor trustee;

- (h) In the case of a person that is an estate or is acting as a limited partner by virtue of being a personal representative of an estate, distribution of the estate's entire transferable interest in the limited partnership, but not merely by reason of the substitution of a successor personal representative;
- (i) Termination of a limited partner that is not an individual, partnership, limited liability company, corporation, trust, or estate;
- (j) The limited partnership's participation in a merger or conversion under KRS 362.2-951 to 362.2-963, if the limited partnership:
 - 1. Is not the converted or surviving entity; or
 - 2. Is the converted or surviving entity but, as a result of the conversion or merger, the person ceases to be a limited partner.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 138, effective July 12, 2006.

362.2-602 Effect of dissociation as limited partner.

Upon a person's dissociation as a limited partner:

- (1) Subject to KRS 362.2-704, the person does not have further rights as a limited partner;
- (2) The person's obligation of good faith and fair dealing as a limited partner under KRS 362.2-305(2) continues only as to matters arising and events occurring before the dissociation;
- (3) Subject to KRS 362.2-704 and 362.2-951 to 362.2-963, any transferable interest owned by the person in the person's capacity as a limited partner immediately before dissociation is owned by the person as a mere transferee; and
- (4) The dissociation does not of itself discharge the person from any obligation to the limited partnership or the other partners which the person incurred while a limited partner.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 139, effective July 12, 2006.

362.2-603 Dissociation as general partner.

A person is dissociated from a limited partnership as a general partner upon the occurrence of any of the following events:

- (1) The limited partnership's having notice of the person's express will to withdraw as a general partner or on a later date specified by the person;
- (2) An event agreed to in the partnership agreement as causing the person's dissociation as a general partner;
- (3) The person's expulsion as a general partner pursuant to the partnership agreement;
- (4) The person's expulsion as a general partner by the unanimous consent of the other partners if:
 - (a) It is unlawful to carry on the limited partnership's activities with that person as a general partner;
 - (b) There has been a transfer of all or substantially all of the person's transferable interest in the limited partnership, other than a transfer for security purposes, or a court order charging the person's interest, which has not been foreclosed;
 - (c) The person is a corporation and, within ninety (90) days after the limited partnership notifies the person that it will be expelled as a general partner because it has filed articles of dissolution or the equivalent, its articles of incorporation have been revoked, or its right to conduct business has been suspended by the jurisdiction of its incorporation, there is no revocation of the articles of dissolution or no reinstatement of its articles of incorporation or its right to conduct business; or
 - (d) The person is a limited liability company or partnership that has been dissolved and whose business is being wound up;
- (5) On application by the limited partnership, the person's expulsion as a general partner by judicial determination because:
 - (a) The person engaged in wrongful conduct that adversely and materially affected the limited partnership activities;
 - (b) The person willfully or persistently committed a material breach of the partnership agreement or of a duty owed to the partnership or the other partners under KRS 362.2-408; or
 - (c) The person engaged in conduct relating to the limited partnership's activities which makes it not reasonably practicable to carry on the activities of the limited partnership with the person as a general partner;
- (6) The person's:
 - (a) Becoming a debtor in bankruptcy;
 - (b) Execution of an assignment for the benefit of creditors;
 - (c) Seeking, consenting to, or acquiescing in the appointment of a trustee, receiver, or liquidator of that person or of all or substantially all of that person's property; or
 - (d) Failure, within ninety (90) days after the appointment, to have vacated or

stayed the appointment of a trustee, receiver, or liquidator of the general partner or of all or substantially all of the person's property obtained without the person's consent or acquiescence or failing, within ninety (90) days after the expiration of a stay, to have the appointment vacated;

- (7) In the case of a person who is an individual:
 - (a) The person's death;
 - (b) The appointment of a guardian or general conservator for the person; or
 - (c) A judicial determination that the person has otherwise become incapable of performing the person's duties as a general partner under the partnership agreement;
- (8) In the case of a person that is a trust or is acting as a general partner by virtue of being a trustee of a trust, distribution of the trust's entire transferable interest in the limited partnership, but not merely by reason of the substitution of a successor trustee;
- (9) In the case of a person that is an estate or is acting as a general partner by virtue of being a personal representative of an estate, distribution of the estate's entire transferable interest in the limited partnership, but not merely by reason of the substitution of a successor personal representative;
- (10) Termination of a general partner that is not an individual, partnership, limited liability company, corporation, trust, or estate;
- (11) The limited partnership's participation in a merger or conversion under KRS 362.2-951 to 362.2-963, if the limited partnership:
 - (a) Is not the converted or surviving entity; or
 - (b) Is the converted or surviving entity but, as a result of the conversion or merger, the person ceases to be a general partner.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 140, effective July 12, 2006.

362.2-604 Person's power to dissociate as general partner -- Wrongful dissociation.

- (1) A person has the power to dissociate as a general partner at any time, rightfully or wrongfully, by express will pursuant to KRS 362.2-603(1).
- (2) A person's dissociation as a general partner is wrongful only if:
 - (a) It is in breach of an express provision of the partnership agreement; or
 - (b) It occurs before the termination of the limited partnership and:
 1. The person withdraws as a general partner by express will;
 2. The person is expelled as a general partner by judicial determination under KRS 362.2-603(5);
 3. The person is dissociated as a general partner by becoming a debtor in bankruptcy; or
 4. In the case of a person that is not an individual, trust other than a business trust, or estate, the person is expelled or otherwise dissociated as a general partner because it willfully dissolved or terminated.
- (3) A person that wrongfully dissociates as a general partner is liable to the limited partnership and, subject to KRS 362.2-931, to the other partners for damages caused by the dissociation. The liability is in addition to any other obligation of the general partner to the limited partnership or to the other partners.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 141, effective July 12, 2006.

362.2-605 Effect of dissociation as general partner.

Upon a person's dissociation as a general partner:

- (1) The person's right to participate as a general partner in the management and conduct of the partnership's activities terminates;
- (2) The person's duty of loyalty as a general partner under KRS 362.2-408(2)(c) terminates;
- (3) The person's duty of loyalty as a general partner under KRS 362.2-408(2)(a) and (2)(b) and duty of care under KRS 362.2-408(3) continue only with regard to matters arising and events occurring before the person's dissociation as a general partner;
- (4) The person may sign and deliver to the Secretary of State for filing a statement of dissociation pertaining to the person and, at the request of the limited partnership, shall sign an amendment to the certificate of limited partnership which states that the person has dissociated;
- (5) Subject to KRS 362.2-704 and 362.2-951 to 362.2-963, any transferable interest owned by the person immediately before dissociation in the person's capacity as a general partner is owned by the person as a mere transferee; and
- (6) The dissociation does not of itself discharge the person from any obligation to the limited partnership or the other partners which the person incurred while a general partner.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 142, effective July 12, 2006.

362.2-606 Power to bind and liability to partnership before dissolution of person dissociated as general partner.

- (1) After a person is dissociated as a general partner and before the limited partnership is dissolved, converted under KRS 362.2-951 to 362.2-963, or merged out of existence under KRS 362.2-951 to 362.2-963, the limited partnership is bound by an act of the person only if:
 - (a) The act would have bound the limited partnership under KRS 362.2-402 before the dissociation; and
 - (b) At the time the other party enters into the transaction:
 1. Less than two (2) years has passed since the dissociation; and
 2. The other party does not have notice of the dissociation and reasonably believes that the person is a general partner.
- (2) If a limited partnership is bound under subsection (1) of this section, then the person dissociated as a general partner is liable:
 - (a) To the limited partnership for any damage caused to the limited partnership arising from that obligation; and
 - (b) If a general partner or another person dissociated as a general partner is liable for that obligation, to that general partner or other person for any damage caused to that general partner or other person arising from that liability.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 143, effective July 12, 2006.

362.2-607 Liability to other persons of person dissociated as general partner.

- (1) A person's dissociation as a general partner does not of itself discharge the person's liability as a general partner for a limited partnership's obligation incurred before dissociation. Except as otherwise provided in subsections (2) and (3) of this section, the person is not liable for a limited partnership's obligation incurred after dissociation.
- (2) A person whose dissociation as a general partner resulted in a dissolution and winding up of the limited partnership's activities is liable to the same extent as a general partner under KRS 362.2-404 on an obligation incurred by the limited partnership under KRS 362.2-804.
- (3) A person that has dissociated as a general partner but whose dissociation did not result in a dissolution and winding up of the limited partnership's activities is liable on a transaction entered into by the limited partnership after the dissociation, only if:
 - (a) A general partner would be liable on the transaction; and
 - (b) At the time the other party enters into the transaction:
 1. Less than two (2) years have passed since the dissociation; and
 2. The other party does not have notice of the dissociation and reasonably believes that the person is a general partner.
- (4) By agreement with the limited partnership's creditor and the limited partnership, a person dissociated as a general partner may be released from liability for a limited partnership's obligation.
- (5) A person dissociated as a general partner is released from liability for a limited partnership's obligation if a limited partnership's creditor, with notice of the person's dissociation as a general partner but without the person's consent, agrees to a material alteration in the nature or time of payment of the limited partnership's obligation.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 144, effective July 12, 2006.

362.2-701 Partner's transferable interest.

The only transferable interest of a partner is the partner's right to receive distributions.
The interest is personal property.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 145, effective July 12, 2006.

362.2-702 Transfer of partner's transferable interest.

- (1) A transfer, in whole or in part, of a partner's transferable interest in the limited partnership:
 - (a) Is permissible;
 - (b) Does not by itself cause the partner's dissociation or a dissolution and winding up of the limited partnership's activities; and
 - (c) Does not, as against the other partners or the limited partnership, entitle the transferee to participate in the management or conduct of the limited partnership's activities, to require access to information concerning the limited partnership's transactions except as provided in subsection (3) of this section, or to inspect or copy the required information or the limited partnership's other records.
- (2) A transferee has a right to receive, in accordance with the transfer:
 - (a) Distributions to which the transferor would otherwise be entitled; and
 - (b) Upon the dissolution and winding up of the limited partnership's activities the net amount otherwise distributable to the transferor.
- (3) In a dissolution and winding up, a transferee is entitled to an account of the limited partnership's transactions only from the date of dissolution.
- (4) Upon transfer, the transferor retains the rights of a partner other than the interest in distributions transferred and retains all duties and obligations of a partner.
- (5) A limited partnership need not give effect to a transferee's rights under this section until the limited partnership has notice of the transfer.
- (6) A transfer of a partner's transferable interest in the limited partnership in violation of a restriction on transfer contained in the partnership agreement is ineffective as to a person having notice of the restriction at the time of transfer.
- (7) A transferee that becomes a partner with respect to a transferable interest is liable for the transferor's obligations under KRS 362.2-502 and 362.2-509. However, the transferee is not obligated for liabilities unknown to the transferee at the time the transferee became a partner.
- (8) Limitations upon transfer set forth in KRS 362.2-701 to 362.2-704 or adopted by the partners in accordance with this subchapter are enforceable notwithstanding KRS 355.9-406 and 355.9-408.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 146, effective July 12, 2006.

362.2-703 Partner's transferable interest subject to charging order.

- (1) This section provides the exclusive remedy by which the judgment creditor of a partner or the transferee of a partner may satisfy a judgment out of the judgment debtor's transferable interest.
- (2) On application to a court of competent jurisdiction by any judgment creditor of a partner or a partner's transferee, the court may charge the transferable interest of the judgment debtor with payment of the unsatisfied amount of the judgment. To the extent so charged, the judgment creditor has only the rights of a transferee, and shall have no right to participate in the management or to cause the dissolution of the partnership. The court may appoint a receiver of the share of the distributions due or to become due to the judgment debtor in respect of the partnership and make all other orders, directions, accounts, and inquiries the judgment debtor might have made or which the circumstances of the case may require to give effect to the charging order.
- (3) A charging order constitutes a lien on and the right to receive distributions made with respect to the judgment debtor's transferable interest. A charging order does not of itself constitute an assignment of the transferable interest.
- (4) The court may order a foreclosure upon the transferable interest subject to the charging order at any time. The purchaser at the foreclosure sale has the rights of a transferee.
- (5) At any time before foreclosure, an interest charged may be redeemed:
 - (a) By the judgment debtor;
 - (b) With property other than limited partnership property, by one (1) or more of the other partners; or
 - (c) With limited partnership property, by the limited partnership with the consent of all partners whose interests are not so charged.
- (6) This subchapter does not deprive any partner or a partner's transferee of the benefit of any exemption laws applicable to the partner's or transferee's transferable interest.
- (7) The partnership is not a necessary party to an application for a charging order. Service of the charging order on a partnership may be made by the court granting the charging order or as the court may otherwise direct.
- (8) This section shall not apply to the enforcement of a judgment by a limited partnership against a partner of that partnership.
- (9) This section shall apply to the issuance of a charging order against the interest of a partner or transferee of a partner of a foreign partnership.

Effective: June 29, 2017

History: Amended 2017 Ky. Acts ch. 193, sec. 19, effective June 29, 2017. -- Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 156, effective July 15, 2010; and amended ch. 133, sec. 63, effective July 15, 2010. -- Amended 2007 Ky. Acts ch. 137, sec. 156, effective June 26, 2007. -- Created 2006 Ky. Acts ch. 149, sec. 147, effective July 12, 2006.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those

sections being unaffected by the provisions of this section."

Legislative Research Commission Note (7/15/2010). This section was amended by 2010 Ky. Acts ch. 133, and repealed and reenacted by 2010 Ky. Acts ch. 51. Pursuant to Section 184 of Acts ch. 51, it was the intent of the General Assembly that the repeal and reenactment not serve to void the amendment, and these Acts do not appear to be in conflict; therefore, they have been codified together.

362.2-704 Power of estate of deceased partner.

If a partner dies, then the deceased partner's executor, administrator, or other legal representative may exercise the rights of a transferee as provided in KRS 362.2-702 and, for the purposes of settling the estate, may exercise the rights of a current limited partner under KRS 362.2-304.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 148, effective July 12, 2006.

362.2-801 Nonjudicial dissolution.

Except as otherwise provided in KRS 362.2-802, a limited partnership is dissolved, and its activities shall be wound up, only upon the occurrence of any of the following:

- (1) The happening of an event specified in the partnership agreement;
- (2) The consent of all general partners and of all limited partners;
- (3) After the dissociation of a person as a general partner:
 - (a) If the limited partnership has at least one (1) remaining general partner, the consent to dissolve the limited partnership given within ninety (90) days after the dissociation by partners owning a majority of the rights to receive distributions as partners at the time the consent is to be effective; or
 - (b) If the limited partnership does not have a remaining general partner, the passage of ninety (90) days after the dissociation, unless before the end of that period:
 1. Consent to continue the activities of the limited partnership and admit at least one (1) general partner is given by limited partners owning a majority of the rights to receive distributions as limited partners at the time the consent is to be effective; and
 2. At least one (1) person is admitted as a general partner in accordance with that consent;
- (4) The passage of ninety (90) days after the dissociation of the limited partnership's last limited partner, unless before the end of that period the limited partnership admits at least one (1) limited partner;
- (5) The administrative dissolution of the limited partnership by the Secretary of State under KRS 14A.7-010 or predecessor law; or
- (6) Except as provided in subsection (3) or (4) of this section, the same person shall not be both the only general partner and the only limited partner.

Effective: June 24, 2015

History: Amended 2015 Ky. Acts ch. 34, sec. 58, effective June 24, 2015. -- Amended 2010 Ky. Acts ch. 151, sec. 109, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 149, effective July 12, 2006.

362.2-802 Judicial dissolution.

- (1) On application by a partner, the Circuit Court of the county in which the limited partnership maintains its registered agent may decree dissolution of a limited partnership if it is not reasonably practicable to carry on the activities of the limited partnership in conformity with the partnership agreement.
- (2) If after a hearing the court determines that one (1) or more grounds for judicial dissolution exist, it may enter a decree dissolving the limited partnership and the clerk of the court shall deliver a certified copy of the decree to the Secretary of State, who shall file it. The dissolution shall be effective upon the filing of the decree by the Secretary of State or such later date as is specified in the decree.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 81, sec. 123, effective July 12, 2012. -- Created 2006 Ky. Acts ch. 149, sec. 150, effective July 12, 2006.

362.2-803 Winding up.

- (1) A limited partnership continues after dissolution only for the purpose of winding up its activities.
- (2) In winding up its business, the limited partnership:
 - (a) May amend its certificate of limited partnership to state that the limited partnership is dissolved, preserve the limited partnership business or property as a going concern for a reasonable time, prosecute and defend actions and proceedings, whether civil, criminal, or administrative, transfer the limited partnership's property, settle disputes by mediation or arbitration, file a statement of cancellation as provided in KRS 362.2-203, and perform other necessary acts; and
 - (b) Shall discharge the limited partnership's liabilities, settle and close the limited partnership's activities, and marshal and distribute the assets of the partnership.
- (3) If a dissolved limited partnership does not have a general partner, a person to wind up the dissolved limited partnership's activities may be appointed by the consent of limited partners owning a majority of the rights to receive distributions as limited partners at the time the consent is to be effective. A person appointed under this subsection:
 - (a) Has the powers of a general partner under KRS 362.2-804; and
 - (b) Shall promptly amend the certificate of limited partnership to:
 1. State that the limited partnership does not have a general partner and that the person has been appointed to wind up the limited partnership; and
 2. State the street and mailing address of the person.
- (4) On the application of any partner, the Circuit Court of the county in which the limited partnership maintains its registered agent may order judicial supervision of the winding up, including the appointment of a person to wind up the dissolved limited partnership's activities, if:
 - (a) A limited partnership does not have a general partner and, within a reasonable time following the dissolution, no person has been appointed pursuant to subsection (3) of this section; or
 - (b) The applicant establishes other good cause.
- (5) The dissolution of a limited partnership shall not abate or suspend KRS 362.2-303, and the dissolution of a limited partnership that is a limited liability limited partnership shall not abate or suspend KRS 362.2-404(3).

Effective: July 15, 2010

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 157, effective July 15, 2010. -- Amended 2007 Ky. Acts ch. 137, sec. 157, effective June 26, 2007. -- Created 2006 Ky. Acts ch. 149, sec. 151, effective July 12, 2006.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly

retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

362.2-804 Power of general partner and person dissociated as general partner to bind partnership after dissolution.

- (1) A limited partnership is bound by a general partner's act after dissolution which:
 - (a) Is appropriate for winding up the limited partnership's activities; or
 - (b) Would have bound the limited partnership under KRS 362.2-402 before dissolution if, at the time the other party enters into the transaction, the other party does not have notice of the dissolution.
- (2) A person dissociated as a general partner binds a limited partnership through an act occurring after dissolution if:
 - (a) At the time the other party enters into the transaction:
 - 1. Less than two (2) years has passed since the dissociation; and
 - 2. The other party does not have notice of the dissociation and reasonably believes that the person is a general partner; and
 - (b) The act:
 - 1. Is appropriate for winding up the limited partnership's activities; or
 - 2. Would have bound the limited partnership under KRS 362.2-402 before dissolution and, at the time the other party enters into the transaction, the other party does not have notice of the dissolution.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 152, effective July 12, 2006.

362.2-805 Liability after dissolution of general partner and person dissociated as general partner to limited partnership, other general partners, and persons dissociated as general partner.

- (1) If a general partner having knowledge of the dissolution causes a limited partnership to incur an obligation under KRS 362.2-804(1) by an act that is not appropriate for winding up the partnership's activities, then the general partner is liable:
 - (a) To the limited partnership for any damage caused to the limited partnership arising from the obligation; and
 - (b) If another general partner or a person dissociated as a general partner is liable for the obligation, to that other general partner or person for any damage caused to that other general partner or person arising from that liability.
- (2) If a person dissociated as a general partner causes a limited partnership to incur an obligation under KRS 362.2-804(2), then the person is liable:
 - (a) To the limited partnership for any damage caused to the limited partnership arising from the obligation; and
 - (b) If a general partner or another person dissociated as a general partner is liable for that obligation, then to that general partner or other person for any damage caused to that general partner or other person arising from that liability.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 153, effective July 12, 2006.

362.2-806 Known claims against dissolved limited partnership.

- (1) A dissolved limited partnership may dispose of the known claims against it by following the procedure described in subsection (2) of this section.
- (2) A dissolved limited partnership may in a record notify its known claimants of the dissolution. The notice shall:
 - (a) Specify the information required to be included in a claim;
 - (b) Provide a mailing address to which the claim is to be sent;
 - (c) State the deadline for receipt of the claim, which shall not be less than one hundred twenty (120) days after the date the notice in a record is received by the claimant;
 - (d) State that the claim will be barred if not received by the deadline; and
 - (e) Unless the limited partnership has been throughout its existence a limited liability limited partnership, state that the barring of a claim against the limited partnership will also bar any corresponding claim against any present or dissociated general partner which is based on KRS 362.2-404.
- (3) A claim against a dissolved limited partnership is barred if the requirements of subsection (2) of this section are met and:
 - (a) The claim is not received by the specified deadline; or
 - (b) In the case of a claim that is timely received but rejected by the dissolved limited partnership, the claimant does not commence a proceeding to enforce the claim against the limited partnership within ninety (90) days after the receipt of the notice of the rejection.
- (4) This section does not apply to a contingent liability or a claim based on an event occurring after the effective date of dissolution.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 154, effective July 12, 2006.

362.2-807 Other claims against dissolved limited partnership.

- (1) A dissolved limited partnership may publish notice of its dissolution and request persons having claims against the limited partnership to present them in accordance with the notice.
- (2) The notice shall:
 - (a) Be published at least once in a newspaper of general circulation in the county in which the dissolved limited partnership's principal office is located or, if it has none in this Commonwealth, then in the county in which the limited partnership's registered office is or was last located;
 - (b) Describe the information required to be contained in a claim and provide a mailing address to which the claim is to be sent;
 - (c) State that a claim against the limited partnership is barred unless a proceeding to enforce the claim is commenced within five (5) years after publication of the notice; and
 - (d) Unless the limited partnership has been throughout its existence a limited liability limited partnership, state that the barring of a claim against the limited partnership will also bar any corresponding claim against any present or dissociated general partner which is based on KRS 362.2-404.
- (3) If a dissolved limited partnership publishes a notice in accordance with subsection (2) of this section, the claim of each of the following claimants is barred unless the claimant commences a proceeding to enforce the claim against the dissolved limited partnership within five (5) years after the publication date of the notice:
 - (a) A claimant that did not receive notice in a record under KRS 362.2-806;
 - (b) A claimant whose claim was timely sent to the dissolved limited partnership but not acted on; and
 - (c) A claimant whose claim is contingent or based on an event occurring after the effective date of dissolution.
- (4) A claim not barred under this section may be enforced:
 - (a) Against the dissolved limited partnership, to the extent of its undistributed assets;
 - (b) If the assets have been distributed in liquidation, against a partner or transferee to the extent of that person's proportionate share of the claim or the limited partnership's assets distributed to the partner or transferee in liquidation, whichever is less, but a person's total liability for all claims under this paragraph does not exceed the total amount of assets distributed to the person as part of the winding up of the dissolved limited partnership; or
 - (c) Against any person liable on the claim under KRS 362.2-404.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 155, effective July 12, 2006.

362.2-808 Liability of general partner and person dissociated as general partner when claim against limited partnership barred.

If a claim against a dissolved limited partnership is barred under KRS 362.2-806 or 362.2-807, then any corresponding claim under KRS 362.2-404 is also barred.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 156, effective July 12, 2006.

362.2-809 Repealed, 2011.

Catchline at repeal: Administrative dissolution.

History: Amended 2010 Ky. Acts ch. 133, sec. 64, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 157, effective July 12, 2006.

362.2-810 Repealed, 2011.

Catchline at repeal: Reinstatement following administrative dissolution.

History: Amended 2010 Ky. Acts ch. 133, sec. 65, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 158, effective July 12, 2006.

362.2-811 Repealed, 2011.

Catchline at repeal: Appeal from denial of reinstatement.

History: Amended 2010 Ky. Acts ch. 133, sec. 66, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 159, effective July 12, 2006.

362.2-812 Disposition of assets -- When contributions required.

- (1) In winding up a limited partnership's activities, the assets of the limited partnership, including the contributions required by this section, shall be applied to satisfy the limited partnership's obligations to creditors, including, to the extent permitted by law, partners that are creditors.
- (2) Any surplus remaining after the limited partnership complies with subsection (1) of this section may be distributed in cash or, subject to KRS 362.2-506(1), in kind.
- (3) If the limited partnership's assets are insufficient to satisfy all of its obligations under subsection (1) of this section, with respect to each unsatisfied obligation incurred when the limited partnership was not a limited liability limited partnership, then the following rules apply:
 - (a) Each person that was a general partner when the obligation was incurred and that has not been released from that obligation under KRS 362.2-607 shall contribute to the limited partnership for the purpose of enabling the limited partnership to satisfy that obligation. The contribution due from each of those persons is in proportion to the right to receive distributions in the capacity of general partner in effect for each of those persons when the obligation was incurred.
 - (b) If a person fails to contribute the full amount required under subsection (3)(a) of this section with respect to an unsatisfied obligation of the limited partnership, then the other persons required to contribute by subsection (3)(a) of this section on account of that obligation shall contribute the additional amount necessary to discharge the obligation. The additional contribution due from each of those other persons is in proportion to the right to receive distributions in the capacity of general partner in effect for each of those other persons when the obligation was incurred.
 - (c) If a person fails to make the additional contribution required by subsection (3)(b) of this section, further additional contributions are determined and due in the same manner as provided in that subsection.
- (4) A person that makes an additional contribution under subsection (3)(b) or (c) of this section may recover from any person whose failure to contribute under subsection (3)(a) or (b) of this section necessitated the additional contribution. A person shall not recover under this subsection more than the amount additionally contributed. A person's liability under this subsection shall not exceed the amount the person failed to contribute.
- (5) The estate of a deceased individual is liable for the person's obligations under this section.
- (6) An assignee for the benefit of creditors of a limited partnership or a partner, or a person appointed by a court to represent creditors of a limited partnership or a partner, may enforce a person's obligation to contribute under subsection (3) of this section.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 160, effective July 12, 2006.

362.2-901 Governing law.

- (1) The laws of the state or other jurisdiction under which a foreign limited partnership is organized govern its organization and internal affairs, including the inspection of books, records, and documents, and the liability of its partners as partners.
- (2) A foreign limited partnership shall not be denied a certificate of authority by reason of any difference between the laws of the jurisdiction under which the foreign limited partnership is organized and the laws of this Commonwealth.
- (3) A certificate of authority does not authorize a foreign limited partnership to engage in any business or exercise any power that a limited partnership may not engage in or exercise in this Commonwealth.

Effective: July 15, 2010

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 158, effective July 15, 2010. -- Amended 2007 Ky. Acts ch. 137, sec. 158, effective June 26, 2007. -- Created 2006 Ky. Acts ch. 149, sec. 161, effective July 12, 2006.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

360.2-902 Repealed, 2011.

Catchline at repeal: Application for certificate of authority.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 162, effective July 12, 2006.

362.2-903 Repealed, 2011.

Catchline at repeal: Activities not constituting transacting business.

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 159, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Amended 2007 Ky. Acts ch. 137, sec. 159, effective June 26, 2007. -- Created 2006 Ky. Acts ch. 149, sec. 163, effective July 12, 2006.

362.2-904 Repealed, 2011.

Catchline at repeal: Filing of certificate of authority.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 164, effective July 12, 2006.

362.2-905 Repealed, 2011.

Catchline at repeal: Noncomplying name of foreign limited partnership.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 165, effective July 12, 2006.

362.2-906 Repealed, 2011.

Catchline at repeal: Revocation of certificate of authority.

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 160, effective July 15, 2010; amended ch. 133, sec. 67, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Amended 2007 Ky. Acts ch. 137, sec. 160, effective June 26, 2007. -- Created 2006 Ky. Acts ch. 149, sec. 166, effective July 12, 2006.

362.2-907 Repealed, 2011.

Catchline at repeal: Cancellation of certificate of authority -- Effect of failure to have certificate.

History: Amended 2010 Ky. Acts ch. 133, sec. 68, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 167, effective July 12, 2006.

362.2-908 Repealed, 2011.

Catchline at repeal: Changes and amendment to application for certificate of authority.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 2006 Ky. Acts ch. 149, sec. 168, effective July 12, 2006.

362.2-909 Repealed, 2011.

Catchline at repeal: Cancellation of certificate of authority by foreign limited partnership.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 169, effective July 12, 2006.

362.2-910 Action by Attorney General.

The Attorney General may maintain an action to restrain a foreign limited partnership from transacting business in this Commonwealth in violation of this subchapter.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 170, effective July 12, 2006.

362.2-931 Direct actions by partner.

- (1) Subject to subsection (2) of this section, a partner may maintain a direct action against the partnership or another partner for legal or equitable relief, with or without an accounting as to partnership's activities, to enforce the rights and otherwise protect the interests of the partner, including rights and interests under the partnership agreement or this subchapter or arising independently of the partnership relationship.
- (2) A partner bringing a direct action under this section is required to plead and prove an actual or threatened injury that is not solely the result of an injury suffered or threatened to be suffered by the limited partnership.
- (3) The accrual of, and any time limitation on, a right of action for a remedy under this section is governed by other law. A right to an accounting upon a dissolution and winding up does not revive a claim barred by law.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 171, effective July 12, 2006.

Formerly codified as KRS 362.2-1001.

362.2-932 Derivative action.

A partner may bring a derivative action to enforce a right of a limited partnership if the partner first makes a demand on the general partners, requesting that they cause the limited partnership to bring an action to enforce the right, and the general partners do not bring the action within a reasonable time.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 172, effective July 12, 2006.

Formerly codified as KRS 362.2-1002.

362.2-933 Proper plaintiff.

- (1) A derivative action may be maintained only by a person that is a partner at the time the action is commenced and:
 - (a) That was a partner when the conduct giving rise to action occurred; or
 - (b) Whose status as a partner devolved upon the person by operation of law or pursuant to the terms of the partnership agreement from a person that was a partner at the time of that conduct.
- (2) The derivative proceeding shall not be maintained if:
 - (a) It appears that the person commencing the proceeding does not fairly and adequately represent the interests of the partners in enforcing the rights of the limited partnership; or
 - (b) The person commencing the proceeding ceases to be a partner in the limited partnership.

Effective: June 29, 2017

History: Amended 2017 Ky. Acts ch. 193, sec. 20, effective June 29, 2017. --
Created 2006 Ky. Acts ch. 149, sec. 173, effective July 12, 2006.

Formerly codified as KRS 362.2-1003.

362.2-934 Pleading.

In a derivative action, the complaint shall state with particularity the date and content of the plaintiff's demand and the general partners' response to the demand.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 174, effective July 12, 2006.

Formerly codified as KRS 362.2-1004.

362.2-935 Proceeds and expenses.

- (1) Except as otherwise provided in subsection (2) of this section:
 - (a) Any proceeds or other benefits of a derivative action, whether by judgment, compromise, or settlement, belong to the limited partnership and not to the derivative plaintiff;
 - (b) If the derivative plaintiff receives any of those proceeds, then the derivative plaintiff shall immediately remit them to the limited partnership.
- (2) If a derivative action is successful in whole or in part, then the court may award the plaintiff reasonable expenses, including reasonable attorney's fees, from the recovery of the limited partnership.
- (3) On termination of the proceeding brought pursuant to this section, the court may require the plaintiff to pay any defendant's reasonable expenses, including counsel fees, incurred in defending the proceeding to the extent it finds that the proceeding or any portion thereof was commenced without reasonable cause or for an improper purpose.

Effective: June 24, 2015

History: Amended 2015 Ky. Acts ch. 34, sec. 64, effective June 24, 2015. -- Created 2006 Ky. Acts ch. 149, sec. 175, effective July 12, 2006.

Formerly codified as KRS 362.2-1005.

362.2-951 Definitions for KRS 362.2-951 to 362.2-963.

As used in KRS 362.2-951 to 362.2-963, unless the context otherwise requires:

- (1) "Constituent limited partnership" means a constituent organization that is a limited partnership;
- (2) "Constituent organization" means an organization that is party to a merger;
- (3) "Converted limited partnership" means the limited partnership into which a converting organization converts pursuant to KRS 362.2-952, 362.2-953, 362.2-954, and 362.2-955;
- (4) "Converted organization" means an organization into which another organization has been converted;
- (5) "Converting limited partnership" means a converting organization that is a limited partnership;
- (6) "Converting organization" means an organization that converts into another organization pursuant to KRS 362.2-952;
- (7) "General partner" means a general partner of a limited partnership;
- (8) "Governing statute" of an organization means the statute that governs the organization's internal affairs;
- (9) "Organization" means a general partnership, including a limited liability partnership; limited partnership, including a limited liability limited partnership; limited liability company; business trust; corporation; or any other entity having a governing statute. The term includes domestic and foreign entities regardless of whether organized for profit;
- (10) "Organizational documents" means:
 - (a) For a domestic or foreign general partnership, its partnership agreement;
 - (b) For a limited partnership or foreign limited partnership, its certificate of limited partnership and partnership agreement; and
 - (c) For a domestic or foreign limited liability company, its articles of organization and operating agreement, or comparable records as provided in its governing statute;
- (11) "Person dissociated as a general partner" means a person dissociated as a general partner of a limited partnership;
- (12) "Personal liability" means personal liability for a debt, liability, or other obligation of an organization which is imposed on a person that co-owns, has an interest in, or is a member of the organization:
 - (a) By the organization's governing statute solely by reason of the person co-owning, having an interest in, or being a member of the organization; or
 - (b) By the organization's organizational documents under a provision of the organization's governing statute authorizing those documents to make one (1) or more specified persons liable for all or specified debts, liabilities, and obligations of the organization solely by reason of the person or persons co-owning, having an interest in, or being a member of the organization; and

- (13) "Surviving organization" means an organization into which one (1) or more other organizations are merged. A surviving organization may preexist the merger or be created by the merger.

Effective: June 8, 2011

History: Amended 2011 Ky. Acts ch. 29, sec. 19, effective June 8, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 176, effective July 12, 2006.

Formerly codified as KRS 362.2-1101.

362.2-952 Conversion.

- (1) Subject to KRS 362.2-960, a partnership may be converted to a limited partnership as provided in KRS 362.1-902.
- (2) Subject to KRS 362.2-960, a limited partnership may be converted to a partnership as provided in KRS 362.1-903.
- (3) Subject to KRS 362.2-960, a limited partnership may be converted to a limited liability company as provided in KRS 275.370.
- (4) A limited liability company may be converted to a limited partnership pursuant to this section and KRS 362.2-953, 362.2-954, and 362.2-955 and a plan of conversion, if:
 - (a) The limited liability companies' governing statute authorizes the conversion;
 - (b) The conversion is not prohibited by the law of the jurisdiction that enacted that governing statute; and
 - (c) The limited liability company complies with its governing statute in effecting the conversion.
- (5) A plan of conversion of a limited liability company into a limited partnership shall be in a record and shall include:
 - (a) The name of the limited liability company before conversion;
 - (b) The name of the converted limited partnership;
 - (c) The terms and conditions of the conversion, including the manner and basis for converting interests in the converting organization into any combination of money, interests in the converted limited partnership, and other consideration; and
 - (d) The organizational documents of the converted limited partnership.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 177, effective July 12, 2006.

Formerly codified as KRS 362.2-1102.

362.2-953 Action on plan of conversion by converting limited partnership.

- (1) Subject to KRS 362.2-960, a plan of conversion shall be approved by all the partners of a converting limited partnership.
- (2) Subject to KRS 362.2-960 and any contractual rights, after a conversion is approved, and at any time before a filing is made under KRS 362.2-954, a converting limited partnership may amend the plan or abandon the planned conversion:
 - (a) As provided in the plan; and
 - (b) Except as prohibited by the plan, by the same consent as was required to approve the plan.
- (3) Unless otherwise provided in the partnership agreement, a partner has no right to dissent from a conversion.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 178, effective July 12, 2006.

Formerly codified as KRS 362.2-1103.

362.2-954 Filings required for conversion -- Effective date.

- (1) After a plan of conversion of a limited liability company into a limited partnership is approved, a converting limited liability company shall deliver to the Secretary of State for filing a certificate of limited partnership which satisfies the requirements of KRS 362.2-201 and includes:
 - (a) A statement that the limited liability company has been converted into a limited partnership;
 - (b) The name of that limited liability company and its jurisdiction;
 - (c) A statement that the conversion was approved as required by this subchapter;
 - (d) A statement that the conversion was approved as required by the governing statute of the converted limited liability company; and
 - (e) If the converted limited liability company is a foreign limited liability company not authorized to transact business in this Commonwealth, the street and mailing address of an office which the Secretary of State may use for the purposes of KRS 362.2-955(3).
- (2) A conversion of a limited liability company into a limited partnership becomes effective when the certificate of limited partnership takes effect.

Effective: July 15, 2010

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 161, effective July 15, 2010; and amended ch. 133, sec. 69, effective July 15, 2010. -- Amended 2007 Ky. Acts ch. 137, sec. 161, effective June 26, 2007. -- Created 2006 Ky. Acts ch. 149, sec. 179, effective July 12, 2006.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

Legislative Research Commission Note (7/15/2010). This section was amended by 2010 Ky. Acts ch. 133, and repealed and reenacted by 2010 Ky. Acts ch. 51. Pursuant to Section 184 of Acts ch. 51, it was the intent of the General Assembly that the repeal and reenactment not serve to void the amendment, and these Acts do not appear to be in conflict; therefore, they have been codified together.

Formerly codified as KRS 362.2-1104.

362.2-955 Effect of conversion.

- (1) An organization that has been converted pursuant to KRS 362.2-951 to 362.2-963 is for all purposes the same entity that existed before the conversion.
- (2) When a conversion takes effect:
 - (a) All property and contract rights owned by, and all rights, privileges, and immunities of, the converting organization shall remain vested in the converted organization without assignment, reversion, or impairment;
 - (b) All obligations of the converting organization shall continue as obligations of the converted organization;
 - (c) An action or proceeding pending against the converting organization may be continued as if the conversion had not occurred, and the name of the converted organization may be substituted in any pending action or proceeding for the name of the converting organization; and
 - (d) Any written organization documents of the converted organization shall be binding upon each person who becomes a partner or member in the converted organization.
- (3) A converted organization that is a foreign entity consents to the jurisdiction of the courts of this Commonwealth to enforce any obligation owed by the converting organization if, before the conversion, the converting organization was subject to suit in this Commonwealth on that obligation. A converted organization that is a foreign entity and not authorized to transact business in this Commonwealth appoints the Secretary of State as its agent for service of process for purposes of enforcing an obligation under this subsection. Service on the Secretary of State under this subsection is made in the same manner and with the same consequences as in KRS 14A.9-060(4).
- (4) A person who becomes a general partner in a limited partnership that is not a limited liability limited partnership as a result of a conversion shall be personally liable as a general partner for only those obligations incurred by the limited partnership after the conversion takes effect.

Effective: June 8, 2011

History: Amended 2011 Ky. Acts ch. 29, sec. 20, effective June 8, 2011. -- Amended 2010 Ky. Acts ch. 151, sec. 150, effective January 1, 2011. -- Created 2006 Ky. Acts ch. 149, sec. 180, effective July 12, 2006.

Formerly codified as KRS 362.2-1105.

362.2-956 Merger.

- (1) One (1) or more domestic limited partnerships may merge pursuant to a written plan of merger described in subsection (2) of this section with one (1) or more domestic or foreign partnerships, limited partnerships, limited liability companies, or corporations if:
 - (a) The merger is not prohibited by the partnership agreement of any domestic limited partnership that is a party to the merger, and each domestic limited partnership that is a party to the merger approves the plan of merger in accordance with this subchapter and complies with the applicable terms of its partnership agreement in effecting the merger;
 - (b) Each domestic partnership, as a party to the merger, complies with the applicable merger provisions of Subchapter 1 of this chapter;
 - (c) Each domestic limited liability company, as a party to the merger, complies with the applicable merger provisions of KRS Chapter 275;
 - (d) Each domestic corporation, as a party to the merger, complies with the applicable merger provisions of KRS Chapter 271B; and
 - (e) The merger is permitted by the laws of the jurisdiction under which each foreign partnership, limited partnership, foreign limited liability company, or foreign corporation party to the merger is formed, organized, or incorporated, and each foreign partnership, limited partnership, limited liability company, or corporation complies with those laws in effecting the merger.
- (2) The written plan of merger shall set forth:
 - (a) The name of each constituent business entity that is a party to the merger and the name of the surviving business entity into which each constituent business entity proposes to merge;
 - (b) The terms and conditions of the proposed merger, including but not limited to a statement which sets forth whether limited liability is retained by the surviving business entity;
 - (c) The manner and basis of converting the partnership interests in each limited partnership and the interests in each business entity that is a party to the merger into interests, shares, or other securities or obligations, as the case may be, of the surviving entity, or of any other business entity, or, in whole or in part, into cash or other property;
 - (d) The amendments to the articles of organization of a limited liability company, or articles of incorporation of a corporation or certificate of limited partnership, as the case may be, of the surviving business entity as are desired to be effected by the merger, or that no changes are desired; and
 - (e) Other provisions relating to the proposed merger that are deemed necessary or desirable.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 181, effective July 12, 2006.

Formerly codified as KRS 362.2-1106.

362.2-957 Action on plan of merger by constituent limited partnership.

- (1) Each domestic limited partnership that is to be a party to a proposed merger shall approve the proposed merger, unless the partnership agreement of that limited partnership provides otherwise, by the unanimous vote of the partners of the partnership.
- (2) A plan of merger may provide for the manner, if any, in which the plan may be amended at any time before the filing of the articles of merger with the Secretary of State.
- (3) Unless the domestic limited partnership's partnership agreement or the plan of merger, once authorized, provides otherwise, the merger may be abandoned at any time before the filing of the articles of merger with the Secretary of State by the affirmative vote of all partners of the domestic limited partnership, subject to any contractual rights, in accordance with the procedure set forth in the plan of merger, if any.
- (4) Unless otherwise provided in the partnership agreement, a partner has no right to dissent from a merger.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 182, effective July 12, 2006.

Formerly codified as KRS 362.2-1107.

362.2-958 Filings required for merger -- Effective date.

- (1) After a plan of merger is approved by each domestic or foreign partnership, limited partnership, limited liability company, or corporation that is a party to the merger, the surviving domestic or foreign partnership, limited partnership, limited liability company, or corporation shall deliver to the Secretary of State for filing articles of merger duly executed by each party to the merger setting forth:
 - (a) The name and jurisdiction of formation or organization of each constituent business entity which is to merge;
 - (b) The plan of merger;
 - (c) The name of the surviving business entity;
 - (d) A statement that the plan of merger was duly authorized and approved by each constituent business entity in accordance with the laws applicable to such business entity; and
 - (e) If the surviving entity is not a business entity organized under the laws of this Commonwealth, a statement that the surviving business entity:
 1. Agrees that it may be served with process in this Commonwealth in any proceeding for enforcement of any obligation of any constituent business entity party to the merger that was organized under the laws of this Commonwealth, as well as for enforcement of any obligation of the surviving business entity arising from the merger; and
 2. Appoints the Secretary of State as its agent for service of process in any such proceedings. The surviving entity shall specify the address to which a copy of process shall be mailed to it by the Secretary of State.
- (2) The merger shall take effect on the later of the date of the filing of the articles of merger or the date set forth in the articles of merger, in which case it shall not be later than ninety (90) days after the date on which the articles of merger were filed.
- (3) Upon the merger taking effect, if the surviving entity in the merger is a foreign partnership, limited partnership, or limited liability company, the entity shall be deemed:
 - (a) To appoint the Secretary of State as its agent for service of process in a proceeding to enforce any obligation or rights of dissenting shareholders of each domestic corporation party to the merger; and
 - (b) To agree that it will promptly pay to the dissenting shareholders of each domestic corporation party to the merger the amount, if any, to which they are entitled under Subtitle 13 of KRS Chapter 271B.
- (4) The articles of merger filed by the surviving entity in accordance with this section shall also be deemed to have been filed for any domestic limited liability company party to the merger in accordance with the applicable provisions of KRS Chapter 275 and for any domestic corporation party to the merger in accordance with KRS Chapter 271B.
- (5) The filing of articles of merger shall act to cancel the certificate of limited partnership for a domestic limited partnership that is not the surviving entity of the

merger and that partnership's certificate of limited partnership shall be canceled upon the effective date of the articles of merger.

Effective: July 15, 2010

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 162, effective July 15, 2010. -- Amended 2007 Ky. Acts ch. 137, sec. 162, effective June 26, 2007. -- Created 2006 Ky. Acts ch. 149, sec. 183, effective July 12, 2006.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

Formerly codified as KRS 362.2-1108.

362.2-959 Effect of merger.

When a merger takes effect:

- (1) The separate existence of every domestic limited partnership that is a party to the merger except the surviving domestic limited partnership, if any, shall cease;
- (2) The title to all real estate and other property owned by each domestic limited partnership that is a party to the merger shall be vested in the surviving entity without reversion or impairment;
- (3) The surviving entity shall be responsible for all liabilities of each domestic limited partnership that is a party to the merger;
- (4) A proceeding pending by or against any domestic limited partnership party to the merger may be continued as if the merger had not occurred, or the surviving entity may be substituted in the proceeding for the domestic limited partnership whose existence ceased;
- (5) If a domestic limited partnership is the surviving entity of the merger, then the certificate of limited partnership and partnership agreement of that limited partnership shall be amended to the extent provided in the plan of merger;
- (6) The partnership interests of every domestic limited partnership that is a party to the merger that are to be converted into partnership interests, membership interests, shares, or other securities or obligations of the surviving limited partnership, limited liability company, or corporation or into cash or other property, in whole or in part, shall be so converted and the former holders of such partnership interests shall be entitled only to the rights provided in the plan of merger;
- (7) If the surviving business entity is a limited partnership, such amendments to the certificate of limited partnership thereof as are set forth in the plan of merger shall be effective; and
- (8) If the surviving business entity is a limited partnership, the written partnership agreement provided for in the plan of merger, if any, shall be binding upon each partner in that limited partnership.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 133, sec. 70, effective July 15, 2010. -- Created 2006 Ky. Acts ch. 149, sec. 184, effective July 12, 2006.

Formerly codified as KRS 362.2-1109.

362.2-960 Restrictions on approval of conversions and mergers and on relinquishing LLLP status.

- (1) If a partner of a converting or constituent limited partnership will have personal liability with respect to a converted or surviving organization, then approval and amendment of a plan of conversion or merger are ineffective without the consent of that partner, unless:
 - (a) The limited partnership's partnership agreement provides for the approval of the conversion or merger with the consent of less than all the partners; and
 - (b) That partner has consented to that provision of the partnership agreement.
- (2) An amendment to a certificate of limited partnership which deletes a statement that the limited partnership is a limited liability limited partnership is ineffective without the consent of each general partner unless:
 - (a) The limited partnership's partnership agreement provides for that amendment with the consent of less than all the general partners; and
 - (b) Each general partner that does not consent to the amendment has consented to that provision of the partnership agreement.
- (3) A partner does not give the consent required by subsection (1) or (2) of this section merely by consenting to a provision of the partnership agreement which permits the partnership agreement to be amended with the consent of less than all the partners.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 185, effective July 12, 2006.

Formerly codified as KRS 362.2-1110.

362.2-961 Liability of general partner after conversion or merger.

- (1) A conversion or merger under KRS 362.2-951 to 362.2-963 does not discharge any liability under KRS 362.2-404 and 362.2-607 of a person that was a general partner in or dissociated as a general partner from a converting or constituent limited partnership, but:
 - (a) The provisions of this subchapter pertaining to the collection or discharge of that liability continue to apply to that liability;
 - (b) For the purposes of applying those provisions, the converted or surviving organization is deemed to be the converting or constituent limited partnership; and
 - (c) If a person is required to pay any amount under this subsection, then:
 1. The person has a right of contribution from each other person that was liable as a general partner under KRS 362.2-404 when the obligation was incurred and has not been released from that obligation under KRS 362.2-607; and
 2. The contribution due from each of those persons is in proportion to the right to receive distributions in the capacity of general partner in effect for each of those persons when the obligation was incurred.
- (2) In addition to any other liability provided by law:
 - (a) A person who immediately before a conversion or merger became effective was a general partner in a converting or constituent limited partnership that was not a limited liability limited partnership is personally liable for each obligation of the converted or surviving organization arising from a transaction with a third party after the conversion or merger becomes effective if, at the time the third party enters into the transaction, the third party;
 1. Does not have notice of the conversion or merger; and
 2. Reasonably believes that:
 - a. The converted or surviving business is the converting or constituent limited partnership;
 - b. The converting or constituent limited partnership is not a limited liability limited partnership; and
 - c. The person is a general partner in the converting or constituent limited partnership; and
 - (b) A person who was dissociated as a general partner from a converting or constituent limited partnership before the conversion or merger became effective is personally liable for each obligation of the converted or surviving organization arising from a transaction with a third party after the conversion or merger becomes effective if:
 1. Immediately before the conversion or merger became effective, the converting or surviving limited partnership was a not a limited liability limited partnership; and
 2. At the time the third party enters into the transaction, less than two (2)

years have passed since the person dissociated as a general partner and the third party:

- a. Does not have notice of the dissociation;
- b. Does not have notice of the conversion or merger; and
- c. Reasonably believes that the converted or surviving organization is the converting or constituent limited partnership, the converting or constituent limited partnership is not a limited liability limited partnership, and the person is a general partner in the converting or constituent limited partnership.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 186, effective July 12, 2006.

Formerly codified as KRS 362.2-1111.

362.2-962 Power of general partners and persons dissociated as general partners to bind organization after conversion or merger.

- (1) An act of a person who immediately before a conversion or merger became effective was a general partner in a converting or constituent limited partnership binds the converted or surviving organization after the conversion or merger becomes effective if:
 - (a) Before the conversion or merger became effective, the act would have bound the converting or constituent limited partnership under KRS 362.2-402; and
 - (b) At the time the third party enters into the transaction, the third party:
 1. Does not have notice of the conversion or merger; and
 2. Reasonably believes that the converted or surviving business is the converting or constituent limited partnership and that the person is a general partner in the converting or constituent limited partnership.
- (2) An act of a person who before a conversion or merger became effective was dissociated as a general partner from a converting or constituent limited partnership binds the converted or surviving organization after the conversion or merger becomes effective if:
 - (a) Before the conversion or merger became effective, the act would have bound the converting or constituent limited partnership under KRS 362.2-402 if the person had been a general partner; and
 - (b) At the time the third party enters into the transaction, less than two (2) years have passed since the person dissociated as a general partner and the third party:
 1. Does not have notice of the dissociation;
 2. Does not have notice of the conversion or merger; and
 3. Reasonably believes that the converted or surviving organization is the converting or constituent limited partnership and that the person is a general partner in the converting or constituent limited partnership.
- (3) If a person having knowledge of the conversion or merger causes a converted or surviving organization to incur an obligation under subsection (1) or (2) of this section, then the person is liable:
 - (a) To the converted or surviving organization for any damage caused to the organization arising from the obligation; and
 - (b) If another person is liable for the obligation, to that other person for any damage caused to that other person arising from that liability.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 187, effective July 12, 2006.

Formerly codified as KRS 362.2-1112.

362.2-963 Article not exclusive.

KRS 362.2-951 to 362.2-963 do not preclude an entity from being converted or merged under other law.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 188, effective July 12, 2006.

Formerly codified as KRS 362.2-1113.

362.2-971 Uniformity of application and construction.

In applying and construing this uniform act, consideration shall be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 189, effective July 12, 2006.

Formerly codified as KRS 362.2-1201.

362.2-972 Severability clause.

If any provision of this subchapter or its application to any person or circumstance is held invalid, then the invalidity shall not affect other provisions or applications of this subchapter which can be given effect without the invalid provision or application, and, to this end, the provisions of this subchapter are severable.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 190, effective July 12, 2006.

Formerly codified as KRS 362.2-1202.

362.2-973 Electronic signatures.

The provisions of this subchapter governing the legal effect, validity, or enforceability of electronic records or signatures, and of contracts formed or performed with the use of such records or signatures, conform to the requirements of Section 102 of the Electronic Signatures in Global and National Commerce Act, Pub. L. No. 106-229, and supersede, modify, and limit the Electronic Signatures in Global and National Commerce Act.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 191, effective July 12, 2006.

Formerly codified as KRS 362.2-1203.

362.2-974 Effect on limited partnerships formed prior to July 15, 1988.

- (1) A limited partnership formed under any statute of this Commonwealth prior to July 15, 1988, until or unless it becomes a limited partnership under this subchapter, shall continue to be governed by the provisions of the statute under which it was formed.
- (2) A limited partnership formed under any statute of this Commonwealth prior to July 15, 1988, may elect to become subject to this subchapter upon the filing of an amended and restated certificate of limited partnership which complies with the provisions of KRS 362.2-201.
- (3) Upon the occurrence of any event which would require the filing of a certificate of amendment by a limited partnership under the Kentucky Revised Uniform Limited Partnership Act, KRS 362.401 to 362.525, as it exists on July 12, 2006, or under the statute under which the limited partnership was formed, the limited partnership shall file an amended and restated certificate of limited partnership which complies with the provisions of KRS 362.2-201.
- (4) A limited partnership formed under any statute of this Commonwealth prior to July 15, 1988, shall not be required to change its name to include the word "Limited" or the abbreviation "Ltd." until such time as it becomes subject to this subchapter.
- (5) The enactment of this subchapter shall not impair, or otherwise affect, the organization or the continued existence of a limited partnership existing on July 15, 1988, nor does any repeal of any statutory provision by 1988 Ky. Acts ch. 284, sec. 65, impair any contract or affect any right accrued before July 15, 1988.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 192, effective July 12, 2006.

Formerly codified as KRS 362.2-1204.

362.2-975 Effective date.

- (1) This subchapter governs only:
 - (a) A limited partnership formed on or after July 12, 2006; and
 - (b) Except as otherwise provided in subsection (2)(c) and (d) of this section, a limited partnership formed before July 12, 2006, which elects, in the manner provided in its partnership agreement or by law for amending the partnership agreement, to be subject to this subchapter. The filing of an amended or an amended and restated certificate of limited partnership electing limited liability limited partnership status shall constitute an election to be governed by KRS 362.2-102 to 362.2-977.
- (2) With respect to a limited partnership formed before July 12, 2006, that elects to be governed by KRS 362.2-102 to 362.2-977, the following rules apply, except as the partners otherwise elect in the manner provided in the partnership agreement or by law for amending the partnership agreement:
 - (a) KRS 362.2-104(3) does not apply and the limited partnership has whatever duration it had under the law applicable immediately before July 12, 2006;
 - (b) KRS 362.2-601 and 362.2-602 do not apply and a limited partner has the same right and power to dissociate from the limited partnership, with the same consequences, as existed immediately before July 12, 2006;
 - (c) KRS 362.2-603(4) does not apply;
 - (d) KRS 362.2-603(4) does not apply and a court has the same power to expel a general partner as the court had before July 12, 2006; and
 - (e) KRS 362.2-801(3) does not apply and the connection between a general partner's dissociation and the dissolution of the limited partnership is the same as existed before July 12, 2006.
- (3) With respect to a limited partnership that elects, pursuant to subsection (1)(b) of this section, to be subject to this subchapter, after the election takes effect, the provisions of this subchapter relating to the liability of the limited partnership's general partners to third parties apply:
 - (a) Before January 1, 2009, to:
 1. A third party that had not done business with the limited partnership in the year before the election took effect; and
 2. A third party that had done business with the limited partnership in the year before the election took effect only if the third party knows or has received a notification of the election; and
 - (b) On or after January 1, 2009, to all third parties.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 193, effective July 12, 2006.

Formerly codified as KRS 362.2-1205.

362.2-976 Savings clause.

This subchapter does not affect an action or proceeding commenced or right accrued before this subchapter takes effect.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 194, effective July 12, 2006.

Formerly codified as KRS 362.2-1206.

362.2-977 Short title for Subchapter 2 of KRS Chapter 362.

This subchapter may be cited as the Kentucky Uniform Limited Partnership Act (2006).

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 195, effective July 12, 2006.

Formerly codified as KRS 362.2-1207.