

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

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MAY 9, 1988

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE, MAY 9, 1988

AN ACT

1 Relating to associations, including corporations, partnerships
2 and unincorporated associations; revising and expanding
3 certain provisions of Title 15 (Corporations and
4 Unincorporated Associations); changing the scope and
5 applicability of the title; changing certain provisions
6 relating to partnerships and limited partnerships; making
7 related, conforming, redesignation, editorial and other
8 changes to the Pennsylvania Consolidated Statutes; separately
9 enacting certain related provisions of law; and repealing
10 certain acts and parts of acts supplied by the act.

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28 The General Assembly of the Commonwealth of Pennsylvania
29 hereby enacts as follows:

30 DIVISION I

1 ASSOCIATIONS GENERALLY

2 Section 101. Short title of act.

3 This act shall be known and may be cited as the Partnership
4 Act of 1988.

5 Section 102. Repeal of 1972 text of Part I of Title 15.

6 Part I of Title 15 of the Pennsylvania Consolidated Statutes
7 as existing on January 1, 1988, is repealed.

8 Section 103. Repeal of Title 59.

9 Title 59 of the Pennsylvania Consolidated Statutes is
10 repealed.

11 Section 104. Amendment of Title 15.

12 (a) Title 15 is amended as follows:

13 PART I

14 [CORPORATIONS GENERALLY]

15 PRELIMINARY PROVISIONS

16 Chapter

17 1. General Provisions

18 CHAPTER 1

19 GENERAL PROVISIONS

20 Subchapter

21 A. Preliminary Provisions

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25 SUBCHAPTER A

26 PRELIMINARY PROVISIONS

27 Sec.

28 101. Short title and application of title.

29 102. Definitions.

30 103. Subordination of title to regulatory laws.

1 104. Equitable remedies.

2 105. Fees.

3 106. Effect of filing papers required to be filed.

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5 108. Change in location or status of registered office provided
6 by agent.

7 109. Name of commercial registered office provider in lieu
8 of registered address.

9 110. Supplementary general principles of law applicable.

10 § 101. Short title and application of title.

11 (a) Short title of title.--This title shall be known and may
12 be cited as the Associations Code.

13 (b) Application of title.--Except as otherwise provided in
14 subsection (d) or the scope provisions of subsequent provisions
15 of this title, this title shall apply to every association
16 heretofore or hereafter incorporated or otherwise organized.

17 (c) References to prior statutes.--A reference in the
18 articles or bylaws or other organic documents of an association
19 to any provision of law supplied or repealed by this title shall
20 be deemed to be a reference to the superseding provision of this
21 title.

22 (d) Exclusions.--Except as otherwise expressly provided in
23 this title, the provisions of this title shall not apply to and
24 the word "association" in this title shall not include:

25 (1) A cooperative corporation, which for purposes of
26 section 102 (relating to definitions) shall be deemed to mean
27 a corporation organized on the cooperative principle.

28 (2) An unincorporated association.

29 § 102. Definitions.

30 Subject to additional or inconsistent definitions contained

1 in subsequent provisions of this title that are applicable to
2 specific provisions of this title, the following words and
3 phrases when used in this title shall have, unless the context
4 clearly indicates otherwise, the meanings given to them in this
5 section:

6 "Association." A corporation, a partnership or two or more
7 persons associated in a common enterprise or undertaking. The
8 term does not include a business trust organized under the laws
9 of this Commonwealth.

10 "Banking institution." A banking institution as defined in
11 section 1103 (relating to definitions).

12 "Cooperative corporation." A corporation that is subject to
13 Subpart D of Part II (relating to cooperative corporations).

14 "Court." Subject to any inconsistent general rule prescribed
15 by the Supreme Court of Pennsylvania:

16 (1) the court of common pleas of the judicial district
17 embracing the county where the registered office of the
18 corporation or other association is or is to be located; or

19 (2) where an association results from a merger,
20 consolidation, division or other transaction without
21 establishing a registered office in this Commonwealth or
22 withdraws as a foreign corporation, the court of common pleas
23 in which venue would have been laid immediately prior to the
24 transaction or withdrawal.

25 "Credit union." A credit union as defined in section 1103.

26 "Department." The Department of State of the Commonwealth.

27 "Domestic corporation for profit." A corporation for profit
28 incorporated under the laws of this Commonwealth.

29 "Domestic corporation not-for-profit." A corporation not-
30 for-profit incorporated under the laws of this Commonwealth.

1 "Foreign corporation for profit." A corporation for profit
2 incorporated under any laws other than those of this
3 Commonwealth.

4 "Foreign corporation not-for-profit." A corporation not-for-
5 profit incorporated under any laws other than those of this
6 Commonwealth.

7 "Insurance corporation." An insurance corporation as defined
8 in section 1103.

9 "Savings association." A savings association as defined in
10 section 1103.

11 § 103. Subordination of title to regulatory laws.

12 (a) Regulatory laws unaffected.--This title is not intended
13 to authorize any corporation or other association to do any act
14 prohibited by any statute regulating the business of the
15 association or by any rule or regulation validly promulgated
16 thereunder by any department, board or commission of this
17 Commonwealth. Except as otherwise provided by the statutes and
18 prescribed by the rules and regulations promulgated thereunder
19 applicable to the business of the association, the issuance by
20 the Department of State of any certificate evidencing the
21 incorporation of a corporation or the qualification of an
22 association under this title or any amendment to its articles or
23 other change in its status or other action under this title
24 shall not be effective to exempt the association from any of the
25 requirements of those statutes or rules and regulations.

26 (b) Compliance with regulatory laws condition precedent to
27 effectiveness of corporate or other action.--Any document filed
28 in the Department of State or any bylaw adopted or other
29 corporate or other action taken under the authority of this
30 title or other action pursuant thereto in violation of any

1 statutes or rules or regulations regulating the business of the
2 association shall be ineffective as against the Commonwealth,
3 including the departments, boards and commissions thereof,
4 unless and until the violation is cured.

5 (c) Structural provisions in regulatory statutes
6 controlling.--If and to the extent that a statute regulating the
7 business of a corporation or other association sets forth
8 provisions relating to the government and regulation of the
9 affairs of associations that are inconsistent with the
10 provisions of this title on the same subject, the provisions of
11 the other statute shall control.

12 § 104. Equitable remedies.

13 Except to the extent otherwise provided in this title in
14 cases where a statutory remedy is provided by this title, the
15 court shall have the powers of a court of equity or chancery
16 insofar as those powers relate to the supervision and control of
17 corporations and other associations.

18 § 105. Fees.

19 Any department, board, commission or officer of this
20 Commonwealth shall be entitled to receive for services
21 performed, as required by this title, such fees as are or may be
22 lawfully charged for those or similar services.

23 § 106. Effect of filing papers required to be filed.

24 The filing of articles or of any other papers or documents
25 pursuant to the provisions of this title is required for the
26 purpose of affording all persons the opportunity of acquiring
27 knowledge of the contents thereof, but, except as otherwise
28 provided by statute, no person shall be charged with
29 constructive notice of the contents of any articles, papers or
30 documents by reason of the filing.

1 § 107. Form of records.

2 Any records maintained by a corporation or other association
3 in the regular course of its business, including shareholder or
4 membership records, books of account and minute books, may be
5 kept on, or be in the form of, punch cards, magnetic storage
6 media, photographs, microphotographs or any other information
7 storage device if the records so kept can be converted into
8 reasonably legible written form within a reasonable time. Any
9 corporation or other association shall so convert any records so
10 kept upon the request of any person entitled to inspect the
11 records. Where records are kept in this manner, a reasonably
12 legible written form produced from the information storage
13 device that accurately portrays the record shall be admissible
14 in evidence, and shall be accepted for all other purposes, to
15 the same extent as an original written record of the same
16 information would have been accepted.

17 § 108. Change in location or status of registered office
18 provided by agent.

19 (a) General rule.--Where the registered office of a
20 corporation or other association is stated to be in care of or
21 is in fact in care of an agent who maintains the registered
22 office for the corporation or other association and the agent
23 changes its name or the location of its office in a county from
24 one address to another within the county or ceases to provide a
25 registered office for one or more associations, the agent may,
26 in the manner provided in this section, reflect such change of
27 name or effect a corresponding change in the registered office
28 address of or cease to provide a registered office for one or
29 more or all of the associations represented by it. The agent
30 shall execute and file in the Department of State with respect

1 to each association represented by it a statement of change of
2 registered office by agent, setting forth:

3 (1) The name of the association represented.

4 (2) The address, including street and number, if any, of
5 its then registered office.

6 (3) The address, including street and number, if any, of
7 the new registered office of the association if the
8 registered office of the association is to be changed.

9 (4) The name of the person in care of the office and a
10 statement that the person has been designated in fact as the
11 agent in care of the registered office of the association in
12 this Commonwealth and that the change in registered office
13 reflects a change of name of the agent, the removal of the
14 place of business of the agent to a new location within the
15 county or a termination of the status of the agent as the
16 provider of the registered office of the association, as the
17 case may be.

18 If the status of an agent as a provider of a registered office
19 is terminated under this section, the location of the registered
20 office of the association shall not be affected, but the person
21 formerly in care of the office shall thereafter not have any
22 responsibility with respect to matters tendered to the office in
23 the name of the association.

24 (b) Action by and notice to association.--It is not
25 necessary for the association to take any action in order to
26 effect a termination of status of agent or other change of
27 registered office under this section, but the person
28 representing the association shall promptly furnish the
29 association with a copy of the statement of change of registered
30 office by agent as filed in the Department of State.

1 § 109. Name of commercial registered office provider in lieu of
2 registered address.

3 (a) General rule.--Where any provision of this title
4 authorizes or requires the inclusion of a registered office
5 address in any document filed in the Department of State, the
6 person filing the document may substitute in lieu thereof the
7 term "c/o" followed by:

8 (1) The name of a corporation or a division thereof that
9 has filed in the department, and not withdrawn, a statement
10 of address of commercial registered office.

11 (2) The name of any county of this Commonwealth and a
12 statement that the registered office of the association shall
13 be deemed for venue and official publication purposes to be
14 located in the county so named. For venue and official
15 publication purposes, the county so named shall control over
16 the address contained in the currently applicable statement
17 filed under subsection (b).

18 (b) Statement of address of commercial registered office.--A
19 domestic business corporation or qualified foreign business
20 corporation engaged in the business of maintaining registered
21 offices in this Commonwealth for corporations or other
22 associations may file in the department a statement of address
23 of commercial registered office executed by the corporation or a
24 division thereof and setting forth:

25 (1) The name of the corporation.

26 (2) A statement that it is in the business of
27 maintaining registered offices in this Commonwealth for
28 corporations or other associations.

29 (3) The address, including street and number, if any, of
30 a place of business of the corporation in this Commonwealth

1 to which communications and other matters directed to each
2 person represented by it may be delivered.

3 (c) Change or withdrawal.--A corporation that has effected a
4 filing in the department under subsection (b) may:

5 (1) Amend the filing by filing in the department a
6 superseding statement of address of commercial registered
7 office.

8 (2) Withdraw its filing under subsection (b) and cease
9 to provide registered office service by filing in the
10 department a statement of address of commercial registered
11 office setting forth, in lieu of the information required by
12 subsection (b)(2) and (3), a statement that it has ceased to
13 be in the business of maintaining registered offices in this
14 Commonwealth for corporations and other associations and the
15 statements required by section 108 (relating to change in
16 location or status of registered office provided by agent).

17 (d) Action by and notice to association.--It is not
18 necessary for an association to take any action in connection
19 with a change or withdrawal effected under subsection (c), but a
20 corporation that has effected a filing under subsection (c)
21 shall promptly furnish each affected association with a copy of
22 the filing. If the status of an agent as a provider of a
23 registered office is terminated under this section, the location
24 of the registered office of the association shall not be
25 affected, but the person formerly in care of the office shall
26 thereafter not have any responsibility with respect to matters
27 tendered to the office in the name of the association.

28 § 110. Supplementary general principles of law applicable.

29 Unless displaced by the particular provisions of this title,
30 the principles of law and equity, including, but not limited to,

1 the law relating to principal and agent, estoppel, waiver,
2 fraud, misrepresentation, duress, coercion, mistake, bankruptcy
3 or other validating or invalidating cause, shall supplement its
4 provisions.

5 SUBCHAPTER B

6 FUNCTIONS AND POWERS OF DEPARTMENT OF STATE

7 Sec.

8 131. Application of subchapter.

9 132. Functions of Department of State.

10 133. Powers of Department of State.

11 134. Docketing statement.

12 135. Requirements to be met by filed documents.

13 136. Processing of documents by Department of State.

14 137. Court to pass upon rejection of documents by Department
15 of State.

16 138. Statement of correction.

17 139. Tax clearance of certain fundamental transactions.

18 § 131. Application of subchapter.

19 As used in this subchapter, the term "this title" includes
20 Title 54 (relating to names) and any other provision of law that
21 makes reference to the powers and procedures of this subchapter.

22 § 132. Functions of Department of State.

23 (a) General rule.--The function of the Department of State
24 under this title is to act in a manner comparable to the offices
25 of recorder of deeds under former provisions of law as an office
26 of public record wherein articles and other papers relating to
27 association affairs may be filed to establish the permanent and
28 definitive text thereof and to afford all persons the
29 opportunity of acquiring knowledge of the contents thereof.

30 (b) Names and marks.--The department shall supervise and

1 administer the provisions of this title and of Title 54
2 (relating to names) concerning names and marks.

3 (c) Collection of taxes and charges imposed by statute.--
4 This subchapter shall not limit the power and duty of the
5 department to assess and collect taxes and charges imposed or
6 authorized by statute.

7 (d) Notice of decennial filings.--Whenever a decennial
8 filing is required by Title 54 to be made in the department, the
9 department shall, not earlier than the November 1 prior to the
10 commencement of the decennial year wherever practicable, give
11 notice by mail to the registrant or other party of the decennial
12 filing requirement, which notice shall be accompanied by
13 appropriate application blanks or forms.

14 § 133. Powers of Department of State.

15 (a) General rule.--The Department of State shall have the
16 power and authority reasonably necessary to enable it to
17 administer this subchapter efficiently and to perform the
18 functions specified in section 132 (relating to functions of
19 Department of State).

20 (b) Language and content of documents.--Except to the extent
21 required in order to determine whether a document complies with
22 section 135 (relating to requirements to be met by filed
23 documents), the department shall not examine articles and other
24 documents authorized or required to be filed in the department
25 under this title to determine whether the language or content
26 thereof conforms to the provisions of this title.

27 (c) Meaning of term "conform to law."--A document delivered
28 to the department for the purpose of filing in the department
29 shall be deemed to be in accordance with law and to conform to
30 law, as those terms are used in statutes relating to the powers

1 and duties of the department, if the document conforms to
2 section 135.

3 (d) Physical characteristics and copies of documents.--All
4 articles and other documents authorized or required to be filed
5 in the department under this title shall be in such format as to
6 size, shape and other physical characteristics as shall be
7 prescribed by regulations promulgated by the department. The
8 regulations may require the submission of not to exceed three
9 conformed copies of any document in addition to the original and
10 any copies thereof otherwise required by law. All formats
11 promulgated by the department for use under this title shall
12 include a statement of the number of copies required to be filed
13 and shall be published in the Pennsylvania Code.

14 (e) Engrossed certificate.--Whenever the department has
15 taken any action under this title, the Secretary of the
16 Commonwealth shall, upon request and payment of the fee or
17 additional fee therefor fixed by regulation of the department,
18 issue to any person entitled thereto an engrossed certificate
19 evidencing the action, executed by the Secretary of the
20 Commonwealth under the seal of the Commonwealth.

21 § 134. Docketing statement.

22 (a) General rule.--The Department of State may prescribe by
23 regulation one or more official docketing statement forms
24 designed to elicit from a person effecting a filing under this
25 title information that the department has found to be necessary
26 or desirable in connection with the processing of a filing. A
27 docketing statement submitted with the articles of incorporation
28 or division of a proposed domestic corporation for profit or
29 not-for-profit, the articles of domestication or application for
30 a certificate of authority of a foreign corporation for profit

1 or not-for-profit or the certificate of election of an electing
2 partnership shall set forth, inter alia, the kind or kinds of
3 business in which the association actually intends to engage in
4 this Commonwealth within one year of the execution of the
5 docketing statement. A docketing statement submitted with
6 articles of incorporation, consolidation or division of a
7 domestic corporation not-for-profit or an application for a
8 certificate of authority of a foreign corporation not-for-profit
9 shall set forth with respect to the new corporation or
10 corporations resulting therefrom, inter alia, the statute by or
11 under which it was incorporated, the date of incorporation, the
12 name of its chief executive officer, secretary and treasurer,
13 regardless of the names or titles by which they may be
14 designated, the address of its principal place of business and
15 the amount, if any, of its authorized and issued capital stock.
16 A form of docketing statement prescribed under this subsection:

17 (1) Shall be published in the Pennsylvania Code.

18 (2) Shall not be integrated into a single document
19 covering the requirements of the filing and its related
20 docketing statement.

21 (3) May be required by the department in connection with
22 a filing only if notice of the requirement appears on the
23 official format for the filing prescribed under section
24 133(d) (relating to physical characteristics and copies of
25 documents).

26 (4) Shall not be required to be submitted on department-
27 furnished forms.

28 (5) Shall not constitute a document filed in, with or by
29 the department for the purposes of this title or any other
30 provision of law except 18 Pa.C.S. § 4904 (relating to

unsworn falsification to authorities).

(b) Transmission to Department of Revenue.--The department shall note the fact and date of the filing of articles of incorporation, consolidation, merger, division, conversion or domestication or certificate of election or issuance of the certificate of authority, as the case may be, upon the docketing statement and shall transmit a copy of it to the Department of Revenue.

(c) Transmission to other agencies.--If the docketing statement delivered to the Department of State sets forth any kind of business in which a corporation, partnership or other association may not engage without the approval of or a license from any department, board or commission of the Commonwealth, the Department of State shall, upon the filing of articles of incorporation, consolidation, division or domestication or certificate of election or issuance of the certificate of authority, promptly transmit a copy of the docketing statement to each such department, board or commission.

§ 135. Requirements to be met by filed documents.

(a) General rule.--A document shall be accepted for filing by the Department of State if it satisfies the following requirements:

(1) The document purports on its face to relate to matters authorized or required to be filed under this title or contains a caption indicating that relationship and, if no applicable statement has been prescribed under section 134 (relating to docketing statement), contains sufficient information to permit the department to prepare a docket record entry:

(i) Identifying the name of the association or other

1 person to which the document relates.

2 (ii) Identifying the association or associations, if
3 any, the existence of which is to be created, extended,
4 limited or terminated by reason of the filing and the
5 duration of existence of any such association.

6 (iii) Specifying the date upon which the creation or
7 termination of existence, if any, of the association or
8 associations effected by the filing will take effect.

9 (2) The document complies with any regulations
10 promulgated by the department pursuant to section 133(d)
11 (relating to physical characteristics and copies of
12 documents) and is accompanied by any applicable statement
13 prescribed under section 134.

14 (3) In the case of a document that creates a new
15 association or effects or reflects a change in name:

16 (i) the document is accompanied by evidence that the
17 proposed name has been reserved by or on behalf of the
18 applicant; or

19 (ii) the proposed name is available for use under
20 the applicable standard established by this title and any
21 other applicable provision of law.

22 (4) In the case of any other document that sets forth a
23 name or mark, the proposed name or mark is available for use
24 under the applicable standard established by law.

25 (5) All fees, taxes and certificates or statements
26 relating thereto required by section 139 (relating to tax
27 clearance of certain fundamental transactions) or otherwise
28 have been tendered therewith.

29 (6) All certificates and other instruments required by
30 statute evidencing the consent or approval of any department,

board, commission or other agency of this Commonwealth as a prerequisite to the filing of the document in the Department of State have been incorporated into, attached to or otherwise tendered with the document.

(b) Attorney-in-fact.--Any person, other than an incorporator or officer of a corporation, as such, may sign a document by an attorney-in-fact or fiduciary. It shall not be necessary to present to or file in the department the original or a copy of any document evidencing the authority of an attorney-in-fact or fiduciary.

(c) Addresses.--Whenever any provision of this title or of Title 54 (relating to names) requires that any person set forth an address in any document, such provision shall be construed to require the submission of an actual street address or rural route box number, and the department shall refuse to receive or file any document that sets forth only a post office box address.

§ 136. Processing of documents by Department of State.

(a) Filing of documents.--If a document conforms to section 135 (relating to requirements to be met by filed documents), the Department of State shall forthwith or on such date as is requested by the person delivering the document, whichever is later, file the document, certify that the document has been filed by endorsing upon the document the fact and date of filing, make and retain a copy thereof and return the document or a copy thereof so endorsed to or upon the order of the person who delivered the document to the department.

(b) Immediate certified copy.--

(1) If a duplicate copy, which may be either a signed or conformed copy, of any articles or other document authorized

1 or required by this title to be filed in the department is
2 delivered to the department with the original signed
3 document, the department shall compare the duplicate copy
4 with the original signed document and, if it finds that they
5 are identical, shall certify the duplicate copy by making
6 upon it the same endorsement that is required to appear upon
7 the original, together with a further endorsement that the
8 duplicate copy is a true copy of the original signed
9 document, and return the duplicate copy to the person who
10 delivered it to the department. If the duplicate copy is
11 delivered by hand to the office of the department at the seat
12 of government at least four hours before the close of
13 business on any day not a holiday and relates to a matter
14 other than a label or other mark requiring examination under
15 Title 54 (relating to names), the department before the close
16 of business on that day shall either:

17 (i) Certify the duplicate copy as required by this
18 subsection and make such certified copy available at the
19 office of the department to or upon the order of the
20 person who delivered it to the department.

21 (ii) Make available at the office of the department
22 to or upon the order of the person who delivered it to
23 the department a brief statement in writing of the
24 reasons of the department for refusing to certify such
25 duplicate copy.

26 (2) In lieu of comparing the duplicate copy with the
27 original signed document as provided in paragraph (1), the
28 department may make a copy of the original signed document at
29 the cost of the person who delivered it to the department.

30 (c) Effective date.--Except as otherwise provided in this

1 title, a document shall become effective upon the filing thereof
2 in the department.

3 (d) Copies.--The department may make a copy, on microfilm or
4 otherwise, of any document filed in, with or by it pursuant to
5 this title, or any statute hereby supplied or repealed, and
6 thereafter destroy the document or return it to or upon the
7 order of the person who delivered the document to the
8 department.

9 § 137. Court to pass upon rejection of documents by Department
10 of State.

11 (a) General rule.--Whenever the Department of State rejects
12 a document delivered for filing under this title or fails to
13 make available a certified duplicate copy within the time
14 provided by section 136(b) (relating to immediate certified
15 copy):

16 (1) the original document or copies thereof;

17 (2) the statement, if any, of the department made under
18 section 136(b)(1)(ii); and

19 (3) any other papers relating thereto;

20 may be delivered to the prothonotary or clerk of the court
21 vested by or pursuant to Title 42 (relating to judiciary and
22 judicial procedure) with jurisdiction of appeals from the
23 department. Immediately the prothonotary or clerk shall transmit
24 the papers to the court without formality or expense to the
25 person who delivered the original document to the department.
26 The question of the eligibility of the document for filing in
27 the department shall thereupon, at the earliest possible time,
28 be heard by a judge of the court, without jury, in the court or
29 in chambers. The finding of the court, or any judge thereof,
30 that the document is eligible for filing in the department shall

1 be final, and the department shall act in accordance therewith.
2 The true intent of this section is to secure for applicants an
3 immediate hearing in court and a determination by the court
4 without delay or expense to the applicants.

5 (b) Further appellate review.--The corporation or any
6 incorporator of a proposed corporation or other aggrieved
7 applicant may within the time and in the manner provided by law
8 seek judicial review of an adverse order of court entered
9 pursuant to subsection (a). The department shall not have any
10 right in the exercise of its functions under this title to seek
11 judicial review of an adverse order entered pursuant to
12 subsection (a) and any such right which the department might
13 otherwise enjoy under the Constitution of Pennsylvania or
14 otherwise is hereby waived, but any department, board or
15 commission of the Commonwealth which contends that the document
16 fails to comply with section 135(a)(6) (relating to requirements
17 to be met by filed documents) may seek judicial review of the
18 order.

19 (c) Exceptions.--

20 (1) This section shall not impair the right of any
21 person to proceed under section 138 (relating to statement of
22 correction) nor impair the right of the Attorney General to
23 institute proceedings under section 503 (relating to actions
24 to revoke corporate franchises).

25 (2) A determination by the department with respect to
26 the registrability of a label or other mark under Title 54
27 (relating to names) or otherwise affecting the status of a
28 label or other mark shall be subject to judicial review under
29 Title 2 (relating to administrative law and procedure) and
30 not under this section.

1 § 138. Statement of correction.

2 (a) Filing of statement.--Whenever any document authorized
3 or required to be filed in the Department of State by any
4 provision of this title has been so filed and is an inaccurate
5 record of the corporate or other action therein referred to or
6 was defectively or erroneously executed, the document may be
7 corrected by filing in the department a statement of correction
8 of the document. The statement of correction, except as provided
9 in subsection (c), shall be executed by the association or other
10 person that effected the defective or erroneous filing and shall
11 set forth:

12 (1) The name of the association or other person and,
13 subject to section 109 (relating to name of commercial
14 registered office provider in lieu of registered address),
15 the location, including street and number, if any, of its
16 registered or other office.

17 (2) The statute by or under which the corporation was
18 incorporated, or the preceding filing was made, in the case
19 of a filing that does not constitute a part of the articles
20 of incorporation of a corporation.

21 (3) The inaccuracy or defect to be corrected.

22 (4) The portion of the document requiring correction in
23 corrected form or, if the document was erroneously executed,
24 a statement that the original document shall be deemed
25 reexecuted or stricken from the records of the department, as
26 the case may be.

27 (b) Effect of filing.--

28 (1) The corrected document shall be effective:

29 (i) Upon filing in the department, as to those
30 persons who are substantially and adversely affected by

1 the correction.

2 (ii) As of the date the original document was
3 effective, as to all other persons.

4 (2) A filing under this section shall not have the
5 effect of causing original articles of incorporation to be
6 stricken from the records of the department but the articles
7 may be corrected under this section.

8 (c) Filing pursuant to court order.--If the association or
9 other person refuses to file an appropriate statement of
10 correction under this section within ten business days after any
11 person adversely affected has made a written demand therefor,
12 the affected person may apply to the court for an order to
13 compel the filing. If the court finds that a document on file in
14 the department is inaccurate or defective, it may direct the
15 association or other person who effected the defective or
16 erroneous filing to file an appropriate statement of correction
17 in the department, or it may order the clerk to execute the
18 statement under the seal of the court and cause the statement to
19 be filed in the department. In the absence of fraud, an
20 application may not be made to a court under this subsection
21 with respect to a document more than one year after the date on
22 which it was originally filed in the department.

23 § 139. Tax clearance of certain fundamental transactions.

24 A domestic corporation shall not file articles of merger or
25 consolidation effecting a merger or consolidation into a
26 nonqualified foreign corporation or articles of dissolution or a
27 statement of revival, a qualified foreign corporation shall not
28 file an application for termination of authority or similar
29 document in the Department of State and a corporation shall not
30 file articles of division dividing solely into nonqualified

foreign corporations unless the articles, application or other document are accompanied by:

(1) clearance certificates from the Department of Revenue and the Office of Employment Security of the Department of Labor and Industry, evidencing the payment by the corporation of all taxes and charges due the Commonwealth required by law;

(2) a statement of assumption of tax liability:

(i) executed by the surviving, resulting or withdrawing corporation or accompanying and incorporated by reference into the plan of merger, consolidation or division, stating that the surviving, resulting, withdrawing or new corporation agrees to be liable for payment of all taxes and charges due to the Commonwealth of any and all nonsurviving domestic or qualified foreign corporations or of the withdrawing corporation; or

(ii) executed by one or more of the directors or shareholders, or their attorneys-in-fact, of a dissolving corporation, stating that the signatories agree to be jointly and severally liable for payment of all taxes and charges due to the Commonwealth by the dissolving corporation up to the full amount of the net assets of the corporation available for distribution on dissolution;

if in either case the statement of assumption of tax liability shall have been approved by the Department of Revenue and by the Office of Employment Security of the Department of Labor and Industry, as adequately securing the public revenues; or

(3) evidence of such other arrangement agreed to by the

1 corporation and approved by the Department of Revenue and by
2 the Office of Employment Security of the Department of Labor
3 and Industry, as will adequately secure the public revenues.

4 SUBCHAPTER C

5 DEFINITIVE AND CONTINGENT DOMESTICATION OF

6 FOREIGN ASSOCIATIONS

7 Sec.

8 151. Domestication of certain foreign associations.

9 152. Contingent domestication of certain foreign associations.

10 § 151. Domestication of certain foreign associations.

11 (a) General rule.--Except as restricted by subsection (e),
12 any association as defined in subsection (f) may become a
13 domestic association by filing in the Department of State a
14 statement of domestication.

15 (b) Statement of domestication.--The statement of
16 domestication shall be executed by the association and shall set
17 forth in the English language:

18 (1) The name of the association. If the name is in a
19 foreign language, it shall be set forth in Roman letters or
20 characters or Arabic or Roman numerals.

21 (2) The name of the jurisdiction under the laws of which
22 and the date on which it was first formed, incorporated or
23 otherwise came into being.

24 (3) The name of the jurisdiction that constituted the
25 seat, siege social or principal place of business or control
26 administration of the association, or any equivalent under
27 applicable law, immediately prior to the filing of the
28 statement.

29 (4) A statement that upon domestication the association
30 will be a domestic association under the laws of this

1 Commonwealth.

2 (5) A statement that the filing of the statement of
3 domestication and the renunciation of the prior domicile has
4 been authorized (unless its charter or other organic
5 documents require a greater vote) by a majority in interest
6 of the shareholders, members or other proprietors of the
7 association.

8 (c) Execution.--The statement shall be signed on behalf of
9 the association by any authorized person.

10 (d) Effect of domestication.--Upon the filing of the
11 statement of domestication, the association shall be
12 domesticated in this Commonwealth and the association shall
13 thereafter be subject to any applicable provisions of this
14 title, except Subpart B of Part II (relating to business
15 corporations), and to any other provisions of law applicable to
16 associations existing under the laws of this Commonwealth. The
17 domestication of any association in this Commonwealth pursuant
18 to this section shall not be deemed to affect any obligations or
19 liabilities of the association incurred prior to its
20 domestication.

21 (e) Exclusion.--An association that can be domesticated
22 under section 4161 (relating to domestication) shall not be
23 domesticated under this section.

24 (f) Definition.--As used in this section, the term
25 "association," except as restricted by subsection (e), includes
26 any incorporated organization, private law corporation (whether
27 or not organized for business purposes), public law corporation,
28 partnership, proprietorship, joint venture, foundation, trust,
29 association or similar organization or entity.

30 (g) Cross reference.--See section 134 (relating to docketing

1 statement).

2 § 152. Contingent domestication of certain foreign
3 associations.

4 (a) General rule.--Any association as defined in subsection
5 (i) may become a contingent domestic association by filing in
6 the Department of State a statement of contingent domestication.
7 The statement of contingent domestication and all papers and
8 information relating thereto shall remain confidential and shall
9 not be available for public inspection until and unless the
10 association files a notice of consummation of domestication as
11 provided in subsection (c).

12 (b) Statement of contingent domestication.--The statement of
13 contingent domestication shall be executed by the association
14 and shall set forth in the English language:

15 (1) In the case of a corporation subject to section 4161
16 (relating to domestication), the statements required to be
17 set forth in articles of domestication (except the statement
18 required by section 4161(b)(6)).

19 (2) In the case of any other association, the statements
20 required by section 151(b) (relating to statement of
21 domestication) to be set forth in a statement of
22 domestication (except the statement required by section
23 151(b)(5)).

24 (3) A statement that the effectiveness of the statement
25 is contingent upon the subsequent filing of a notice of
26 consummation of domestication.

27 (4) A statement that the filing of the statement of
28 contingent domestication and the delegation of authority to
29 file a notice of consummation of domestication has been
30 authorized (unless its charter or other organic documents

1 require a greater vote):

2 (i) by a majority vote of the votes cast by all
3 shareholders entitled to vote thereon and, if any class
4 of shares is entitled to vote thereon as a class, a
5 majority of the votes cast in each class vote, in the
6 case of a corporation subject to section 4161; or

7 (ii) by a majority in interest of the shareholders,
8 members or other proprietors of the association in any
9 other case.

10 (c) Notice of consummation of domestication.--At any time
11 after the filing of a statement of contingent domestication, the
12 association may file in the department a notice of consummation
13 of domestication which shall be executed by the association and
14 shall set forth:

15 (1) The name of the association. If the name is in a
16 foreign language, it shall be set forth in Roman letters or
17 characters or Arabic or Roman numerals.

18 (2) A statement that either:

19 (i) an emergency condition exists in the
20 jurisdiction the law of which governs the internal
21 affairs of the association and that in the judgment of
22 the management of the association a temporary transfer of
23 the domicile of the association to this Commonwealth is
24 warranted by the circumstances; or

25 (ii) an event has occurred that, under the law of
26 the jurisdiction governing the internal affairs of the
27 association, permits the association to transfer its
28 domicile.

29 (d) Statement of termination of domestication.--At any time
30 after the filing of a notice of consummation of domestication,

1 the association may file in the department a statement of
2 termination of domestication which shall be executed by the
3 association and shall set forth:

4 (1) The name of the association in the form set forth in
5 the prior filings under this section.

6 (2) A statement that the association elects to terminate
7 its domicile in this Commonwealth.

8 (3) A statement that either:

9 (i) the statement of contingent domestication is
10 reinstated pending the filing in the department of a new
11 notice of consummation of domestication; or

12 (ii) the statement of contingent domestication is
13 withdrawn.

14 (e) Method of filing.--Documents may be filed in the
15 department under this section by electronic mail, telecopy,
16 telex or other form of writing, but such filing shall expire if
17 a duly executed duplicate is not filed in the usual format
18 within 30 days after the initial filing. All documents filed
19 under this section shall be signed on behalf of the association
20 by any authorized person.

21 (f) Effect of filing notice of consummation of
22 domestication.--Upon the filing of a notice of consummation of
23 domestication, and until the filing of a notice of revocation of
24 domestication, the association shall have the status under the
25 law of this Commonwealth of:

26 (1) a business corporation domesticated under section
27 4161, in the case of a corporation subject to that section;
28 or

29 (2) an association domesticated under section 151, in
30 any other case.

1 (g) Effect of filing a statement of termination of
2 domestication.--Upon the filing of a statement of termination of
3 domestication, the association shall under the law of this
4 Commonwealth revert to the status it held prior to the filing
5 of:

6 (1) the notice of consummation of domestication, if the
7 statement of termination of domestication states that the
8 statement of contingent domestication is reinstated; or

9 (2) the statement of contingent domestication, if the
10 statement of termination of domestication states that the
11 statement of contingent domestication is withdrawn.

12 (h) Filing fee and annual renewal.--In addition to the
13 filing fees otherwise provided by law, an additional fee of
14 \$1,000 per year or portion thereof shall be payable annually by
15 any association that has in effect any contingent or temporary
16 domiciliary status under this section. A renewal application may
17 be filed between October 1 and December 31 in each year and
18 shall extend the applicability of this section for the following
19 calendar year. Otherwise the association shall not be entitled
20 to any of the benefits of this section.

21 (i) Definition.--As used in this section the term
22 "association" includes any incorporated organization, private
23 law corporation (whether or not organized for business
24 purposes), public law corporation, partnership, proprietorship,
25 joint venture, foundation, trust, association or similar
26 organization or entity if such association or entity immediately
27 prior to effecting an initial filing under this section is an
28 association or entity governed by the law of any jurisdiction
29 other than the United States or any state, Puerto Rico or any
30 possession or territory of the United States.

(j) Cross reference.--See section 134 (relating to docketing statement).

PART II

CORPORATIONS [FOR PROFIT]

[(Reserved)]

Subpart

A. Corporations Generally

B. Business Corporations (Reserved)

C. Corporations-Not-For-Profit

D. Cooperative Corporations (Reserved)

SUBPART A

CORPORATIONS GENERALLY

Chapter

5. Corporations

CHAPTER 5

CORPORATIONS

Subchapter

A. In General

B. (Reserved)

C. (Reserved)

SUBCHAPTER A

IN GENERAL

Sec.

501. Reserved power of General Assembly.

502. Application of chapter.

503. Actions to revoke corporate franchises.

504. Validation of certain defective corporations.

505. Validation of certain defective corporate acts.

506. Scope and duration of certain franchises.

507. Validation of certain share authorizations.

1 § 501. Reserved power of General Assembly.

2 (a) General rule.--All charters of private corporations and
3 all present and future common or statutory law with respect to
4 the formation or regulation of private corporations or
5 prescribing powers, rights, duties or liabilities of private
6 corporations or their officers, directors or shareholders may be
7 revoked, amended or repealed.

8 (b) Scope.--Subsection (a) is applicable to all corporations
9 incorporated under the authority of the Commonwealth or of the
10 late Proprietaries of the Province of Pennsylvania, the General
11 Assembly having found in section 104 of the act of , 1988
12 (P.L. , No.), known as the Corporation Act of 1988, that all
13 corporations incorporated prior to October 14, 1857, which
14 purported to register under the act of January 18, 1966 (1965
15 P.L.1443, No.521), referred to as the Registry Act of 1966, or
16 companion statutes, either failed to register effectively or
17 accepted the benefit of a law or laws passed by the General
18 Assembly after 1873 governing the affairs of corporations.

19 § 502. Application of chapter.

20 (a) General rule.--Except as otherwise provided in the scope
21 provisions of subsequent provisions of this chapter, this
22 chapter shall apply to and the word "corporation" in this
23 chapter shall mean:

24 (1) A domestic or foreign corporation for profit.

25 (2) A domestic or foreign corporation not-for-profit.

26 (b) Corporations claiming exemption from power of the
27 General Assembly.--Any provision of this chapter otherwise
28 applicable to a corporation claiming exemption from the power of
29 the General Assembly shall be inapplicable to such corporation
30 to the extent, and only to the extent, required by the

1 Constitution of the United States or the Constitution of
2 Pennsylvania, or both.

3 § 503. Actions to revoke corporate franchises.

4 (a) General rule.--The Attorney General may institute
5 proceedings to revoke the articles and franchises of a
6 corporation if it:

7 (1) misused or failed to use its powers, privileges or
8 franchises;

9 (2) procured its articles by fraud; or

10 (3) should not have been incorporated under the
11 statutory authority relied upon.

12 (b) Powers of court.--In every action or proceeding
13 instituted under subsection (a) the court shall have power to
14 wind up the affairs of and to dissolve the corporation in the
15 manner provided in this part or as otherwise provided by law.

16 § 504. Validation of certain defective corporations.

17 Where heretofore or hereafter any act has been or may be done
18 or any transfer or conveyance of any property has been or may be
19 made to or by any corporation created or intended to be created
20 under any statute supplied or repealed by this part, in good
21 faith, after the approval of the articles or application for a
22 charter or issuance of letters patent but without the actual
23 recording of the original papers with the endorsements thereon,
24 or a certified copy thereof, in the office of any recorder of
25 deeds, as provided in such statutes then in force, the acts,
26 transfers and conveyances shall nevertheless be deemed and taken
27 to be valid and effectual for all purposes, regardless of the
28 omission to record the original papers with the endorsements
29 thereon, or a certified copy thereof, as heretofore required by
30 such statutes. Every such corporation shall be deemed and taken

1 to have been incorporated on the date of approval of its
2 articles or application for a charter or on the date of issuance
3 of its letters patent, whichever event shall have last occurred.

4 § 505. Validation of certain defective corporate acts.

5 Where any corporation governed by this part or created or
6 intended to be created or governed by any statute supplied or
7 repealed by this part has, in good faith, extended its territory
8 or term of existence, changed its name, merged, consolidated or
9 otherwise altered or amended its charter or articles under any
10 statute supplied or repealed by this part but without the actual
11 recording of a document or documents evidencing the corporate
12 action in the office of any recorder of deeds, as provided in
13 such statutes then in force, and a record of the corporate
14 action is on file in the office of the clerk of any court of
15 this Commonwealth or in the Department of State, the corporate
16 action shall nevertheless be deemed and taken to be valid for
17 all purposes, regardless of the omission to record the document
18 or documents as heretofore required by such statutes, and every
19 such corporate action shall be deemed and taken to have been
20 effected upon the filing of the corporate action in the office
21 of the clerk of any court or in the department, or upon the
22 approval of the action, if required, by a court, or by the
23 Governor, the Secretary of the Commonwealth or other officer
24 performing corresponding functions with respect to corporate
25 affairs, whichever event has last occurred.

26 § 506. Scope and duration of certain franchises.

27 (a) General rule.--Except as provided in subsection (b),
28 whenever any corporation has sold, assigned, disposed of and
29 conveyed all or any part of its franchises and all or any part
30 of its property, real, personal and mixed, to any other

1 corporation, and the franchises and property have vested in the
2 vendee corporation, or whenever any corporation has heretofore
3 merged or may hereafter merge with and into or consolidate into
4 a surviving or new corporation, the vendee, surviving or new
5 corporation or its successor corporation shall be deemed to
6 possess as a constituent of its own charter, and not as a direct
7 or indirect acquisition from the vendor or nonsurviving
8 corporation, franchise rights of identical scope and character
9 as those originally acquired by it and any of its predecessors
10 in interest from every vendor or nonsurviving predecessor
11 corporation regardless of the fact, if such is the case, that
12 the franchises of any vendor or nonsurviving predecessor
13 corporation, had they been separately existing, would have
14 theretofore expired of their own limitations. The charter of any
15 vendee, surviving, new or successor corporation to which this
16 section may become applicable and all franchise rights thereof
17 attributable under this section or otherwise to or acquired from
18 any vendor or nonsurviving predecessor corporation shall expire
19 upon the same date, which date shall be the later of the dates
20 on which the charter or the most remotely limited of the
21 franchise rights would otherwise expire, and every renewal,
22 extension or change in the term of existence of the vendee,
23 surviving, new or successor corporation by merger, consolidation
24 or otherwise shall inure to the franchise rights attributable to
25 or acquired from all such vendor or nonsurviving predecessor
26 corporations.

27 (b) Exception.--This section shall not operate to revive any
28 franchise rights heretofore or hereafter expressly surrendered
29 by the affirmative action of any such vendee, surviving, new or
30 successor corporation.

1 § 507. Validation of certain share authorizations.

2 (a) General rule.--Where heretofore any domestic corporation
3 for profit shall have redeemed and canceled any shares subject
4 to redemption and cancellation, acquired its own shares on
5 conversion thereof into or exchange thereof for other shares of
6 the corporation, purchased or redeemed and canceled any shares,
7 canceled any treasury shares, redeemed any shares, or adopted
8 any resolution of the board with respect to authorized but
9 unissued shares reducing the number of shares that the
10 corporation is authorized to issue without filing in the
11 Department of State a statement of redemption and cancellation,
12 a statement of cancellation of shares, a statement of reduction
13 of authorized shares, or similar document as then provided by
14 any statute supplied or repealed by Subpart B (relating to
15 business corporations), such action shall be deemed not to have
16 had any effect on the authorized share structure of the
17 corporation and the number and class of shares authorized to be
18 issued by the corporation from time to time and at any time
19 shall be deemed and taken to be the number and class of shares
20 as set forth at the time in the most recently amended text of
21 the charter or articles of the corporation as then on file in
22 the department.

23 (b) Restriction on reissuance.--Subsection (a) shall not
24 validate any shares reissued in violation of a provision of the
25 charter or articles prohibiting the reissuance of redeemed or
26 otherwise acquired shares. Except as otherwise expressly
27 provided therein, such a provision shall not be interpreted as
28 prohibiting the reissuance of redeemed or otherwise acquired
29 shares as shares of a different class or series.

30

SUBCHAPTER B

1 (Reserved)
2 SUBCHAPTER C
3 (Reserved)
4 SUBPART B
5 BUSINESS CORPORATIONS
6 (Reserved)
7 [PART III] SUBPART C
8 CORPORATIONS NOT-FOR-PROFIT

9 * * *
10 [PART IV] SUBPART D
11 COOPERATIVE CORPORATIONS
12 (Reserved)

13 (b) Chapter 81 (relating to foreign corporations not-for-
14 profit) in Article C of Subpart C of Part II of Title 15 is
15 hereby redesignated as Chapter 80. In printing the Pennsylvania
16 Consolidated Statutes, the Legislative Reference Bureau shall
17 substitute the word "subpart" for "part" wherever such term
18 appears in the Pennsylvania Consolidated Statutes with reference
19 to former Part III of Title 15, and shall renumber 15 Pa.C.S. §§
20 8101 through 8145 as 15 Pa.C.S. §§ 8001 through 8045,
21 respectively, wherever such designations appear in the
22 Pennsylvania Consolidated Statutes. Part V (unincorporated
23 associations) of Title 15 is hereby redesignated as PART IV.

24 (c) Title 15 is amended by adding a part to read:

25 PART III
26 PARTNERSHIPS

27 Chapter
28 81. General Provisions
29 83. General Partnerships
30 85. Limited Partnerships

1 87. Electing Partnerships

2 CHAPTER 81

3 GENERAL PROVISIONS

4 Sec.

5 8101. Short title of part.

6 8102. Interchangeability of partnership and corporate forms
7 of organization.

8 § 8101. Short title of part.

9 This part shall be known and may be cited as the Partnership
10 Code.

11 § 8102. Interchangeability of partnership and corporate forms
12 of organization.

13 (a) General rule.--Subject to any restrictions on a specific
14 line of business made applicable by section 103 (relating to
15 subordination of title to regulatory laws):

16 (1) Any business that may be conducted in a corporate
17 form may also be conducted as a partnership.

18 (2) A partnership may exercise any right, power,
19 franchise or privilege that a corporation engaged in the same
20 line of business might exercise under the laws of this
21 Commonwealth, including powers conferred by section 1511
22 (relating to additional powers of certain public utility
23 corporations) or other provisions of law granting the right
24 to a duly authorized corporation to take or occupy property
25 and make compensation therefor.

26 (b) Exceptions.--Subsection (a) shall not:

27 (1) Affect any law relating to the taxation of
28 partnerships or corporations.

29 (2) Apply to a banking institution, insurance
30 corporation or savings association, unless the laws relating

thereto expressly contemplate the conduct of the regulated business in partnership form.

(3) Permit a partnership to provide full limited liability for all of the investors therein or otherwise fail to preserve the intrinsic differences between the partnership and corporate forms.

CHAPTER 83

GENERAL PARTNERSHIPS

Subchapter

A. Preliminary Provisions

B. Nature of a Partnership

C. Relation of Partners to Persons Dealing With the Partnership

D. Relations of Partners to One Another

E. Property Rights of a Partner

F. Dissolution and Winding Up

SUBCHAPTER A

PRELIMINARY PROVISIONS

Sec.

8301. Short title and application of chapter.

8302. Definitions.

8303. "Knowledge" and "notice."

8304. Rules of construction.

8305. Rules for cases not provided for in chapter.

§ 8301. Short title and application of chapter.

(a) Short title of chapter.--This chapter shall be known and may be cited as the Uniform Partnership Act.

(b) Application of chapter.--This chapter shall apply to every partnership heretofore and hereafter organized. See section 8311 (relating to partnership defined).

1 § 8302. Definitions.

2 The following words and phrases when used in this chapter
3 shall have the meanings given to them in this section unless the
4 context clearly indicates otherwise:

5 "Bankrupt." Includes bankrupt under the Federal Bankruptcy
6 Act or insolvent under any State insolvency act.

7 "Business." Includes every trade, occupation or profession.

8 "Conveyance." Includes every assignment, lease, mortgage or
9 encumbrance.

10 "Court." Includes every court and judge having jurisdiction
11 in the case.

12 "Real property." Includes land and any interest or estate in
13 land.

14 § 8303. "Knowledge" and "notice."

15 (a) Knowledge.--A person has "knowledge" of a fact, within
16 the meaning of this chapter, not only when he has actual
17 knowledge thereof but also when he has knowledge of such other
18 facts as in the circumstances show bad faith.

19 (b) Notice.--A person has "notice" of a fact, within the
20 meaning of this chapter, when the person who claims the benefit
21 of the notice:

22 (1) states the fact to the other person; or

23 (2) delivers through the mail, or by other means of
24 communication, a written statement of the fact to the other
25 person or to a proper person at his place of business or
26 residence.

27 § 8304. Rules of construction.

28 (a) Estoppel.--The law of estoppel shall apply under this
29 chapter.

30 (b) Agency.--The law of agency shall apply under this

1 chapter.

2 § 8305. Rules for cases not provided for in chapter.

3 In any case not provided for in this chapter, the rules of
4 law and equity, including the law merchant, shall govern.

5 SUBCHAPTER B

6 NATURE OF A PARTNERSHIP

7 Sec.

8 8311. Partnership defined.

9 8312. Rules for determining the existence of a partnership.

10 8313. Partnership property.

11 § 8311. Partnership defined.

12 (a) General rule.--A partnership is an association of two or
13 more persons to carry on as co-owners a business for profit.

14 (b) Exceptions.--Any association formed under any statute of
15 this Commonwealth except this chapter or corresponding
16 provisions of prior law, or under any statute adopted by
17 authority other than the authority of this Commonwealth, is not
18 a partnership under this chapter unless the association would
19 have been a partnership in this Commonwealth prior to March 26,
20 1915. This chapter shall apply to limited partnerships except
21 insofar as the statutes relating to those partnerships are
22 inconsistent with this chapter.

23 § 8312. Rules for determining the existence of a partnership.

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

26 (1) Except as provided by section 8328 (relating to
27 partner by estoppel), persons who are not partners as to each
28 other are not partners as to third persons.

29 (2) Joint tenancy, tenancy in common, tenancy by the
30 entireties, joint property, common property or part ownership

1 does not of itself establish a partnership whether or not the
2 co-owners share any profits made by the use of the property.

3 (3) The sharing of gross returns does not of itself
4 establish a partnership whether or not the persons sharing
5 them have a joint or common right or interest in any property
6 from which the returns are derived.

7 (4) The receipt by a person of a share of the profits of
8 a business is prima facie evidence that he is a partner in
9 the business but no such inference shall be drawn if the
10 profits were received in payment:

11 (i) As a debt by installments or otherwise.

12 (ii) As wages of an employee or rent to a landlord.

13 (iii) As an annuity to a surviving spouse or
14 representative of a deceased partner.

15 (iv) As interest on a loan though the amount of
16 payment varies with the profits of the business.

17 (v) As the consideration for the sale of the
18 goodwill of a business or other property by installments
19 or otherwise.

20 § 8313. Partnership property.

21 (a) General rule.--All property originally brought into the
22 partnership stock or subsequently acquired, by purchase or
23 otherwise, on account of the partnership is partnership
24 property.

25 (b) Acquisition with partnership funds.--Unless the contrary
26 intention appears, property acquired with partnership funds is
27 partnership property.

28 (c) Property in partnership name.--Any estate in real
29 property may be acquired in the partnership name. Title so
30 acquired can be conveyed only in the partnership name.

1 (d) Extent of interest acquired.--A conveyance to a
2 partnership in the partnership name, though without words of
3 inheritance, passes the entire estate of the grantor unless a
4 contrary intent appears.

5 SUBCHAPTER C

6 RELATION OF PARTNERS TO PERSONS

7 DEALING WITH THE PARTNERSHIP

8 Sec.

9 8321. Partner agent of partnership as to partnership business.

10 8322. Conveyance of real property of the partnership.

11 8323. Admissions or representations by partner.

12 8324. Partnership charged with knowledge of or notice to
13 partner.

14 8325. Wrongful act of partner.

15 8326. Breach of trust by partner.

16 8327. Nature of liability of partner.

17 8328. Partner by estoppel.

18 8329. Liability of incoming partner.

19 § 8321. Partner agent of partnership as to partnership
20 business.

21 (a) General rule.--Every partner is an agent of the
22 partnership for the purpose of its business and the act of every
23 partner, including the execution in the partnership name of any
24 instrument, for apparently carrying on in the usual way the
25 business of the partnership of which he is a member binds the
26 partnership unless the partner so acting has in fact no
27 authority to act for the partnership in the particular matter
28 and the person with whom he is dealing has knowledge of the fact
29 that he has no such authority.

30 (b) Absence of apparent authority.--An act of a partner

1 which is not apparently for the carrying on of the business of
2 the partnership in the usual way does not bind the partnership
3 unless authorized by the other partners.

4 (c) Limitations on authority of individual partners.--Unless
5 authorized by the other partners or unless they have abandoned
6 the business, one or more but less than all the partners have no
7 authority to:

8 (1) Assign the partnership property in trust for
9 creditors or on the promise of the assignee to pay the debts
10 of the partnership.

11 (2) Dispose of the goodwill of the business.

12 (3) Do any other act which would make it impossible to
13 carry on the ordinary business of a partnership.

14 (4) Confess a judgment.

15 (5) Submit a partnership claim or liability to
16 arbitration or reference.

17 (d) Effect of knowledge of restriction.--No act of a partner
18 in contravention of a restriction on his authority shall bind
19 the partnership to persons having knowledge of the restriction.
20 § 8322. Conveyance of real property of the partnership.

21 (a) General rule.--Where title to real property is in the
22 partnership name, any partner may convey title to the property
23 by a conveyance executed in the partnership name, but the
24 partnership may recover the property unless the act of the
25 partner binds the partnership under the provisions of section
26 8321(a) (relating to partner agent of partnership as to
27 partnership business) or unless the property has been conveyed
28 by the grantee or a person claiming through the grantee to a
29 holder for value without knowledge that the partner, in making
30 the conveyance, has exceeded his authority.

1 (b) Equitable ownership where partnership is record owner.--
2 Where title to real property is in the name of the partnership,
3 a conveyance executed by a partner in his own name passes the
4 equitable interest of the partnership if the act is one within
5 the authority of the partner under the provisions of section
6 8321(a).

7 (c) Conveyance by record owners.--Where title to real
8 property is in the name of one or more but not all the partners
9 and the record does not disclose the right of the partnership,
10 the partners in whose name the title stands may convey title to
11 the property, but the partnership may recover the property if
12 the act of the partners does not bind the partnership under the
13 provisions of section 8321(a) unless the purchaser or his
14 assignee is a holder for value, without knowledge.

15 (d) Equitable ownership where partnership is not record
16 owner.--Where the title to real property is in the name of one
17 or more or all the partners, or in a third person in trust for
18 the partnership, a conveyance executed by a partner in the
19 partnership name or in his own name passes the equitable
20 interest of the partnership if the act is one within the
21 authority of the partner under the provisions of section
22 8321(a).

23 (e) Effect of conveyance by all partners.--Where the title
24 to real property is in the names of all the partners, a
25 conveyance executed by all the partners passes all their rights
26 in the property.

27 § 8323. Admissions or representations by partner.

28 An admission or representation made by any partner concerning
29 partnership affairs within the scope of his authority as
30 conferred by this chapter is evidence against the partnership.

1 § 8324. Partnership charged with knowledge of or notice to
2 partner.

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

11 § 8325. Wrongful act of partner.

12 Where, by any wrongful act or omission of any partner acting
13 in the ordinary course of the business of the partnership or
14 with the authority of his copartners, loss or injury is caused
15 to any person, not being a partner in the partnership, or any
16 penalty is incurred, the partnership is liable therefor to the
17 same extent as the partner so acting or omitting to act.

18 § 8326. Breach of trust by partner.

19 The partnership is bound to make good the loss:

20 (1) Where one partner, acting within the scope of his
21 apparent authority, receives money or property of a third
22 person and misapplies it.

23 (2) Where the partnership, in the course of its
24 business, receives money or property of a third person and
25 the money or property so received is misapplied by any
26 partner while it is in the custody of the partnership.

27 § 8327. Nature of liability of partner.

28 All partners are liable:

29 (1) Jointly and severally for everything chargeable to
30 the partnership under sections 8325 (relating to wrongful act

1 of partner) and 8326 (relating to breach of trust by
2 partner).

3 (2) Jointly for all other debts and obligations of the
4 partnership but any partner may enter into a separate
5 obligation to perform a partnership contract.

6 § 8328. Partner by estoppel.

7 (a) General rule.--

8 (1) When a person, by words spoken or written or by
9 conduct, represents himself, or consents to another
10 representing him to any one, as a partner in an existing
11 partnership or with one or more persons not actual partners,
12 he is liable to the person to whom the representation has
13 been made who has, on the faith of the representation, given
14 credit to the actual or apparent partnership, and if he has
15 made the representation or consented to its being made in a
16 public manner he is liable to that person, whether the
17 representation has or has not been made or communicated to
18 the person so giving credit by or with the knowledge of the
19 apparent partner making the representation or consenting to
20 its being made.

21 (2) When a partnership liability results, he is liable
22 as though he were an actual member of the partnership.

23 (3) When no partnership liability results, he is liable
24 jointly with the other persons, if any, so consenting to the
25 contract or representation as to incur liability, otherwise
26 separately.

27 (b) Authority as representative.--When a person has been
28 thus represented to be a partner in an existing partnership or
29 with one or more persons not actual partners, he is an agent of
30 the persons consenting to the representation to bind them to the

1 same extent and in the same manner as though he were a partner
2 in fact with respect to persons who rely upon the
3 representation. Where all the members of the existing
4 partnership consent to the representation, a partnership act or
5 obligation results but in all other cases it is the joint act or
6 obligation of the person acting and the persons consenting to
7 the representation.

8 § 8329. Liability of incoming partner.

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

14 SUBCHAPTER D

15 RELATIONS OF PARTNERS TO ONE ANOTHER

16 Sec.

17 8331. Rules determining rights and duties of partners.

18 8332. Partnership books.

19 8333. Duty to render information.

20 8334. Partner accountable as fiduciary.

21 8335. Right of partner to an account.

22 8336. Continuation of partnership beyond fixed term.

23 § 8331. Rules determining rights and duties of partners.

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

27 (1) Each partner shall be repaid his contributions,
28 whether by way of capital or advances to the partnership
29 property, and share equally in the profits and surplus
30 remaining after all liabilities, including those to partners,

1 are satisfied and must contribute towards the losses, whether
2 of capital or otherwise, sustained by the partnership,
3 according to his share in the profits.

4 (2) The partnership must indemnify every partner in
5 respect of payments made and personal liabilities reasonably
6 incurred by him in the ordinary and proper conduct of its
7 business or for the preservation of its business or property.

8 (3) A partner who, in aid of the partnership, makes any
9 payment or advance beyond the amount of capital which he
10 agreed to contribute, shall be paid interest from the date of
11 the payment or advance.

12 (4) A partner shall receive interest on the capital
13 contributed by him only from the date when repayment should
14 be made.

15 (5) All partners have equal rights in the management and
16 conduct of the partnership business.

17 (6) No partner is entitled to remuneration for acting in
18 the partnership business except that a surviving partner is
19 entitled to reasonable compensation for his services in
20 winding up the partnership affairs.

21 (7) No person can become a member of a partnership
22 without the consent of all the partners.

23 (8) Any difference arising as to ordinary matters
24 connected with the partnership business may be decided by a
25 majority of the partners but no act in contravention of any
26 agreement between the partners may be done rightfully without
27 the consent of all the partners.

28 § 8332. Partnership books.

29 The partnership books shall be kept, subject to any agreement
30 between the partners, at the principal place of business of the

1 partnership and every partner shall at all times have access to
2 and may inspect and copy any of them.

3 § 8333. Duty to render information.

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

8 § 8334. Partner accountable as fiduciary.

9 (a) General rule.--Every partner must account to the
10 partnership for any benefit and hold as trustee for it any
11 profits derived by him without the consent of the other partners
12 from any transaction connected with the formation, conduct or
13 liquidation of the partnership or from any use by him of its
14 property.

15 (b) Personal representative.--Subsection (a) applies also to
16 the representatives of a deceased partner engaged in the
17 liquidation of the affairs of the partnership as the personal
18 representatives of the last surviving partner.

19 § 8335. Right of partner to an account.

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

22 (1) If he is wrongfully excluded from the partnership
23 business or possession of its property by his copartners.

24 (2) If the right exists under the terms of any
25 agreement.

26 (3) As provided by section 8334 (relating to partner
27 accountable as fiduciary).

28 (4) Whenever other circumstances render it just and
29 reasonable.

30 § 8336. Continuation of partnership beyond fixed term.

1 (a) General rule.--When a partnership for a fixed term or
2 particular undertaking is continued after the termination of
3 that term or particular undertaking without any express
4 agreement, the rights and duties of the partners remain the same
5 as they were at such termination so far as is consistent with a
6 partnership at will.

7 (b) Effect of continuation of business.--A continuation of
8 the business by the partners or such of them as habitually acted
9 therein during the term, without any settlement or liquidation
10 of the partnership affairs, is prima facie evidence of a
11 continuation of the partnership.

12 SUBCHAPTER E

13 PROPERTY RIGHTS OF A PARTNER

14 Sec.

15 8341. Extent of property rights of partner.

16 8342. Nature of right of partner in specific partnership
17 property.

18 8343. Nature of interest of partner in partnership.

19 8344. Assignment of interest of partner.

20 8345. Interest of partner subject to charging order.

21 § 8341. Extent of property rights of partner.

22 The property rights of a partner are:

23 (1) His rights in specific partnership property.

24 (2) His interest in the partnership.

25 (3) His right to participate in the management.

26 § 8342. Nature of right of partner in specific partnership
27 property.

28 (a) General rule.--A partner is co-owner with his partners
29 of specific partnership property, holding as a tenant in
30 partnership.

(b) Incidents of tenancy.--The incidents of this tenancy are as follows:

(1) A partner, subject to the provisions of this chapter 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 the property for any other purpose without the consent of his partners.

(2) The right of a partner in specific partnership property is not assignable except in connection with the assignment of the rights of all partners in the same property.

(3) The right of a partner 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.

(4) 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 the property vests in his legal representative. The 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.

(5) The right of a partner in specific partnership property is not subject to dower, curtesy or allowances to surviving spouses, heirs or next of kin.

§ 8343. Nature of interest of partner in partnership.

1 The interest of a partner in the partnership is his share of
2 the profits and surplus and that interest is personal property.
3 § 8344. Assignment of interest of partner.

4 (a) General rule.--A conveyance by a partner of his interest
5 in the partnership does not of itself dissolve the partnership
6 nor, as against the other partners in the absence of agreement,
7 entitle the assignee, during the continuance of the partnership,
8 to interfere in the management or administration of the
9 partnership business or affairs, or to require any information
10 or account of partnership transactions, or to inspect the
11 partnership books. It merely entitles the assignee to receive,
12 in accordance with his contract, the profits to which the
13 assigning partner would otherwise be entitled.

14 (b) Dissolution.--In case of a dissolution of the
15 partnership, the assignee is entitled to receive the interest of
16 his assignor and may require an account from the date only of
17 the last account agreed to by all the partners.

18 § 8345. Interest of partner subject to charging order.

19 (a) General rule.--On due application to a competent court
20 by any judgment creditor of a partner, the court which entered
21 the judgment, order or decree, or any other court, may charge
22 the interest of the debtor partner with payment of the
23 unsatisfied amount of the judgment debt with interest thereon
24 and may then or later appoint a receiver of his share of the
25 profits, and of any other money due or to fall due to him in
26 respect of the partnership, and make all other orders,
27 directions, accounts and inquiries which the debtor partner
28 might have made or which the circumstances of the case may
29 require.

30 (b) Redemption.--The interest charged may be redeemed at any

1 time before foreclosure or, in case of a sale being directed by
2 the court, may be purchased without thereby causing a
3 dissolution:

4 (1) with separate property, by any one or more of the
5 partners; or

6 (2) with partnership property, by any one or more of the
7 partners with the consent of all the partners whose interests
8 are not so charged or sold.

9 (c) Exemptions unaffected.--Nothing in this chapter shall be
10 held to deprive a partner of his right, if any, under the
11 exemption laws, as regards his interest in the partnership.

12 SUBCHAPTER F

13 DISSOLUTION AND WINDING UP

14 Sec.

15 8351. "Dissolution" defined.

16 8352. Partnership continued for winding up affairs.

17 8353. Causes of dissolution.

18 8354. Dissolution by decree of court.

19 8355. Effect of dissolution on authority of partner.

20 8356. Right of partner to contribution from copartners.

21 8357. Power of partner to bind partnership to third persons.

22 8358. Effect of dissolution on existing liability of partner.

23 8359. Right to wind up affairs.

24 8360. Rights of partners to application of partnership
25 property.

26 8361. Rights after dissolution for fraud or misrepresentation.

27 8362. Rules for distribution.

28 8363. Liability of persons continuing the business.

29 8364. Rights of retiring partner or estate of deceased
30 partner when business is continued.

1 8365. Accrual of right to account.

2 § 8351. "Dissolution" defined.

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

7 § 8352. Partnership continued for winding up affairs.

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

11 § 8353. Causes of dissolution.

12 Dissolution is caused:

13 (1) Without violation of the agreement between the
14 partners:

15 (i) By the termination of the definite term or
16 particular undertaking specified in the agreement.

17 (ii) By the express will of any partner when no
18 definite term or particular undertaking is specified.

19 (iii) By the express will of all the partners who
20 have not assigned their interests or suffered them to be
21 charged for their separate debts, either before or after
22 the termination of any specified term or particular
23 undertaking.

24 (iv) By the expulsion of any partner from the
25 business bona fide in accordance with such a power
26 conferred by the agreement between the partners.

27 (2) In contravention of the agreement between the
28 partners, where the circumstances do not permit a dissolution
29 under any other provision of this section, by the express
30 will of any partner at any time.

1 (3) By any event which makes it unlawful for the
2 business of the partnership to be carried on or for the
3 members to carry it on in partnership.

4 (4) By the death of any partner.

5 (5) By the bankruptcy of any partner or the partnership.

6 (6) By decree of court under section 8354 (relating to
7 dissolution by decree of court).

8 § 8354. Dissolution by decree of court.

9 (a) General rule.--On application by or for a partner, the
10 court shall decree a dissolution whenever:

11 (1) A partner has been declared a lunatic in any
12 judicial proceeding or is shown to be of unsound mind.

13 (2) A partner becomes in any other way incapable of
14 performing his part of the partnership contract.

15 (3) A partner has been guilty of such conduct as tends
16 to affect prejudicially the carrying on of the business.

17 (4) A partner willfully or persistently commits a breach
18 of the partnership agreement or otherwise so conducts himself
19 in matters relating to the partnership business that it is
20 not reasonably practicable to carry on the business in
21 partnership with him.

22 (5) The business of the partnership can only be carried
23 on at a loss.

24 (6) Other circumstances render a dissolution equitable.

25 (b) Right of purchaser of interest.--On the application of
26 the purchaser of the interest of a partner under section 8344
27 (relating to assignment of interest of partner) or 8345
28 (relating to interest of partner subject to charging order), the
29 court shall decree a dissolution:

30 (1) After the termination of the specified term or

1 particular undertaking.

2 (2) At any time if the partnership was a partnership at
3 will when the interest was assigned or when the charging
4 order was issued.

5 § 8355. Effect of dissolution on authority of partner.

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

10 (1) With respect to the partners:

11 (i) when the dissolution is not by the act,
12 bankruptcy or death of a partner; or

13 (ii) when the dissolution is by the act, bankruptcy
14 or death of a partner, in cases where section 8356
15 (relating to right of partner to contribution from
16 copartners) so requires.

17 (2) With respect to persons not partners, as declared in
18 section 8357 (relating to power of partner to bind
19 partnership to third persons).

20 § 8356. Right of partner to contribution from copartners.

21 Where the dissolution is caused by the act, death or
22 bankruptcy of a partner, each partner is liable to his
23 copartners for his share of any liability created by any partner
24 acting for the partnership as if the partnership had not been
25 dissolved unless:

26 (1) the dissolution being by act of any partner, the
27 partner acting for the partnership had knowledge of the
28 dissolution; or

29 (2) the dissolution being by the death or bankruptcy of
30 a partner, the partner acting for the partnership had

1 knowledge or notice of the death or bankruptcy.

2 § 8357. Power of partner to bind partnership to third persons.

3 (a) General rule.--After dissolution, a partner can bind the
4 partnership, except as provided in subsection (c):

5 (1) By any act appropriate for winding up partnership
6 affairs or completing transactions unfinished at dissolution.

7 (2) By any transaction which would bind the partnership
8 if dissolution had not taken place if the other party to the
9 transaction:

10 (i) had extended credit to the partnership prior to
11 dissolution and had no knowledge or notice of the
12 dissolution; or

13 (ii) though he had not so extended credit, had
14 nevertheless known of the partnership prior to
15 dissolution, and having no knowledge or notice of
16 dissolution, and the fact of dissolution had not been
17 advertised in a newspaper of general circulation in the
18 place (or in each place, if more than one) at which the
19 partnership business was regularly carried on, and in the
20 legal periodical, if any, designated by rule of court in
21 such place or places for the publication of legal
22 notices.

23 (b) Use of partnership assets.--The liability of a partner
24 under subsection (a)(2) shall be satisfied out of partnership
25 assets alone when the partner had been, prior to dissolution:

26 (1) unknown as a partner to the persons with whom the
27 contract is made; and

28 (2) so far unknown and inactive in partnership affairs
29 that the business reputation of the partnership could not be
30 said to have been in any degree due to his connection with

1 it.

2 (c) Restrictions on post dissolution authority of partner.--

3 The partnership is in no case bound by any act of a partner
4 after dissolution:

5 (1) where the partnership is dissolved because it is
6 unlawful to carry on the business unless the act is
7 appropriate for winding up partnership affairs;

8 (2) where the partner has become bankrupt; or

9 (3) where the partner has no authority to wind up
10 partnership affairs except by a transaction with one who:

11 (i) had extended credit to the partnership prior to
12 dissolution, and had no knowledge or notice of his want
13 of authority; or

14 (ii) had not extended credit to the partnership
15 prior to dissolution, and, having no knowledge or notice
16 of his want of authority, and the fact of his want of
17 authority has not been advertised in the manner provided
18 for advertising the fact of dissolution in subsection
19 (a)(2)(ii).

20 (d) Partner by estoppel.--Nothing in this section shall
21 affect the liability under section 8328 (relating to partner by
22 estoppel) of any person who, after dissolution, represents
23 himself, or consents to another representing him, as a partner
24 in a partnership engaged in carrying on business.

25 § 8358. Effect of dissolution on existing liability of partner.

26 (a) General rule.--The dissolution of the partnership does
27 not of itself discharge the existing liability of any partner.

28 (b) Agreement.--A partner is discharged from any existing
29 liability upon dissolution of the partnership by an agreement to
30 that effect between himself, the partnership creditor and the

1 person or partnership continuing the business. The agreement may
2 be inferred from the course of dealing between the creditor
3 having knowledge of the dissolution and the person or
4 partnership continuing the business.

5 (c) Assumption of obligation.--Where a person agrees to
6 assume the existing obligations of a dissolved partnership, the
7 partners whose obligations have been assumed shall be discharged
8 from any liability to any creditor of the partnership who,
9 knowing of the agreement, consents to a material alteration in
10 the nature or time of payment of the obligations.

11 (d) Individual property.--The individual property of a
12 deceased partner shall be liable for all obligations of the
13 partnership incurred while he was a partner but subject to the
14 prior payment of his separate debts.

15 § 8359. Right to wind up affairs.

16 Unless otherwise agreed, the partners who have not wrongfully
17 dissolved the partnership, or the legal representative of the
18 last surviving partner, not bankrupt, has the right to wind up
19 the partnership affairs except that any partner, his legal
20 representative or his assignee, upon cause shown, may obtain
21 winding up by the court.

22 § 8360. Rights of partners to application of partnership
23 property.

24 (a) General rule.--When dissolution is caused in any way,
25 except in contravention of the partnership agreement, each
26 partner, as against his copartners and all persons claiming
27 through them in respect of their interests in the partnership,
28 unless otherwise agreed, may have the partnership property
29 applied to discharge its liabilities and the surplus applied to
30 pay in cash the net amount owing to the respective partners. But

1 if dissolution is caused by expulsion of a partner, bona fide
2 under the partnership agreement, and if the expelled partner is
3 discharged from all partnership liabilities, either by payment
4 or agreement under section 8358(b) (relating to effect of
5 dissolution on existing liability of partner), he shall receive
6 in cash only the net amount due him from the partnership.

7 (b) Dissolution in contravention of agreement.--When
8 dissolution is caused in contravention of the partnership
9 agreement, the rights of the partners shall be as follows:

10 (1) Each partner who has not caused dissolution
11 wrongfully shall have:

12 (i) All the rights specified in subsection (a).

13 (ii) The right, as against each partner who has
14 caused the dissolution wrongfully, to damages for breach
15 of the agreement.

16 (2) The partners who have not caused the dissolution
17 wrongfully, if they all desire to continue the business in
18 the same name, either by themselves or jointly with others,
19 may do so, during the agreed term for the partnership, and
20 for that purpose may possess the partnership property, if
21 they secure the payment by bond approved by the court, or pay
22 to any partner who has caused the dissolution wrongfully, the
23 value of his interest in the partnership at the dissolution,
24 less any damages recoverable under paragraph (1)(ii), and in
25 like manner indemnify him against all present or future
26 partnership liabilities.

27 (3) A partner who has caused the dissolution wrongfully
28 shall have:

29 (i) If the business is not continued under the
30 provisions of paragraph (2), all the rights of a partner

1 under subsection (a) subject to paragraph (1)(ii).

2 (ii) If the business is continued under paragraph
3 (2), the right, as against his copartners and all
4 claiming through them in respect of their interests in
5 the partnership, to have the value of his interest in the
6 partnership, less any damages caused to his copartners by
7 the dissolution, ascertained and paid to him in cash, or
8 the payment secured by bond approved by the court, and to
9 be released from all existing liabilities of the
10 partnership but, in ascertaining the value of the
11 interest of the partner, the value of the goodwill of the
12 business shall not be considered.

13 § 8361. Rights after dissolution for fraud or
14 misrepresentation.

15 Where a partnership contract is rescinded on the ground of
16 the fraud or misrepresentation of one of the parties thereto,
17 the party entitled to rescind is, without prejudice to any other
18 right, entitled:

19 (1) To a lien on, or right of retention of, the surplus
20 of the partnership property, after satisfying the partnership
21 liabilities to third persons, for any sum of money paid by
22 him for the purchase of an interest in the partnership and
23 for any capital or advances contributed by him.

24 (2) To stand, after all liabilities to third persons
25 have been satisfied, in the place of the creditors of the
26 partnership for any payments made by him in respect of the
27 partnership liabilities.

28 (3) To be indemnified by the person guilty of the fraud
29 or making the representation against all debts and
30 liabilities of the partnership.

1 § 8362. Rules for distribution.

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

5 (1) The assets of the partnership are:

6 (i) The partnership property.

7 (ii) The contributions of the partners necessary for
8 the payment of all the liabilities specified in paragraph
9 (2).

10 (2) The liabilities of the partnership shall rank, in
11 order of payment, as follows:

12 (i) Those owing to creditors other than partners.

13 (ii) Those owing to partners other than for capital
14 and profits.

15 (iii) Those owing to partners in respect of capital.

16 (iv) Those owing to partners in respect of profits.

17 (3) The assets shall be applied, in order of their
18 declaration in paragraph (1), to the satisfaction of the
19 liabilities.

20 (4) The partners shall contribute, as provided by
21 section 8331(1) (relating to rules determining rights and
22 duties of partners), the amount necessary to satisfy the
23 liabilities but if any, but not all, of the partners are
24 insolvent or, not being subject to process, refuse to
25 contribute, the other partners shall contribute their share
26 of the liabilities and, in the relative proportions in which
27 they share the profits, the additional amount necessary to
28 pay the liabilities.

29 (5) An assignee for the benefit of creditors, or any
30 person appointed by the court, shall have the right to

1 enforce the contributions specified in paragraph (4).

2 (6) Any partner or his legal representative shall have
3 the right to enforce the contributions specified in paragraph
4 (4) to the extent of the amount which he has paid in excess
5 of his share of the liability.

6 (7) The individual property of a deceased partner shall
7 be liable for the contributions specified in paragraph (4).

8 (8) When partnership property and the individual
9 properties of the partners are in the possession of a court
10 for distribution, partnership creditors shall have priority
11 on partnership property, and separate creditors on individual
12 property, saving the rights of lien or secured creditors as
13 heretofore.

14 (9) Where a partner has become bankrupt or his estate is
15 insolvent, the claims against his separate property shall
16 rank in the following order:

17 (i) Those owing to separate creditors.

18 (ii) Those owing to partnership creditors.

19 (iii) Those owing to partners by way of
20 contribution.

21 § 8363. Liability of persons continuing the business.

22 (a) Admission or retirement of a partner.--When any new
23 partner is admitted into an existing partnership or when any
24 partner retires and assigns (or the representative of the
25 deceased partner assigns) his rights in partnership property to
26 two or more of the partners, or to one or more of the partners
27 and one or more third persons, if the business is continued
28 without liquidation of the partnership affairs, creditors of the
29 first or dissolved partnership are also creditors of the
30 partnership so continuing the business.

1 (b) Retirement of all but one partner.--When all but one
2 partner retire and assign (or the representative of a deceased
3 partner assigns) their rights in partnership property to the
4 remaining partner who continues the business without liquidation
5 of partnership affairs, either alone or with others, creditors
6 of the dissolved partnership are also creditors of the person or
7 partnership so continuing the business.

8 (c) Retirement or death without assignment of rights.--When
9 any partner retires or dies and the business of the dissolved
10 partnership is continued as set forth in subsections (a) and (b)
11 with the consent of the retired partners or the representative
12 of the deceased partner, but without any assignment of his right
13 in partnership property, rights of creditors of the dissolved
14 partnership and of the creditors of the person or partnership
15 continuing the business shall be as if the assignment had been
16 made.

17 (d) Assignment of rights of all partners.--When all the
18 partners or their representatives assign their rights in
19 partnership property to one or more third persons who promise to
20 pay the debts and who continue the business of the dissolved
21 partnership, creditors of the dissolved partnership are also
22 creditors of the person or partnership continuing the business.

23 (e) Wrongful dissolution by partner.--When any partner
24 wrongfully causes a dissolution and the remaining partners
25 continue the business under the provisions of section 8360(b)(2)
26 (relating to dissolution in contravention of agreement), either
27 alone or with others and without liquidation of the partnership
28 affairs, creditors of the dissolved partnership are also
29 creditors of the person or partnership continuing the business.

30 (f) Expulsion of partner.--When a partner is expelled and

1 the remaining partners continue the business, either alone or
2 with others and without liquidation of the partnership affairs,
3 creditors of the dissolved partnership are also creditors of the
4 person or partnership continuing the business.

5 (g) Limitation on liability of new partner.--The liability
6 of a third person becoming a partner in the partnership
7 continuing the business under this section to the creditors of
8 the dissolved partnership shall be satisfied out of partnership
9 property only.

10 (h) Priority of claims of creditors.--When the business of a
11 partnership after dissolution is continued under any conditions
12 set forth in this section, the creditors of the dissolved
13 partnership, as against the separate creditors of the retiring
14 or deceased partner or the representative of the deceased
15 partner, have a prior right to any claim of the retired partner
16 or the representative of the deceased partner against the person
17 or partnership continuing the business on account of the
18 interest of the retired or deceased partner in the dissolved
19 partnership or on account of any consideration promised for that
20 interest or for his right in partnership property.

21 (i) Setting aside assignment for fraud.--Nothing in this
22 section shall be held to modify any right of creditors to set
23 aside any assignment on the ground of fraud.

24 (j) Effect of use of name of deceased partner.--The use by
25 the person or partnership continuing the business of the
26 partnership name, or the name of a deceased partner as part
27 thereof, shall not of itself make the individual property of the
28 deceased partner liable for any debts contracted by that person
29 or partnership.

30 § 8364. Rights of retiring partner or estate of deceased

1 partner when business is continued.

2 When any partner retires or dies and the business is
3 continued under any of the conditions set forth in section
4 8360(b)(2) (relating to dissolution in contravention of
5 agreement) or 8363(a), (b), (c), (e) and (f) (relating to
6 liability of persons continuing the business) without any
7 settlement of accounts as between him or his estate and the
8 person or partnership continuing the business, unless otherwise
9 agreed, he or his legal representative as against such persons
10 or partnership may have the value of his interest at the date of
11 dissolution ascertained and shall receive as an ordinary
12 creditor an amount equal to the value of his interest in the
13 dissolved partnership with interest or, at his option or at the
14 option of his legal representative, in lieu of interest, the
15 profits attributable to the use of his right in the property of
16 the dissolved partnership except that the creditors of the
17 dissolved partnership, as against the separate creditors or the
18 representative of the retired or deceased partner, shall have
19 priority on any claim arising under this section as provided by
20 section 8363(h).

21 § 8365. Accrual of right to account.

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

27 CHAPTER 85

28 LIMITED PARTNERSHIPS

29 Subchapter

30 A. Preliminary Provisions

1 (a) General rule.--Limited partnerships formed under the
2 former provisions of the following statutes shall be governed by
3 this chapter:

4 (1) Act of March 21, 1836 (P.L.143, No.51), relating to
5 limited partnerships.

6 (2) Act of April 12, 1917 (P.L.55, No.37), known as The
7 Uniform Limited Partnership Act.

8 (3) Former 59 Pa.C.S. Ch. 5 (relating to limited
9 partnerships) as added by the act of December 19, 1975
10 (P.L.524, No.155).

11 (b) Transitional provision.--All provisions of this chapter
12 shall be applicable to a limited partnership formed under prior
13 law except that the following provisions shall be applicable to
14 the partnership only as follows:

15 (1) Sections 8541 (relating to form of contributions),
16 8542 (relating to liability for contributions) and 8558
17 (relating to liability upon return of contribution) apply
18 only to contributions and distributions made after the
19 limited partnership becomes subject to this chapter.

20 (2) Section 8564 (relating to right of assignee to
21 become limited partner) applies only to assignments made
22 after the limited partnership becomes subject to this
23 chapter.

24 § 8503. Definitions.

25 The following words and phrases when used in this chapter
26 shall have the meanings given to them in this section unless the
27 context clearly indicates otherwise:

28 "Certificate of limited partnership." The certificate
29 referred to in section 8511 (relating to certificate of limited
30 partnership) and the certificate as amended. The term includes

1 any other statements or certificates permitted or required to be
2 filed in the Department of State by sections 108 (relating to
3 change in location or status of registered office provided by
4 agent) and 138 (relating to statement of correction) or this
5 chapter. If an amendment of the certificate of limited
6 partnership made in the manner permitted by this chapter
7 restates the certificate in its entirety, thenceforth the
8 "certificate of limited partnership" shall not include any prior
9 documents and any certificate issued by the department with
10 respect thereto shall so state.

11 "Contribution." Any cash, tangible or intangible property,
12 services rendered or a promissory note or other binding
13 obligation to contribute cash or tangible or intangible property
14 or to perform services that a partner contributes to a limited
15 partnership in his capacity as a partner.

16 "Court." Subject to any inconsistent general rule prescribed
17 by the Supreme Court of Pennsylvania:

18 (1) the court of common pleas of the judicial district
19 embracing the county where the registered office of the
20 limited partnership is or is to be located; or

21 (2) where a limited partnership withdraws as a foreign
22 limited partnership, the court of common pleas in which venue
23 would have been laid immediately prior to the withdrawal.

24 "Department." The Department of State of the Commonwealth.

25 "Event of withdrawal of a general partner." An event that
26 causes a person to cease to be a general partner as provided in
27 section 8532 (relating to events of withdrawal).

28 "Except as otherwise provided." When used to introduce or
29 modify a rule, implies that the alternative provisions
30 contemplated may either relax or restrict the stated rule.

1 "Foreign limited partnership." A partnership formed under
2 the laws of any jurisdiction other than this Commonwealth and
3 having as partners one or more general partners and one or more
4 limited partners, whether or not required to register under
5 Subchapter J (relating to foreign limited partnerships).

6 "General partner." A person who has been admitted to a
7 limited partnership as a general partner in accordance with the
8 partnership agreement and named in the certificate of limited
9 partnership as a general partner.

10 "Limited partner." A person who has been admitted to a
11 limited partnership as a limited partner in accordance with the
12 partnership agreement.

13 "Limited partnership" and "domestic limited partnership." A
14 partnership formed by two or more persons under the laws of this
15 Commonwealth and having one or more general partners and one or
16 more limited partners.

17 "Nonqualified foreign limited partnership." A foreign
18 limited partnership that is not a qualified foreign limited
19 partnership as defined in this section.

20 "Obligation." Includes a note or other form of indebtedness,
21 whether secured or unsecured.

22 "Partner." A limited or general partner.

23 "Partnership agreement." Any valid agreement, written or
24 oral, of the partners as to the affairs of a limited partnership
25 and the conduct of its business.

26 "Partnership interest." A partner's share of the profits and
27 losses of a limited partnership and the right to receive
28 distributions of partnership assets.

29 "Qualified foreign limited partnership." A foreign limited
30 partnership that is registered under Subchapter J (relating to

1 foreign limited partnerships) to do business in this
2 Commonwealth.

3 "Registered investment company." A domestic or foreign
4 limited partnership that is registered as an investment company
5 under the Investment Company Act of 1940 (54 Stat. 789, 15
6 U.S.C. § 80a-1 et seq.).

7 "Registered office." That office maintained by a domestic or
8 foreign limited partnership in this Commonwealth, the address of
9 which is filed with the Department of State. See section 109
10 (relating to name of commercial registered office provider in
11 lieu of registered address).

12 § 8504. Rules for cases not provided for in this chapter.

13 In any case not provided for in this chapter, the provisions
14 of Chapter 83 (relating to general partnerships) govern.

15 § 8505. Name.

16 (a) General rule.--The name of each limited partnership as
17 set forth in its certificate of limited partnership:

18 (1) Shall be expressed in Roman letters or characters or
19 Arabic or Roman numerals.

20 (2) Shall not be one rendered unavailable to use by a
21 corporation by any provision of section 1303(b) and (c)
22 (relating to corporate name).

23 (3) Shall not contain the name of a limited partner
24 unless:

25 (i) it is also the name of a general partner or the
26 corporate name of a corporate general partner; or

27 (ii) the business of the limited partnership had
28 been carried on under that name before the admission of
29 the limited partner.

30 (b) Reservation of name.--The exclusive right to the use of

1 a name for purposes of this chapter may be reserved and
2 transferred in the manner provided by section 1305 (relating to
3 reservation of corporate name).

4 § 8506. Registered office.

5 (a) General rule.--Every limited partnership shall have and
6 continuously maintain in this Commonwealth a registered office
7 which may, but need not, be the same as its place of business.

8 (b) Change of registered office.--After formation, a change
9 in the location of the registered office may be effected at any
10 time by the limited partnership. Before the change becomes
11 effective, the limited partnership shall amend its certificate
12 of limited partnership under the provisions of this chapter to
13 reflect the change in location, or shall file in the Department
14 of State a statement of change of registered office setting
15 forth:

16 (1) The name of the limited partnership.

17 (2) The address, including street and number, if any, of
18 its then registered office.

19 (3) The address, including street and number, if any, to
20 which the registered office is to be changed.

21 (c) Alternative procedure.--A limited partnership may
22 satisfy the requirements of this chapter concerning the
23 maintenance of a registered office in this Commonwealth by
24 setting forth in any document filed in the department under any
25 provision of this chapter that permits or requires the statement
26 of the address of its then registered office, in lieu of that
27 address, the statement authorized by section 109(a) (relating to
28 name of commercial registered office provider in lieu of
29 registered address).

30 (d) Cross reference.--See sections 108 (relating to change

1 in location or status of registered office provided by agent),
2 134 (relating to docketing statement), 8512 (relating to
3 amendment of certificate) and 8514 (relating to execution of
4 certificates and statements).

5 § 8507. Records to be kept.

6 (a) General rule.--Each limited partnership shall keep at
7 the registered office of the limited partnership in this
8 Commonwealth or at its principal place of business, wherever
9 situated, the following:

10 (1) A current list of the full name and last known
11 business address of each partner, separately identifying the
12 general partners (in alphabetical order) and the limited
13 partners (in alphabetical order).

14 (2) A copy of the certificate of limited partnership and
15 all certificates of amendment thereto, together with executed
16 copies of any powers of attorney pursuant to which any
17 certificate has been executed.

18 (3) Copies of the limited partnership's Federal, State
19 and local income tax returns and reports, if any, for the
20 three most recent years.

21 (4) Copies of any then effective written partnership
22 agreements and of any financial statements of the limited
23 partnership for the three most recent years.

24 (b) Inspection and copying.--Records kept under this section
25 are subject to inspection and copying at the reasonable request,
26 and at the expense, of any partner during ordinary business
27 hours.

28 (c) Cross reference.--See section 8525 (relating to
29 information).

30 § 8508. Business that may be carried on.

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

3 § 8509. Business transactions of partner with limited
4 partnership.

5 Except as otherwise provided in the partnership agreement, a
6 partner may lend money to and transact other business with the
7 limited partnership and, subject to other applicable law, has
8 the same rights and obligations with respect thereto as a person
9 who is not a partner.

10 § 8510. Indemnification.

11 Subject to such standards and restrictions, if any, as are
12 set forth in the partnership agreement, a limited partnership
13 may, and shall have the power to, indemnify and hold harmless
14 any partner or other person from and against any and all claims
15 and demands whatsoever.

16 SUBCHAPTER B

17 FORMATION; CERTIFICATE OF LIMITED PARTNERSHIP

18 Sec.

19 8511. Certificate of limited partnership.

20 8512. Amendment of certificate.

21 8513. Cancellation of certificate.

22 8514. Execution of certificates and statements.

23 8515. Execution by judicial act.

24 8516. Effect of filing in Department of State.

25 8517. Liability for false statement in certificate.

26 8518. Notice.

27 8519. Delivery of filed documents to limited partners.

28 8520. Filing of certificate of summary of record by limited
29 partnerships formed prior to 1976.

30 § 8511. Certificate of limited partnership.

1 (a) General rule.--In order to form a limited partnership, a
2 certificate of limited partnership must be executed and filed in
3 the Department of State. The certificate shall set forth:

4 (1) The name of the limited partnership.

5 (2) Subject to section 109 (relating to name of
6 commercial registered office provider in lieu of registered
7 address), the address, including street and number, if any,
8 of its registered office.

9 (3) The name and business address of each general
10 partner.

11 (4) Any other matters the partners determine to include
12 therein. A provision included in the certificate of limited
13 partnership pursuant to this paragraph shall be deemed to be
14 a provision of the partnership agreement for purposes of any
15 provision of this chapter that refers to a rule as set forth
16 in the partnership agreement.

17 (b) Effective date of formation.--A limited partnership is
18 formed at the time of the filing of the certificate of limited
19 partnership in the department or at any later time specified in
20 the certificate of limited partnership if, in either case, there
21 has been substantial compliance with the requirements of this
22 section or the corresponding provisions of prior law.

23 (c) Duties of recorders of deeds.--Each recorder of deeds
24 shall continue to keep open for public inspection the record of
25 limited partnership certificates recorded under the statutes
26 supplied by this chapter and by prior law.

27 (d) Cross references.--See sections 134 (relating to
28 docketing statement) and 8514 (relating to execution of
29 certificates and statements).

30 § 8512. Amendment of certificate.

1 (a) General rule.--A certificate of limited partnership is
2 amended by filing a certificate of amendment thereto and, if
3 required by section 8520 (relating to filing of certificate of
4 summary of record by limited partnerships formed prior to 1976),
5 a certificate of summary of record in the Department of State.
6 The certificate of amendment shall set forth:

7 (1) The name of the limited partnership.

8 (2) The date of filing of the original certificate.

9 (3) The amendment to the certificate.

10 (4) If the amendment is to be effective on a specified
11 date, the hour, if any, and the month, day and year of the
12 effective date.

13 (b) Events requiring amendment.--An amendment to a
14 certificate of limited partnership shall be filed upon the
15 occurrence of any of the following events:

16 (1) A change in the name of the limited partnership.

17 (2) The admission of a new general partner.

18 (3) The withdrawal of a general partner.

19 (4) The continuation of the business under section 8571
20 (relating to nonjudicial dissolution) after an event of
21 withdrawal of a general partner.

22 (c) Duty of a general partner.--A general partner who
23 becomes aware that any statement in a certificate of limited
24 partnership was false when made or that any arrangements or
25 other facts described have changed, making the certificate
26 inaccurate in any respect, shall promptly amend the certificate.

27 (d) Other changes.--A certificate of limited partnership may
28 be amended at any time for any other proper purpose the general
29 partners may determine, including a restatement of the
30 certificate in its entirety, omitting any matter that is

1 obsolete or no longer required.

2 (e) Effectiveness of certificate of amendment.--Upon the
3 filing of the certificate of amendment in the department or upon
4 the effective date specified in the certificate of amendment,
5 whichever is later, the certificate of amendment shall become
6 effective and the certificate of limited partnership shall be
7 deemed to be amended accordingly.

8 (f) Cross references.--See sections 134 (relating to
9 docketing statement), 8514 (relating to execution of
10 certificates and statements) and 8517 (relating to liability for
11 false statement in certificate).

12 § 8513. Cancellation of certificate.

13 (a) General rule.--A certificate of limited partnership
14 shall be canceled upon the dissolution and the commencement of
15 winding up of the limited partnership or at any other time there
16 are no limited partners. A certificate of cancellation shall be
17 filed in the Department of State and shall set forth:

18 (1) The name of the limited partnership.

19 (2) The date of filing of its original certificate of
20 limited partnership.

21 (3) The reason for filing the certificate of
22 cancellation.

23 (4) The effective date (which shall be a date certain)
24 of cancellation if it is not to be effective upon the filing
25 of the certificate.

26 (5) Any other information the general partners filing
27 the certificate determine.

28 (b) Cross references.--See sections 134 (relating to
29 docketing statement) and 8514 (relating to execution of
30 certificates and statements).

1 § 8514. Execution of certificates and statements.

2 (a) General rule.--Each certificate or statement required or
3 permitted by this chapter to be filed in the Department of State
4 shall be executed in the following manner:

5 (1) An original certificate of limited partnership must
6 be signed by all general partners named therein.

7 (2) A certificate of amendment must be signed by at
8 least one general partner and by each other general partner
9 designated in the certificate as a new general partner.

10 (3) A certificate of cancellation must be signed by all
11 general partners or, if there is no general partner, by a
12 majority in interest of the limited partners.

13 (4) A statement of change of registered office must be
14 signed by a general partner.

15 (5) A certificate of summary of record must be signed by
16 all general partners.

17 (6) A certificate of withdrawal must be signed by the
18 person withdrawing.

19 (7) An application for registration as a foreign limited
20 partnership must be signed by a general partner.

21 (8) A certificate of amendment of registration of a
22 foreign limited partnership must be signed by a general
23 partner.

24 (9) A certificate of cancellation of registration of a
25 foreign limited partnership must be signed by a general
26 partner.

27 (b) Attorney-in-fact.--Any person may sign a certificate or
28 statement by an attorney-in-fact or fiduciary. It shall not be
29 necessary to present to or file in the department the original
30 or a copy of any document evidencing the authority of an

1 attorney-in-fact or fiduciary.

2 § 8515. Execution by judicial act.

3 (a) General rule.--If a person required by this chapter to
4 execute any certificate or statement fails or refuses to do so,
5 any other person who is adversely affected by the failure or
6 refusal may petition the court to direct the execution of the
7 certificate or statement. If the court finds that it is proper
8 for the certificate or statement to be executed and that any
9 person so designated has failed or refused to execute the
10 certificate or statement, it shall order the Department of State
11 to record an appropriate certificate or statement. The clerk of
12 the court shall file a certified copy of the order in the
13 department.

14 (b) Cross reference.--See section 134 (relating to docketing
15 statement).

16 § 8516. Effect of filing in Department of State.

17 Upon the filing of a certificate of amendment (or judicial
18 order of amendment) in the Department of State, the certificate
19 of limited partnership shall be amended as set forth therein
20 and, upon the effective date of a certificate of cancellation
21 (or a judicial order thereof), the certificate of limited
22 partnership shall be canceled.

23 § 8517. Liability for false statement in certificate.

24 If any certificate of limited partnership or certificate of
25 amendment or cancellation contains a materially false statement,
26 one who suffers loss by reasonable reliance on the statement may
27 recover damages for the loss from:

28 (1) any person who executes the certificate, or causes
29 another to execute it on his behalf, and knew, and any
30 general partner who knew or should have known, the statement

1 to be false in any material respect at the time the
2 certificate was executed; and

3 (2) any general partner who thereafter knows or should
4 have known that any arrangement or other fact described in
5 the certificate has changed, making the statement inaccurate
6 in any material respect within a sufficient time before the
7 statement was relied upon reasonably to have enabled that
8 general partner to cancel or amend the certificate, or to
9 file an application for its cancellation or amendment under
10 section 8515 (relating to execution by judicial act).

11 § 8518. Notice.

12 The fact that a certificate of limited partnership is on file
13 in the Department of State is notice that the partnership is a
14 limited partnership and that all partners are limited partners
15 except the persons designated therein as general partners, but
16 it is not notice of any other fact.

17 § 8519. Delivery of filed documents to limited partners.

18 Upon the return by the Department of State pursuant to
19 section 136 (relating to processing of documents by Department
20 of State) of a certificate or statement marked "Filed," the
21 general partners shall promptly deliver or mail a copy of the
22 original certificate of limited partnership and each certificate
23 of amendment or cancellation or other certificate or statement
24 required or permitted to be filed under this chapter to each
25 limited partner except as otherwise provided in the partnership
26 agreement.

27 § 8520. Filing of certificate of summary of record by limited
28 partnerships formed prior to 1976.

29 (a) General rule.--Any limited partnership that was not
30 formed under this chapter, has never made any filing under this

1 section or corresponding provisions of prior law and desires to
2 file any document in the Department of State under any other
3 provision of this chapter or that desires to secure from the
4 department a certified copy of the certificate of limited
5 partnership shall file in the department a certificate of
6 summary of record which shall set forth:

7 (1) The name of the limited partnership.

8 (2) Subject to section 109 (relating to name of
9 commercial registered office provider in lieu of registered
10 address), the address, including street and number, if any,
11 of its registered office.

12 (3) The statute under which the limited partnership was
13 formed.

14 (4) The name under which, and the date on which, the
15 limited partnership was originally formed, including the date
16 when and the place where the original certificate was
17 recorded.

18 (5) The place or places, including the volume and page
19 numbers or their equivalent, where the documents constituting
20 the currently effective certificate are recorded, the date or
21 dates of each recording and the text of the currently
22 effective certificate. The information specified in this
23 paragraph may be omitted in a certificate of summary of
24 record that is delivered to the department contemporaneously
25 with an amended certificate filed under this chapter that
26 restates the certificate in its entirety.

27 (6) Each name by which the limited partnership was
28 known, if any, other than its original name and its current
29 name and the date or dates on which each change of name of
30 the partnership became effective.

(b) Cross references.--See sections 134 (relating to docketing statement) and 8514 (relating to execution of certificates and statements).

SUBCHAPTER C

LIMITED PARTNERS

Sec.

8521. Admission of limited partners.

8522. Classes of limited partners.

8523. Liability to third parties.

8524. Person erroneously believing himself limited partner.

8525. Information.

§ 8521. Admission of limited partners.

(a) Date of admission.--A person becomes a limited partner on the later of:

(1) the date the limited partnership is formed; or

(2) the date stated in the records of the limited partnership as the date that person becomes a limited partner.

(b) Admission of additional limited partners.--After the filing of the original certificate of limited partnership, a person may be admitted as an additional limited partner:

(1) In the case of a person acquiring a partnership interest directly from the limited partnership, upon the compliance with the partnership agreement or, if the partnership agreement does not so provide, upon the consent of all partners.

(2) In the case of an assignee of a partnership interest of a partner who has the power as provided in section 8564 (relating to right of assignee to become limited partner) to grant the assignee the right to become a limited partner,

1 upon the exercise of that power and compliance with any
2 conditions limiting the grant or exercise of the power.

3 (3) In the case of an assignee of a partnership
4 interest, regardless of whether the assignee has been granted
5 the right to become a limited partner as provided in section
6 8564(a)(1), at the time or upon the happening of events
7 specified in the partnership agreement.

8 § 8522. Classes of limited partners.

9 (a) General rule.--A partnership agreement may provide for
10 classes or groups of limited partners having such relative
11 rights, powers and duties as the partnership agreement may
12 provide and may make provision for the future creation in the
13 manner provided in the partnership agreement of additional
14 classes or groups of limited partners having such relative
15 rights, powers and duties as may from time to time be
16 established, including rights, powers and duties senior to
17 existing classes and groups of limited partners.

18 (b) Class voting.--Subject to section 8523 (relating to
19 liability to third parties), the partnership agreement may grant
20 to all or certain identified limited partners or a specified
21 class or group of the limited partners the right to vote (on a
22 per capita or other basis), separately or with all or any class
23 or group of the limited partners or the general partners, upon
24 any matter.

25 (c) Notice, record date, etc.--A partnership agreement that
26 grants a right to vote may set forth provisions relating to
27 notice of the time, place or purpose of any meeting at which any
28 matter is to be voted on by any limited partners, waiver of any
29 such notice, action by consent without a meeting, the
30 establishment of a record date, quorum requirements, voting in

1 person or by proxy, or any other matter with respect to the
2 exercise of any such right to vote.

3 § 8523. Liability to third parties.

4 (a) General rule.--Except as provided in subsection (d), a
5 limited partner is not liable for the obligations of a limited
6 partnership unless he is also a general partner or, in addition
7 to the exercise of his rights and powers as a limited partner,
8 he participates in the control of the business. However, if the
9 limited partner participates in the control of the business, he
10 is liable only to persons who transact business with the limited
11 partnership reasonably believing, based upon the conduct of the
12 limited partner, that the limited partner is a general partner.

13 (b) Activities compatible with limited partner status.--A
14 limited partner does not participate in the control of the
15 business within the meaning of subsection (a) solely by doing
16 one or more of the following:

17 (1) Being a contractor for, or an agent or employee of
18 the limited partnership or of a general partner, or being an
19 officer, director, trustee or shareholder of a general
20 partner.

21 (2) Consulting with and advising a general partner with
22 respect to any matter, including the business of the limited
23 partnership.

24 (3) Acting as surety for the limited partnership, or
25 guaranteeing, endorsing or assuming one or more specific
26 obligations of the limited partnership, or providing
27 collateral for the limited partnership.

28 (4) Taking any action required or permitted by law to
29 bring or pursue a derivative action in the right of the
30 limited partnership.

- 1 (5) Requesting or attending a meeting of partners.
- 2 (6) Proposing, approving or disapproving, by voting or
3 otherwise, one or more of the following matters:
- 4 (i) The dissolution and winding up of the limited
5 partnership.
- 6 (ii) The sale, exchange, lease, mortgage, pledge or
7 other transfer of, or the grant of a security interest
8 in, any asset or assets of the limited partnership.
- 9 (iii) The incurrence, renewal, refinancing or
10 payment or other discharge of indebtedness by the limited
11 partnership.
- 12 (iv) A change in the nature of the business.
- 13 (v) The admission or removal of a general partner.
- 14 (vi) The admission or removal of a limited partner.
- 15 (vii) A transaction involving an actual or potential
16 conflict of interest between a general partner and the
17 limited partnership or the limited partners.
- 18 (viii) An amendment to the partnership agreement or
19 certificate of limited partnership.
- 20 (ix) Matters related to the business of the limited
21 partnership not otherwise enumerated in this subsection,
22 which the partnership agreement states in writing may be
23 subject to the approval or disapproval of limited
24 partners.
- 25 (7) Applying for dissolution of the partnership pursuant
26 to section 8572 (relating to judicial dissolution).
- 27 (8) Winding up the limited partnership pursuant to
28 section 8573 (relating to winding up).
- 29 (9) In the case of a registered investment company,
30 voting on one or more of the following matters:

1 (i) The approval or termination of investment
2 advisory or underwriting contracts.

3 (ii) The approval of auditors.

4 (iii) Any other matter that by reason of the
5 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. §
6 80a-1 et seq.) the general partners consider to be a
7 proper matter for the vote of the holders of voting
8 securities or beneficial interests in the limited
9 partnership.

10 (10) Serving on a committee of the limited partnership
11 or the limited partners.

12 (11) Exercising any right or power permitted to limited
13 partners under this chapter and not specifically enumerated
14 in this subsection.

15 (c) Enumeration nonexclusive.--The enumeration in subsection
16 (b) does not mean that the possession or exercise of any other
17 powers by a limited partner constitutes participation by him in
18 the control of the business of the limited partnership.

19 (d) Use of name.--A limited partner who knowingly permits
20 his name to be used in the name of the limited partnership,
21 except under circumstances permitted by section 8505(a)(3)
22 (relating to name), is liable to creditors who extend credit to
23 the limited partnership without actual knowledge that the
24 limited partner is not a general partner.

25 § 8524. Person erroneously believing himself limited partner.

26 (a) General rule.--Except as provided in subsection (b), a
27 person who makes a contribution to a business enterprise and
28 erroneously but in good faith believes that he has become a
29 limited partner in the enterprise is not a general partner in
30 the enterprise and is not bound by its obligations as a general

1 partner by reason of making the contribution, receiving
2 distributions from the enterprise or exercising any rights of a
3 limited partner if, within a reasonable time after ascertaining
4 the mistake, he:

5 (1) causes an appropriate certificate of limited
6 partnership or a certificate of amendment to be executed and
7 filed; or

8 (2) withdraws from future equity participation in the
9 enterprise by executing and filing in the Department of State
10 a certificate of withdrawal which shall set forth:

11 (i) The name of the limited partnership.

12 (ii) The date of filing of the original certificate.

13 (iii) The name of the person withdrawing.

14 The certificate of withdrawal shall be effective upon filing
15 in the department. The person withdrawing shall send a copy
16 of the filed certificate of withdrawal to the limited
17 partnership.

18 (b) Third party liability.--A person who makes a
19 contribution of the kind described in subsection (a) is liable
20 as a general partner to any third party who transacts business
21 with the enterprise:

22 (1) before the person withdraws and an appropriate
23 certificate is filed to show withdrawal; or

24 (2) before an appropriate certificate or amendment is
25 filed to show that he is not a general partner;

26 but only if the third party actually believed in good faith that
27 the person was a general partner at the time of the transaction,
28 acted in reasonable reliance on that belief and extended credit
29 to the enterprise in reasonable reliance on the credit of the
30 person and, if a certificate of limited partnership has been

1 filed prior to the transaction, the limited partner is
2 erroneously named as a general partner in the certificate or in
3 a certificate of amendment.

4 (c) Cross references.--See sections 134 (relating to
5 docketing statement) and 8514 (relating to execution of
6 certificates and statements).
7 § 8525. Information.

8 (a) General rule.--Each limited partner has the right,
9 subject to such reasonable standards as may be set forth in the
10 partnership agreement, to obtain from the general partners from
11 time to time upon reasonable demand:

12 (1) True and full information regarding the state of the
13 business and financial condition of the limited partnership.

14 (2) Promptly after becoming available, a copy of the
15 Federal, State and local income tax returns for each year of
16 the limited partnership.

17 (3) Other information regarding the affairs of the
18 limited partnership as is just and reasonable.

19 (b) Cross reference.--See section 8507 (relating to records
20 to be kept).

21 SUBCHAPTER D

22 GENERAL PARTNERS

23 Sec.

24 8531. Admission of additional general partners.

25 8532. Events of withdrawal.

26 8533. General powers and liabilities.

27 8534. Contributions by a general partner.

28 8535. Classes of general partners.

29 § 8531. Admission of additional general partners.

30 (a) General rule.--After the filing of the original

1 certificate of limited partnership, additional general partners
2 may be admitted as provided in writing in the partnership
3 agreement or, if the partnership agreement does not provide in
4 writing for the admission of additional general partners, with
5 the written consent of all partners.

6 (b) Cross reference.--See section 8512(b) (relating to
7 events requiring amendment).

8 § 8532. Events of withdrawal.

9 (a) General rule.--A person ceases to be a general partner
10 of a limited partnership upon the happening of any of the
11 following events:

12 (1) The general partner withdraws from the limited
13 partnership as provided in section 8552 (relating to
14 withdrawal of general partner).

15 (2) The general partner ceases to be a member of the
16 limited partnership as provided in section 8562 (relating to
17 assignment of partnership interest).

18 (3) The general partner is removed as a general partner
19 in accordance with the partnership agreement.

20 (4) Except as otherwise provided in writing in the
21 partnership agreement, the general partner:

22 (i) makes an assignment for the benefit of
23 creditors;

24 (ii) files a voluntary petition in bankruptcy;

25 (iii) is adjudicated a bankrupt or insolvent;

26 (iv) files an application or answer seeking for
27 himself any reorganization, arrangement, composition,
28 readjustment, liquidation, dissolution or similar relief
29 under any statute, law or regulation;

30 (v) files an answer or other pleading admitting or

1 failing to contest the material allegations of a petition
2 or application filed against him in any proceeding of a
3 type referred to in subparagraph (ii) or (iv); or

4 (vi) seeks, consents to or acquiesces in the
5 appointment of a trustee, receiver or liquidator of the
6 general partner or of all or any substantial part of his
7 properties.

8 (5) Except as otherwise provided in writing in the
9 partnership agreement, if, within 120 days after the
10 commencement of any proceeding against the general partner
11 seeking reorganization, arrangement, composition,
12 readjustment, liquidation, dissolution or similar relief
13 under any statute, law or regulation, the proceeding has not
14 been dismissed or if, within 90 days after the appointment
15 without his consent or acquiescence of a trustee, receiver or
16 liquidator of the general partner or of all or any
17 substantial part of his properties, the appointment is not
18 vacated or stayed or within 90 days after the expiration of
19 any such stay the appointment is not vacated.

20 (6) In the case of a general partner who is a natural
21 person:

22 (i) his death; or;

23 (ii) the entry of an order by a court of competent
24 jurisdiction adjudicating him incompetent to manage his
25 person or his estate.

26 (7) Except as otherwise provided in the partnership
27 agreement, in the case of a general partner who is acting as
28 a general partner by virtue of being a trustee of a trust,
29 the termination of the trust (but not merely the substitution
30 of a new trustee).

1 (8) In the case of a general partner that is a separate
2 partnership, the dissolution and commencement of winding up
3 of the separate partnership.

4 (9) In the case of a general partner that is a
5 corporation, the filing of articles of dissolution or their
6 equivalent for the corporation or the revocation of its
7 charter.

8 (10) In the case of an estate, the distribution by the
9 fiduciary of the entire interest of the estate in the
10 partnership.

11 (11) In the case of a general partner in a registered
12 investment company, the failure of the partner to be
13 reelected in accordance with the partnership agreement.

14 (b) Certificate of withdrawal.--A person who ceases to be a
15 general partner may file a certificate of withdrawal prepared in
16 conformity with section 8524(a)(2) (relating to person
17 erroneously believing himself limited partner). See sections 134
18 (relating to docketing statement) and 8514 (relating to
19 execution of certificates and statements).

20 § 8533. General powers and liabilities.

21 (a) Powers of a general partner.--Except as otherwise
22 provided in this chapter or in the partnership agreement, a
23 general partner of a limited partnership has the rights and
24 powers and is subject to the restrictions of a partner in a
25 partnership without limited partners.

26 (b) Liabilities of a general partner.--Except as provided in
27 this chapter, a general partner of a limited partnership has the
28 liabilities of a partner in a partnership without limited
29 partners to persons other than the partnership and the other
30 partners. Except as otherwise provided in this chapter or in the

1 partnership agreement, a general partner of a limited
2 partnership has the liabilities of a partner in a partnership
3 without limited partners to the partnership and to the other
4 partners.

5 § 8534. Contributions by a general partner.

6 A general partner of a limited partnership may make
7 contributions to the partnership and share in the profits and
8 losses of, and in distributions from, the limited partnership as
9 a general partner. A general partner also may make contributions
10 to and share in profits, losses and distributions as a limited
11 partner. A person who is both a general partner and a limited
12 partner has the rights and powers, and is subject to the
13 restrictions and liabilities, of a general partner and, except
14 as otherwise provided in the partnership agreement, also has the
15 powers, and is subject to the restrictions, of a limited partner
16 to the extent of his participation in the partnership as a
17 limited partner.

18 § 8535. Classes of general partners.

19 (a) General rule.--A partnership agreement may provide for
20 classes or groups of general partners having such relative
21 rights, powers and duties as the partnership agreement may
22 provide, and may make provision for the future creation in the
23 manner provided in the partnership agreement of additional
24 classes or groups of general partners having such relative
25 rights, powers and duties as may from time to time be
26 established, including rights, powers and duties senior to
27 existing classes and groups of general partners.

28 (b) Class voting.--The partnership agreement may grant to
29 all or certain identified general partners or a specified class
30 or group of general partners the right to vote (on a per capita

1 or any other basis), separately or with all or any class or
2 group of the limited partners or the general partners, on any
3 matter.

4 (c) Notice, record date, etc.--A partnership agreement that
5 grants a right to vote may set forth provisions relating to
6 notice of the time, place or purpose of any meeting at which any
7 matter is to be voted on by any general partner, waiver of any
8 such notice, action by consent without a meeting, the
9 establishment of a record date, quorum requirements, voting in
10 person or by proxy, or any other matter with respect to the
11 exercise of any such right to vote.

12 SUBCHAPTER E

13 FINANCE

14 Sec.

15 8541. Form of contribution.

16 8542. Liability for contributions.

17 8543. Sharing of profits and losses.

18 8544. Sharing of distributions.

19 § 8541. Form of contribution.

20 The contribution of a partner may be in cash, tangible or
21 intangible property or services rendered or a promissory note or
22 other obligation to contribute cash or tangible or intangible
23 property or to perform services.

24 § 8542. Liability for contributions.

25 (a) General rule.--A promise by a limited partner to
26 contribute to the limited partnership is not enforceable unless
27 set out in a writing signed by the limited partner.

28 (b) Obligation to the partnership.--Except as otherwise
29 provided in the partnership agreement, a partner is obligated to
30 the limited partnership to perform any enforceable promise to

1 contribute cash or property or to perform services even if he is
2 unable to perform because of death, disability or any other
3 reason. If a partner does not make the required contribution of
4 property or services, he is obligated at the option of the
5 limited partnership to contribute cash equal to that portion of
6 the value (as stated or determined in the manner provided in
7 writing required by subsection (a) or the partnership agreement,
8 if stated or provided for therein) of the stated contribution
9 that has not been made.

10 (c) Compromise of obligation to contribute.--Except as
11 otherwise provided in the partnership agreement, the obligation
12 of a partner to make a contribution or return money or other
13 property paid or distributed in violation of this chapter may be
14 compromised only by consent of all the partners. Notwithstanding
15 the compromise, a creditor of a limited partnership who extends
16 credit or otherwise acts in reliance on that obligation after
17 the partner signs a writing that reflects the obligation, and
18 before the amendment or cancellation thereof to reflect the
19 compromise, may enforce the original obligation.

20 § 8543. Sharing of profits and losses.

21 The profits and losses of a limited partnership shall be
22 allocated among the partners, and among classes of partners, in
23 the manner provided in writing in the partnership agreement. If
24 the partnership agreement does not so provide in writing,
25 profits and losses shall be allocated on the basis of the value
26 (as stated or determined in the manner provided in the
27 partnership agreement, if stated or provided for therein) of the
28 contributions made by each partner to the extent they have been
29 received by the partnership and have not been returned, and
30 otherwise per capita.

1 § 8544. Sharing of distributions.

2 Distributions of cash or other assets of a limited
3 partnership shall be allocated among the partners, and among
4 classes of partners, in the manner provided in writing in the
5 partnership agreement. If the partnership agreement does not so
6 provide in writing, distributions shall be made on the basis of
7 the value (as stated or determined in the manner provided in the
8 partnership agreement, if stated or provided for therein) of the
9 contributions made by each partner to the extent they have been
10 received by the partnership and have not been returned, and
11 otherwise per capita.

12 SUBCHAPTER F

13 MERGER AND CONSOLIDATION

14 Sec.

15 8545. Merger and consolidation of limited partnerships.

16 § 8545. Merger and consolidation of limited partnerships.

17 (a) General rule.--Pursuant to an agreement, a domestic
18 limited partnership may merge or consolidate with or into one or
19 more limited partnerships formed under the laws of this
20 Commonwealth or any state, with such limited partnership as the
21 agreement shall provide being the surviving or resulting limited
22 partnership.

23 (b) Nonsurviving partnership.--A domestic limited
24 partnership that is not the surviving or resulting limited
25 partnership in the merger or consolidation shall file a
26 certificate of cancellation, which shall have an effective date
27 not later than the effective date of the merger or
28 consolidation.

29 (c) Foreign surviving partnership.--If, following a merger
30 or consolidation of one or more domestic limited partnerships

1 and one or more foreign limited partnerships, the surviving or
2 resulting limited partnership is not a domestic limited
3 partnership, there shall be attached to the certificate of
4 cancellation filed pursuant to section 8513 (relating to
5 cancellation of certificate) for each domestic limited
6 partnership a certificate executed by the surviving or resulting
7 limited partnership, stating:

8 (1) the name of the limited partnership;

9 (2) its jurisdiction of organization; and

10 (3) either:

11 (i) if a qualified foreign limited partnership, the
12 address, including street and number, if any, of its
13 registered office in this Commonwealth; or

14 (ii) if a nonqualified foreign limited partnership,
15 the address, including street and number, if any, of its
16 principal office under the laws of the jurisdiction in
17 which it is organized.

18 (d) Rights and powers of surviving partnership.--When the
19 certificate of cancellation required by subsection (b) shall
20 have become effective, for all purposes of the laws of this
21 Commonwealth, all of the rights, privileges and powers of each
22 of the limited partnerships that have merged or consolidated,
23 and all property, real, personal and mixed, and all debts due to
24 any of such limited partnerships, as well as all other things
25 and causes of action belonging to each of such limited
26 partnerships, shall be vested in the surviving or resulting
27 limited partnership, and shall thereafter be the property of the
28 surviving or resulting limited partnership as they were of each
29 of the limited partnerships that have merged or consolidated,
30 and the title to any real property vested by deed or otherwise,

1 under the laws of this Commonwealth, in any of such limited
2 partnerships, shall not revert or be in any way impaired by
3 reason of the merger or consolidation, but all rights of
4 creditors and all liens upon any property of any of such limited
5 partnerships shall be preserved unimpaired, and all debts,
6 liabilities and duties of each of the limited partnerships that
7 have merged or consolidated shall thenceforth attach to the
8 surviving or resulting limited partnership, and may be enforced
9 against it to the same extent as if such debts, liabilities and
10 duties had been incurred or contracted by it.

11 SUBCHAPTER G

12 DISTRIBUTIONS AND WITHDRAWAL

13 Sec.

14 8551. Interim distributions.

15 8552. Withdrawal of general partner.

16 8553. Withdrawal of limited partner.

17 8554. Distribution upon withdrawal.

18 8555. Distribution in kind.

19 8556. Right to distribution.

20 8557. Limitations on distribution.

21 8558. Liability upon return of contribution.

22 § 8551. Interim distributions.

23 Except as provided in this subchapter, a partner is entitled
24 to receive distributions from a limited partnership before his
25 withdrawal from the limited partnership and before the
26 dissolution and winding up thereof to the extent and at the
27 times or upon the happening of the events specified in the
28 partnership agreement.

29 § 8552. Withdrawal of general partner.

30 (a) General rule.--A general partner may withdraw from a

1 limited partnership at any time by giving written notice to the
2 other partners but, if the withdrawal violates the partnership
3 agreement, the limited partnership may recover from the
4 withdrawing general partner damages for breach of the
5 partnership agreement and offset the damages against the amount
6 otherwise distributable to him.

7 (b) Cross reference.--See section 8512(b) (relating to
8 events requiring amendment).

9 § 8553. Withdrawal of limited partner.

10 A limited partner may withdraw from a limited partnership at
11 the time or upon the happening of events specified in writing in
12 the partnership agreement. If the partnership agreement does not
13 specify in writing the time or the events upon the happening of
14 which a limited partner may withdraw or a definite time for the
15 dissolution and winding up of the limited partnership, a limited
16 partner may withdraw upon not less than six months' prior
17 written notice to each general partner at his address on the
18 books of the limited partnership.

19 § 8554. Distribution upon withdrawal.

20 Except as provided in this subchapter, upon withdrawal any
21 withdrawing partner is entitled to receive any distribution to
22 which he is entitled under the partnership agreement and, except
23 as otherwise provided in the partnership agreement, he is
24 entitled to receive, within a reasonable time after withdrawal,
25 the fair value of his interest in the limited partnership as of
26 the date of withdrawal based upon his right to share in
27 distributions from the limited partnership.

28 § 8555. Distribution in kind.

29 Except as otherwise provided in writing in the partnership
30 agreement, a partner has no right to demand and receive any

1 distribution from a limited partnership in any form other than
2 cash, regardless of the nature of his contribution. Except as
3 otherwise provided in writing in the partnership agreement, a
4 partner may not be compelled to accept a distribution of any
5 asset in kind from a limited partnership to the extent that the
6 percentage of the asset distributed to him exceeds a percentage
7 of that asset that is equal to the percentage in which he shares
8 in distributions from the limited partnership.

9 § 8556. Right to distribution.

10 At the time a partner becomes entitled to receive a
11 distribution, he has the status of, and is entitled to all
12 remedies available to, a creditor of the limited partnership
13 with respect to the distribution.

14 § 8557. Limitations on distribution.

15 A partner may not receive a distribution from a limited
16 partnership to the extent that, after giving effect to the
17 distribution, all liabilities of the limited partnership, other
18 than liabilities to partners on account of their partnership
19 interests and liabilities as to which recourse of creditors is
20 limited to specified property of the limited partnership, exceed
21 the fair value of the partnership assets. The fair value of any
22 property that is subject to a liability as to which recourse of
23 creditors is so limited shall be included in the partnership
24 assets only to the extent that the fair value of the property
25 exceeds that liability.

26 § 8558. Liability upon return of contribution.

27 (a) General rule.--If a general partner has received the
28 return of any part of his contribution without violation of the
29 partnership agreement or this chapter, he is liable to the
30 limited partnership for a period of one year thereafter for the

1 amount of the returned contribution but only to the extent
2 necessary to discharge the liabilities of the limited
3 partnership to creditors who extended credit to the limited
4 partnership during the period the contribution was held by the
5 partnership.

6 (b) Unlawful distributions.--If a partner has received the
7 return of any part or his contribution in violation of the
8 partnership agreement or this chapter, he is liable to the
9 limited partnership for a period of six years thereafter for the
10 amount of the contribution wrongfully returned.

11 (c) Determination of return of contribution.--A partner
12 receives a return of his contribution to the extent that a
13 distribution to him reduces his share of the fair value of the
14 net assets of the limited partnership, as determined under
15 section 8557 (relating to limitations on distribution), below
16 the value (as stated or determined in the manner provided in the
17 partnership agreement, if stated or provided for therein) of his
18 contribution (to the extent it has been received by the limited
19 partnership) that has not been distributed to him, and otherwise
20 to the extent of the fair value of the distribution.

21 SUBCHAPTER H

22 ASSIGNMENT OF PARTNERSHIP INTERESTS

23 Sec.

24 8561. Nature of partnership interest.

25 8562. Assignment of partnership interest.

26 8563. Rights of creditor.

27 8564. Right of assignee to become limited partner.

28 8565. Power of estate of deceased or incompetent partner.

29 § 8561. Nature of partnership interest.

30 A partnership interest is personal property.

1 § 8562. Assignment of partnership interest.

2 (a) General rule.--Except as otherwise provided in the
3 partnership agreement:

4 (1) a partnership interest is assignable in whole or in
5 part;

6 (2) an assignment of a partnership interest does not
7 dissolve a limited partnership or entitle the assignee to
8 become or to exercise any rights of a partner;

9 (3) an assignment entitles the assignee to share in such
10 profits and losses, to receive such distributions, and to
11 receive such allocations of income, gain, loss, deduction, or
12 credit or similar item to which the assignor was entitled, to
13 the extent assigned; and

14 (4) a partner ceases to be a partner and to have the
15 power to exercise any rights or powers of a partner upon
16 assignment of all of his partnership interest.

17 (b) Certificate of partnership interest.--The partnership
18 agreement may provide that a partner's interest in a limited
19 partnership may be evidenced by a certificate of partnership
20 interest issued by the limited partnership and may also provide
21 for the assignment or transfer of any partnership interest
22 represented by such a certificate and make other provisions with
23 respect to such certificates.

24 § 8563. Rights of creditor.

25 On application to a court of competent jurisdiction by any
26 judgment creditor of a partner, the court may charge the
27 partnership interest of the partner with payment of the
28 unsatisfied amount of the judgment with interest. To the extent
29 so charged, the judgment creditor has only the rights of an
30 assignee of the partnership interest. This chapter does not

1 deprive any partner of the benefit of any exemption laws
2 applicable to his partnership interest.

3 § 8564. Right of assignee to become limited partner.

4 (a) General rule.--An assignee of a partnership interest,
5 including an assignee of a general partner, may become a limited
6 partner:

7 (1) if and to the extent that the assignor gives the
8 assignee that right in accordance with authority described in
9 the partnership agreement;

10 (2) if and to the extent that all other partners
11 consent; or

12 (3) at the time or upon the happening of events
13 specified in the partnership agreement.

14 (b) Effect of admission of assignee generally.--An assignee
15 who has become a limited partner has, to the extent assigned,
16 the rights and powers, and is subject to the restrictions and
17 liabilities, of a limited partner under the partnership
18 agreement and this chapter. An assignee who becomes a limited
19 partner also is liable for the obligations of his assignor to
20 make and return contributions as provided in Subchapter E
21 (relating to finance) and Subchapter G (relating to
22 distributions and withdrawal). However, the assignee is not
23 obligated for liabilities unknown to the assignee at the time he
24 became a limited partner.

25 (c) Liability of assignor.--If an assignee of a partnership
26 interest becomes a limited partner, the assignor is not released
27 from his liability to the limited partnership under sections
28 8517 (relating to liability for false statement in certificate)
29 and 8542 (relating to liability for contributions).

30 § 8565. Power of estate of deceased or incompetent partner.

1 the written provisions of the partnership agreement permit
2 the business of the limited partnership to be carried on by
3 the remaining general partner and that partner does so. The
4 limited partnership is not dissolved and is not required to
5 be wound up by reason of any event of withdrawal if, within
6 180 days after the withdrawal, all partners agree, as
7 necessary, in writing to continue the business of the limited
8 partnership or to the appointment of one or more replacement
9 general partners.

10 (5) Entry of an order of judicial dissolution under
11 section 8572 (relating to judicial dissolution).

12 (b) Interim management.--In the case of an event of
13 withdrawal by a sole remaining general partner, the court may,
14 upon application of a limited partner or his assignee, appoint a
15 person to manage the business of the limited partnership subject
16 to such terms as the court shall find are in the best interests
17 of the partnership, until the earlier of:

18 (1) the expiration of the 180-day period specified in
19 subsection (a)(4); or

20 (2) the appointment of one or more replacement general
21 partners.

22 (c) Modification by agreement.--If the partnership agreement
23 so provides in writing, the action under subsection (a)(4) to
24 elect to continue the business of the limited partnership or to
25 appoint one or more replacement general partners, or both, may
26 be effected by less than all, but not less than a majority in
27 interest, of the partners.

28 (d) Cross reference.--See section 8512(b) (relating to
29 events requiring amendment).

30 § 8572. Judicial dissolution.

1 On application by or for a partner, the court may order
2 dissolution of a limited partnership whenever it is not
3 reasonably practicable to carry on the business in conformity
4 with the partnership agreement.

5 § 8573. Winding up.

6 Except as otherwise provided in the partnership agreement,
7 the general partners who have not wrongfully dissolved a limited
8 partnership or, if none, the limited partners, may wind up the
9 affairs of the limited partnership, but the court may wind up
10 the affairs of the limited partnership upon application of any
11 partner, his legal representative or assignee, and in connection
12 therewith, may appoint a liquidating trustee.

13 § 8574. Distribution of assets.

14 Upon the winding up of a limited partnership, the assets
15 shall be distributed in the following order:

16 (1) To creditors, including partners who are creditors,
17 to the extent otherwise permitted by law, in satisfaction of
18 liabilities of the limited partnership (whether by payment or
19 by establishment of reserves) other than liabilities for
20 distributions to partners under section 8551 (relating to
21 interim distributions or 8554 (relating to distribution upon
22 withdrawal).

23 (2) Except as otherwise provided in the partnership
24 agreement, to partners and former partners in satisfaction of
25 liabilities for distributions under section 8551 or 8554.

26 (3) Except as otherwise provided in the partnership
27 agreement, to partners:

28 (i) For the return of their contributions.

29 (ii) Respecting their partnership interests, in the
30 proportions in which the partners share in distributions.

1 § 8575. Survival of remedies and rights after dissolution.

2 (a) General rule.--The dissolution of a limited partnership
3 shall not eliminate or impair any remedy available to or against
4 the limited partnership or its partners for any right or claim
5 existing, or liability incurred, prior to the dissolution, if an
6 action thereon is brought on behalf of:

7 (1) the limited partnership within the time otherwise
8 limited by law; or

9 (2) any other person before or within four years after
10 the date of the dissolution or within the time otherwise
11 limited by law, whichever is less.

12 The actions may be prosecuted against and defended by the
13 limited partnership under the name of the limited partnership.

14 (b) Rights and assets.--The dissolution of a limited
15 partnership shall not affect the limited liability of a limited
16 partner with respect to transactions occurring or acts or
17 omissions done or omitted in the name of or by the limited
18 partnership except that each limited partner shall be liable for
19 his pro rata portion of the unpaid liabilities of the limited
20 partnership up to the amount of the net assets of the limited
21 partnership distributed to the limited partner in connection
22 with the dissolution. Should any property right of a limited
23 partnership be discovered after the dissolution of the limited
24 partnership, the surviving general partner or partners that
25 wound up the affairs of the limited partnership, or a receiver
26 appointed by the court, shall have authority to enforce the
27 property right and to collect and divide the assets so
28 discovered among the persons entitled thereto and to prosecute
29 actions in the name of the limited partnership. Any assets so
30 collected shall be distributed and disposed of in accordance

1 with the applicable order of court, if any, and otherwise in
2 accordance with this subchapter.

3 SUBCHAPTER J

4 FOREIGN LIMITED PARTNERSHIPS

5 Sec.

6 8581. Governing law.

7 8582. Registration.

8 8583. Effect of filing.

9 8584. Name.

10 8585. Changes and amendments.

11 8586. Cancellation of registration.

12 8587. Doing business without registration.

13 8588. Action by Attorney General.

14 8589. General powers and duties of qualified foreign limited
15 partnerships.

16 § 8581. Governing law.

17 Subject to the Constitution of Pennsylvania:

18 (1) The laws of the jurisdiction under which a foreign
19 limited partnership is organized govern its organization and
20 internal affairs and the liability of its limited partners.

21 (2) A foreign limited partnership may not be denied
22 registration by reason of any difference between those laws
23 and the laws of this Commonwealth.

24 § 8582. Registration.

25 (a) General rule.--Before doing business in this
26 Commonwealth, a foreign limited partnership shall register under
27 this subchapter. In order to register, a foreign limited
28 partnership shall file in the Department of State an application
29 for registration as a foreign limited partnership, signed by a
30 general partner and setting forth:

1 (1) The name of the foreign limited partnership and, if
2 different, the name under which it proposes to register and
3 do business in this Commonwealth.

4 (2) The jurisdiction and date of its formation.

5 (3) Subject to section 109 (relating to name of
6 commercial registered office provider in lieu of registered
7 address), the address, including street and number, if any,
8 of its registered office.

9 (4) The address of the office required to be maintained
10 in the jurisdiction of its organization by the laws of that
11 jurisdiction or, if not so required, of the principal office
12 of the foreign limited partnership.

13 (5) The name and business address of each general
14 partner.

15 (6) The address of the office at which is kept a list of
16 the names and addresses of the limited partners and their
17 capital contributions, together with an undertaking by the
18 foreign limited partnership to keep those records until the
19 registration of the foreign limited partnership in this
20 Commonwealth is canceled or withdrawn.

21 (b) Exceptions.--None of the activities described in section
22 4122 (relating to excluded activities) shall be considered doing
23 business in this Commonwealth for the purposes of this
24 subchapter.

25 (c) Cross reference.--See section 134 (relating to docketing
26 statement).

27 § 8583. Effect of filing.

28 Upon the filing of the application for registration as a
29 foreign limited partnership, the partnership shall be authorized
30 to do business in this Commonwealth.

1 § 8584. Name.

2 A foreign limited partnership may register with the
3 Department of State under any name (whether or not it is the
4 name under which it is registered in its jurisdiction of
5 organization) that could be used by a domestic limited
6 partnership.

7 § 8585. Changes and amendments.

8 (a) General rule.--If any arrangements or other facts
9 described in the application for registration of a foreign
10 limited partnership have changed, making the application
11 inaccurate in any respect, the foreign limited partnership shall
12 promptly file in the Department of State a certificate of
13 amendment of registration, signed by a general partner, and
14 setting forth:

15 (1) The name under which the foreign limited partnership
16 is registered to do business in this Commonwealth.

17 (2) Subject to section 109 (relating to name of
18 commercial registered office provider in lieu of registered
19 address), the address, including street and number, if any,
20 of its registered office in this Commonwealth.

21 (3) The arrangements or other facts that have changed.

22 (b) Effect of filing.--The application for registration as a
23 foreign limited partnership shall be amended upon filing of the
24 certificate of amendment of registration in the department.

25 (c) Cross references.--See sections 134 (relating to
26 docketing statement) and 138 (relating to statement of
27 correction).

28 § 8586. Cancellation of registration.

29 (a) General rule.--A qualified foreign limited partnership
30 may cancel its registration by filing in the Department of State

1 a certificate of cancellation of registration signed by a
2 general partner and setting forth:

3 (1) The name under which the foreign limited partnership
4 is registered to do business in this Commonwealth.

5 (2) Subject to section 109 (relating to name of
6 commercial registered office provider in lieu of registered
7 address), the address, including street and number, if any,
8 of its last registered office in this Commonwealth.

9 (3) The name of the jurisdiction under the laws of which
10 it is organized.

11 (4) The date on which it registered to do business in
12 this Commonwealth.

13 (5) A statement that it withdraws from doing business in
14 this Commonwealth.

15 (6) A statement that notice of its intention to withdraw
16 from doing business in this Commonwealth was mailed by
17 certified or registered mail to each municipal corporation in
18 which the registered office or principal place of business of
19 the foreign limited partnership in this Commonwealth is
20 located.

21 (7) The post office address, including street and
22 number, if any, to which process may be sent in an action
23 upon any liability incurred before the filing of the
24 certificate of cancellation of registration.

25 (b) Effect of filing.--Upon the filing of the certificate of
26 cancellation of registration, the authority of the foreign
27 limited partnership to do business in this Commonwealth shall
28 cease. The termination of authority shall not affect any action
29 pending at the time thereof or affect any right of action
30 arising with respect to the foreign limited partnership before

1 the filing of the certificate of cancellation of registration.
2 Process against the foreign limited partnership in an action
3 upon any liability incurred before the filing of the certificate
4 of cancellation of registration may be served as provided in 42
5 Pa.C.S. Ch. 53 (relating to bases of jurisdiction and interstate
6 and international procedure) or as otherwise provided or
7 prescribed by law.

8 (c) Cross reference.--See section 134 (relating to docketing
9 statement).

10 § 8587. Doing business without registration.

11 (a) Maintenance of actions or proceedings prohibited.--A
12 nonqualified foreign limited partnership doing business in this
13 Commonwealth may not maintain any action or proceeding in any
14 court of this Commonwealth until it has registered under this
15 subchapter. Nor, except as provided in subsection (b), shall any
16 action or proceeding be maintained in any court of this
17 Commonwealth on any right, claim or demand arising out of the
18 doing of business by the foreign limited partnership in this
19 Commonwealth by any successor, assignee or acquiror of all or
20 substantially all of the assets of the foreign limited
21 partnership that is a foreign corporation for profit or not-for-
22 profit or a foreign limited partnership until such foreign
23 corporation or foreign limited partnership has been authorized
24 to do business in this Commonwealth.

25 (b) Contracts, property and defense of actions unaffected.--
26 The failure of a foreign limited partnership to register under
27 this subchapter shall not impair the validity of any contract or
28 act of the foreign limited partnership, shall not prevent the
29 foreign limited partnership from defending any action in any
30 court of this Commonwealth, and shall not render escheatable any

1 of its real or personal property.

2 (c) Liability of limited partner.--A limited partner of a
3 foreign limited partnership is not liable as a general partner
4 of the foreign limited partnership solely by reason of the
5 foreign limited partnership having done business in this
6 Commonwealth without registration under this subchapter.

7 (d) Acquisition of real and personal property.--Every
8 nonqualified foreign limited partnership may acquire, hold,
9 mortgage, lease and transfer real and personal property in this
10 Commonwealth in the same manner and subject to the same
11 limitations as a qualified foreign limited partnership.

12 (e) Duties.--Except as provided in subsection (a), a
13 nonqualified foreign limited partnership doing business in this
14 Commonwealth shall be subject to the same liabilities,
15 restrictions, duties and penalties now or hereafter imposed upon
16 a qualified foreign limited partnership.

17 § 8588. Action by Attorney General.

18 The Attorney General may bring an action to restrain a
19 foreign limited partnership from doing business in this
20 Commonwealth in violation of this subchapter.

21 § 8589. General powers and duties of qualified foreign limited
22 partnerships.

23 (a) General rule.--A qualified foreign limited partnership,
24 so long as its registration under this subchapter is not
25 canceled or revoked, shall enjoy the same rights and privileges
26 as a domestic limited partnership, but no more, and, except as
27 in this part otherwise provided, shall be subject to the same
28 liabilities, restrictions, duties and penalties now in force or
29 hereafter imposed upon domestic limited partnerships, to the
30 same extent as if it had been formed under this chapter.

(b) Agricultural lands.--Interests in agricultural land shall be subject to the restrictions of, and escheatable as provided by, the act of April 6, 1980 (P.L.102, No.39), referred to as the Agricultural Land Acquisition by Aliens Law.

SUBCHAPTER K

DERIVATIVE ACTIONS

Sec.

8591. Right of action.

8592. Proper plaintiff.

8593. Pleading.

8594. Expenses.

§ 8591. Right of 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.

§ 8592. Proper plaintiff.

(a) General rule.--In a derivative action under this subchapter, the plaintiff must be a partner at the time of bringing the action and:

(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.

(b) Exception.--Any partner who, except for the provisions of subsection (a), would be entitled to maintain the action and who does not meet such requirements may, nevertheless in the

1 discretion of the court, be allowed to maintain the action on
2 preliminary showing to the court, by application and upon such
3 verified statements and depositions as may be required by the
4 court, that there is a strong prima facie case in favor of the
5 claim asserted on behalf of the limited partnership and that
6 without the action serious injustice will result.

7 § 8593. Pleading.

8 Except as otherwise prescribed by general rule, in a
9 derivative action under this subchapter, the complaint shall set
10 forth with particularity the effort of the plaintiff to secure
11 initiation of the action by a general partner or the reasons for
12 not making the effort.

13 § 8594. Expenses.

14 (a) General rule.--Except as otherwise prescribed by general
15 rule, if a derivative action under this subchapter is
16 successful, in whole or in part, or if anything is received by
17 the plaintiff as a result of a judgment, compromise or
18 settlement of an action or claim, the court may award the
19 plaintiff reasonable expenses, including reasonable attorney
20 fees, and shall direct him to remit to the limited partnership
21 the remainder of those proceeds received by him. If the proceeds
22 received by the plaintiff are insufficient to reimburse the
23 reasonable expenses awarded to the plaintiff, the court may
24 direct that the award of expenses of a portion thereof be paid
25 by the limited partnership.

26 (b) Security for costs.--In any action instituted or
27 maintained by holders or owners of less than 5% of the
28 outstanding ownership interests in the limited partnership,
29 unless those interests have an aggregate fair market value in
30 excess of \$200,000, the limited partnership in whose right the

1 action is brought shall be entitled at any stage of the
2 proceedings to require the plaintiffs to give security for the
3 reasonable expenses, including attorney fees, that may be
4 incurred by it in connection therewith, to which security the
5 limited partnership shall have recourse in such amount as the
6 court having jurisdiction determines upon the termination of the
7 action. The amount of security may, from time to time, be
8 increased or decreased in the discretion of the court having
9 jurisdiction of the action upon showing that the security
10 provided has or may become inadequate or excessive. The security
11 may be denied or limited in the discretion of the court upon
12 preliminary showing to the court, by application and upon such
13 verified statements and depositions as may be required by the
14 court, establishing prima facie that the requirement of full or
15 partial security would impose undue hardship on plaintiffs and
16 serious injustice would result.

17 CHAPTER 87

18 ELECTING PARTNERSHIPS

19 Sec.

20 8701. Scope and definition.

21 8702. Centralized management.

22 8703. Continuity of life.

23 8704. Free transferability of interests.

24 8705. Limited liability in certain cases.

25 8706. One person as both partner and employee.

26 8707. Modification by agreement.

27 § 8701. Scope and definition.

28 (a) Application of chapter.--This chapter applies to a
29 general or limited partnership formed under the laws of this
30 Commonwealth that elects to be governed by this chapter. Any

1 partnership that desires to elect to be governed by this
2 chapter, or to amend or terminate the election, shall file in
3 the Department of State a statement of election, amendment or
4 termination, as the case may be, which shall be signed by a
5 general partner and shall set forth:

6 (1) The name of the partnership.

7 (2) The location of the principal place of business.

8 (3) The name of each member of the partnership as of the
9 date of the statement.

10 (4) A statement that the partnership elects to be
11 governed by this chapter or that the election to be governed
12 by this chapter shall be amended or terminated, as the case
13 may be.

14 (5) If the election is to be made or terminated, a
15 statement that the election or termination has been
16 authorized by at least a majority in interest of the
17 partners.

18 Upon the filing of the statement of election, amendment or
19 termination in the department, the election to be governed by
20 this chapter shall be effective, amended or terminated, as the
21 case may be.

22 (b) Effect of election.--As long as an election under
23 subsection (a) is in effect, the partnership shall be governed
24 by the provisions of this chapter and, to the extent not
25 inconsistent with this chapter, Chapter 83 (relating to general
26 partnerships) and, if a limited partnership, Chapter 85
27 (relating to limited partnerships).

28 (c) Definition.--As used in this chapter, the term "electing
29 partnership" means a partnership as to which an election under
30 subsection (a) is in effect.

1 (d) Cross reference.--See section 134 (relating to docketing
2 statement).

3 § 8702. Centralized management.

4 The business and affairs of every electing partnership shall
5 be managed by one-third or less, but not less than one, of the
6 partners selected for that purpose in the manner provided by any
7 agreement between the partners and no other partner shall have a
8 right to participate in the management of the partnership. A
9 partner of an electing partnership shall be an agent of the
10 partnership only to the extent that an employee of the
11 partnership would be under like circumstances. In making such a
12 determination the court may consider among other things whether
13 a person dealing with the partnership has knowledge, as defined
14 in section 8303(a) (relating to knowledge), that this section is
15 applicable to the partnership.

16 § 8703. Continuity of life.

17 An electing partnership shall not be dissolved by the death,
18 dissolution, insanity, retirement, resignation or expulsion of a
19 partner or by the bankruptcy of a partner or the partnership.
20 Changes in the composition of the partnership shall be evidenced
21 by the prompt filing of a statement of amendment under section
22 8701(a) (relating to application of chapter). If fewer than two
23 partners who are not bankrupt or insane remain, the court shall
24 appoint a custodian of the partnership property for the purpose
25 of continuing its business or, upon cause shown, winding up its
26 affairs.

27 § 8704. Free transferability of interests.

28 The agreement between the partners of an electing partnership
29 may provide that the property rights of a partner in the
30 partnership shall be evidenced by shares of one or more classes

1 or series. In that event, the transfer of all of the shares by a
2 partner shall operate to terminate his membership in the
3 partnership and the transfer of any share by a partner shall
4 operate to make the transferee a member of the partnership
5 without the consent of any other partner. The transfer of
6 certificates and the shares represented thereby may be regulated
7 by the agreement between the partners if the agreement is not
8 inconsistent with 13 Pa.C.S. Div. 8 (relating to investment
9 securities).

10 § 8705. Limited liability in certain cases.

11 (a) General rule.--The liability of a partner of an electing
12 partnership for the debts and obligations of the partnership
13 shall be satisfied out of partnership assets alone if:

14 (1) the debt or obligation arises from a transaction or
15 occurrence in which the person dealing with the partnership
16 has notice, as defined in section 8303(b) (relating to
17 notice), that this section is applicable to the partnership;
18 or

19 (2) the fact that this section is applicable to the
20 partnership has been advertised in the manner provided by
21 section 8357(a)(2)(ii) (relating to power of partner to bind
22 partnership to third persons).

23 (b) Exceptions.--Subsection (a) does not apply:

24 (1) Unless otherwise agreed by the obligee, to a debt or
25 obligation arising prior to the time a partnership becomes an
26 electing partnership and complies with subsection (a)(1) or
27 (2).

28 (2) To a transaction or occurrence involving the
29 furnishing or sale of any goods or services by the
30 partnership.

1 § 8706. One person as both partner and employee.

2 (a) General rule.--A person may be a partner in and an
3 employee of the same electing partnership at the same time.

4 (b) Effect.--A person who is a partner and also, at the same
5 time, an employee shall in his capacity as an employee have such
6 rights and duties with respect to the employing partnership as
7 may be agreed between employer and employee generally.

8 § 8707. Modification by agreement.

9 (a) General rule.--The provisions of this chapter are
10 intended to permit an electing partnership to qualify for
11 taxation as an association under the United States Internal
12 Revenue Code and to permit partners of an electing partnership
13 to be employed by, and compensated as employees of, the
14 association. The agreement between the partners of an electing
15 partnership may effect any change in the form of organization of
16 the partnership in addition to or in contravention of the
17 changes authorized by this chapter that may be necessary to
18 accomplish those purposes but only to the extent necessary to
19 accomplish those purposes.

20 (b) Exception.--A provision adopted under subsection (a)
21 shall not modify section 8705 (relating to limited liability in
22 certain cases).

23 Section 105. Evidence of incorporation of business
24 corporations.

25 Subject to the right of the Commonwealth to institute
26 proceedings pursuant to section 1112 of the act of May 5, 1933
27 (P.L.364, No.106), known as the Business Corporation Law, to
28 dissolve, wind up and terminate a corporation that should not
29 have been incorporated under the Business Corporation Law, or
30 that has been incorporated without a substantial compliance with

1 the conditions prescribed by that act as precedent to
2 incorporation, the articles of incorporation filed in the
3 Department of State under that act shall be conclusive evidence
4 of the fact that a business corporation has been incorporated.

5 Section 106. Legislative findings as to acceptance of
6 Constitution of Pennsylvania.

7 (a) General rule.--The General Assembly finds and determines
8 as follows for the purpose of section 3B of the act of May 5,
9 1933 (P.L.289, No.105), known as the Nonprofit Corporation Law,
10 as added by the act of January 18, 1966 (1965 P.L.1406, No.520),
11 section 3B of the act of May 5, 1933 (P.L.364, No.106), known as
12 the Business Corporation Law, as added by the act of January 18,
13 1966 (1965 P.L.1305, No.519), and sections 3 and 5 of the act of
14 January 18, 1966 (1965 P.L.1443, No.521) (referred to
15 collectively in this section as the Registry Acts of 1966);

16 (1) The corporation incorporated by the act of February
17 24, 1846 (P.L.56, No.47) is subject to the Constitution of
18 Pennsylvania by reason of the enactment and acceptance of the
19 act of April 8, 1867 (P.L.916, No.836).

20 (2) The corporation incorporated by the act signed March
21 27, 1855 (1857 P.L.729, No.732) is subject to the
22 Constitution of Pennsylvania by reason of having its charter
23 enrolled under the act of April 16, 1845 (P.L.532, No.348)
24 after the enactment of the act of May 3, 1855 (P.L.423,
25 No.448).

26 (3) The Cedar Grove Cemetery Association, incorporated
27 pursuant to the act of April 6, 1791 (3 Sm.L.20, Ch.1536, 14
28 Stat. 50), referred to as the Corporation Act of 1791, as
29 supplemented by the act of October 13, 1840 (1841 P.L.1,
30 No.258), is subject to the Constitution of Pennsylvania by

1 reason of the reserved power contained in the proviso to
2 section 3 of the act of April 6, 1791 (3 Sm.L.20, Ch.1536, 14
3 Stat. 50).

4 (4) The corporation incorporated by the act of May 11
5 1751 (1 Sm.L. 208, Ch.390, 5 Stat. 128) is subject to the
6 Constitution of Pennsylvania by reason of the acceptance of
7 the benefits of laws passed by the General Assembly after
8 1873 governing the affairs of corporations, as evidenced by a
9 written acknowledgment of that fact filed by the corporation
10 in the Department of State on December 17, 1981.

11 (5) As reported by the Department of State, no
12 corporations, other than those mentioned in paragraphs (1)
13 through (4), filed in the Department of State under the
14 Registry Acts of 1966 on or before January 1, 1967, a
15 certificate declining to accept the provisions of the
16 Constitution of Pennsylvania.

17 (6) All corporations incorporated prior to October 14,
18 1857, under the authority of the Commonwealth or of the late
19 Proprietaries of the Province of Pennsylvania are now subject
20 to the Constitution of Pennsylvania and the general
21 legislative jurisdiction of the General Assembly.

22 (b) Proceedings to challenge findings.--Unless a person
23 adversely affected by the findings set forth in subsection (a)
24 commences a declaratory judgment proceeding against the
25 Commonwealth under 42 Pa.C.S. Ch. 75, Subch. C (relating to
26 declaratory judgments), challenging such findings and
27 determinations within one year after the enactment of this act,
28 the findings and determinations shall be final and conclusive.
29 In any such proceeding the Commonwealth may assert any proper
30 ground, whether or not specified in this section, in support of

1 the determination that the objecting corporation is subject to
2 the Constitution of Pennsylvania and the general legislative
3 jurisdiction of the General Assembly.

4 Section 107. Additional filing fee.

5 The fee payable for filing a statement of change of
6 registered office by agent under 15 Pa.C.S. § 108 (relating to
7 change in location or status of registered office provided by
8 agent) shall be \$3.

9 Section 108. Taxation of electing partnerships.

10 Notwithstanding any other provision of law, a partnership as
11 to which an election under 15 Pa.C.S. Ch. 87 (relating to
12 electing partnerships) is in effect shall be deemed to be a
13 corporation organized and existing under 15 Pa.C.S. Pt. II,
14 Subpt. B, known as the Business Corporation Law of 1988, for the
15 purposes of the imposition by the Commonwealth or any political
16 subdivision of any tax or license fee on or with respect to any
17 property, privilege, transaction, subject or occupation.

18 Section 109. Conforming amendment to Title 54.

19 Section 303(b)(2) of Title 54 is amended to read:

20 § 303. Scope of chapter.

21 * * *

22 (b) Mandatory registration.--

23 * * *

24 (2) Paragraph (1) shall not apply to any:

25 (i) Nonprofit or professional activities.

26 (ii) Activities which are expressly or impliedly
27 prohibited by law from being carried on under a
28 fictitious name.

29 (iii) Limited partnership which is registered in the
30 department pursuant to [Chapter 5 of Title 59] 15 Pa.C.S.

Ch. 85 (relating to limited partnerships) or under
corresponding provisions of prior law. The preceding
sentence shall not apply to any entity which includes the
limited partnership as a participant unless the entity is
itself such a limited partnership.

(iv) [An unincorporated] Unincorporated association.

(v) Electing partnership existing under 15 Pa.C.S.
Ch. 87 (relating to electing partnerships).

* * *

DIVISION II

MISCELLANEOUS PROVISIONS

Section 201. Transitional provisions.

Pending codification of the act of May 5, 1933 (P.L.364, No.106), known as the Business Corporation Law, as part of Title 15:

(1) The reference in 15 Pa.C.S. § 151 to 15 Pa.C.S. § 4161 shall be deemed to be a reference to section 909 of the Business Corporation Law.

(2) The references in 15 Pa.C.S. § 152 to 15 Pa.C.S. § 4161 shall be deemed to be references to section 909 of the Business Corporation Law, and the reference to 15 Pa.C.S. § 4161(b)(6) shall not take effect.

(3) 15 Pa.C.S. § 507 shall not take effect.

(4) The reference in 15 Pa.C.S. § 8102(a)(2) to 15 Pa.C.S. § 1511 shall be deemed a reference to section 322 of the Business Corporation Law, and a partnership that is subject to regulation as a public utility by the Pennsylvania Public Utility Commission or an officer or agency of the United States shall have the same power to take or occupy public or private property as a business corporation and in

exercising such power shall be subject to the same
restrictions.

(5) The reference in 15 Pa.C.S. § 8505 to 15 Pa.C.S. § 1303(b) and (c) shall be deemed to be a reference to section 202 of the Business Corporation Law.

(6) The reference in 15 Pa.C.S. § 8505 to 15 Pa.C.S. § 1305 shall be deemed to be a reference to section 203 of the Business Corporation Law.

(7) The reference in 15 Pa.C.S. § 8582 to 15 Pa.C.S. § 4122 shall be deemed to be a reference to section 1001B of the Business Corporation Law.

(8) The reference in section 108 of this act to 15 Pa.C.S. Pt. II, Subpt. B shall be deemed to be a reference to the Business Corporation Law.

Section 202. Repeals.

The following act and parts of acts are repealed:

(1) As much of the first sentence of clause (1) of section 2 as reads: "but does not include registry statements specified in section 206 of this act," subsection B of section 3, section 10, as much of subsection A(8) of section 204 as reads: "and a statement of the number of shares subscribed by each, which shall not be less than one, and the class of shares for which each subscribes," as much of subsection A of section 206 as reads: "and the registry statement specified in subsection B of this section," subsections B and C of section 206, the second sentence of section 207, the second sentence of each of sections 809 and 906, as much of the first sentence as reads: "and the registry statement specified in section 206 of this act" and the second sentence of subsection A of section 909, and as

1 much of section 1004 as reads: "a certificate of the
2 appropriate official of the jurisdiction under the laws of
3 which it was incorporated dated within sixty days of the
4 application to the Department of State to the effect that it
5 is a corporation duly incorporated and existing under the
6 laws of such jurisdiction, the registry statement specified
7 in section 206 of this act, and" of the act of May 5, 1933
8 (P.L.364, No.106), known as the Business Corporation Law, are
9 repealed.

10 (2) Sections 206, 320, 808, 905, 1101 and 1105 of the
11 act of May 5, 1933 (P.L.364, No.106), known as the Business
12 Corporation Law, are repealed insofar as they provide for the
13 issuance by the Department of State of certificates of
14 incorporation, amendment, merger, consolidation or
15 dissolution.

16 (3) Act of January 18, 1966 (1965 P.L.1443, No.521),
17 entitled "An act for the registration of certain pre-1858
18 corporations; providing that such corporations shall be
19 conclusively deemed to have accepted the Constitution of
20 Pennsylvania unless such corporations file a certificate of
21 nonacceptance with the Department of State."

22 (4) Act of July 10, 1981 (P.L.237, No.77), entitled "An
23 act amending Title 59 (Partnerships) of the Pennsylvania
24 Consolidated Statutes, further providing for the government
25 and regulation of certain partnerships and their
26 relationships with third parties, adding provisions relating
27 to foreign limited partnerships and making a conforming
28 amendment to Title 42 as to foreign partnerships and other
29 entities," except section 7.

30 Section 203. Effective date.

1 This act shall take effect in 90 days except that:

2 (1) Section 103, insofar as it repeals 59 Pa.C.S. Ch. 5
3 (relating to limited partnerships), and section 104, insofar
4 as it enacts 15 Pa.C.S. § 8502(a) (relating to applicability
5 of chapter to existing limited partnerships) shall take
6 effect 90 days after the Governor publishes a proclamation in
7 the Pennsylvania Bulletin stating that the Governor has found
8 that the United States Internal Revenue Service has
9 determined that 15 Pa.C.S. Ch. 85 (relating to limited
10 partnerships) corresponds to the Uniform Limited Partnership
11 Act for purposes of 26 C.F.R. § 301.7701-2. The Governor
12 shall issue such a proclamation upon being furnished with a
13 copy of a ruling by the Internal Revenue Service to that
14 effect. Delay in the repeal of 59 Pa.C.S. Ch. 5 and enactment
15 of 15 Pa.C.S. § 8502(a) shall not postpone the effective date
16 of 15 Pa.C.S. Ch. 85, and pending repeal of 59 Pa.C.S. Ch. 5,
17 persons may utilize either statute at their election, which
18 shall be expressed in the partnership agreement, for the
19 government and regulation of the affairs of the limited
20 partnership. A partnership agreement that fails to identify
21 expressly the statute applicable to the partnership shall be
22 deemed to contain an election to be governed by 59 Pa.C.S.
23 Ch. 5. On the effective date of the repeal of 59 Pa.C.S. Ch.
24 5, any partnership then governed by that chapter shall
25 thereafter be governed by 15 Pa.C.S. Ch. 85.

26 (2) Section 104, insofar as it enacts 15 Pa.C.S. §
27 8571(c) (relating to modification by agreement) shall take
28 effect 90 days after the Governor publishes a proclamation in
29 the Pennsylvania Bulletin stating that the Governor has found
30 that the United States Internal Revenue Service has

1 determined that the effectiveness of that subsection will not
2 cause 15 Pa.C.S. Ch. 85 (relating to limited partnerships)
3 not to correspond to the Uniform Limited Partnership Act for
4 purposes of 26 C.F.R. § 301.7701-2. The Governor shall issue
5 such proclamation upon being furnished with a copy of a
6 ruling by the Internal Revenue Service to that effect.

7 (3) The amendments to 15 Pa.C.S. Ch. 87 (relating to
8 electing partnerships) shall take effect immediately and
9 shall be retroactive to July 10, 1981.

10 (4) Section 138 (relating to statement of correction) of
11 Title 15 shall take effect immediately and shall be
12 retroactive to January 1, 1980, insofar as relates to filings
13 under the Business Corporation Law. With respect to matters
14 covered by this paragraph, the one year period of the last
15 sentence of 15 Pa.C.S. § 138(c) shall run from the later of
16 the date of enactment of this act or the date upon which such
17 filing was or is made by or with respect to a corporation
18 subject to the Business Corporation Law.

1	59 Pa.C.S. § 331	15 Pa.C.S. § 8331
2	59 Pa.C.S. § 332	15 Pa.C.S. § 8332
3	59 Pa.C.S. § 333	15 Pa.C.S. § 8333
4	59 Pa.C.S. § 334	15 Pa.C.S. § 8334
5	59 Pa.C.S. § 335	15 Pa.C.S. § 8335
6	59 Pa.C.S. § 336	15 Pa.C.S. § 8336
7	59 Pa.C.S. § 341	15 Pa.C.S. § 8341
8	59 Pa.C.S. § 342	15 Pa.C.S. § 8342
9	59 Pa.C.S. § 343	15 Pa.C.S. § 8343
10	59 Pa.C.S. § 344	15 Pa.C.S. § 8344
11	59 Pa.C.S. § 345	15 Pa.C.S. § 8345
12	59 Pa.C.S. § 351	15 Pa.C.S. § 8351
13	59 Pa.C.S. § 352	15 Pa.C.S. § 8352
14	59 Pa.C.S. § 353	15 Pa.C.S. § 8353
15	59 Pa.C.S. § 354	15 Pa.C.S. § 8354
16	59 Pa.C.S. § 355	15 Pa.C.S. § 8355
17	59 Pa.C.S. § 356	15 Pa.C.S. § 8356
18	59 Pa.C.S. § 357	15 Pa.C.S. § 8357
19	59 Pa.C.S. § 358	15 Pa.C.S. § 8358
20	59 Pa.C.S. § 359	15 Pa.C.S. § 8359
21	59 Pa.C.S. § 360	15 Pa.C.S. § 8360
22	59 Pa.C.S. § 361	15 Pa.C.S. § 8361
23	59 Pa.C.S. § 362	15 Pa.C.S. § 8362
24	59 Pa.C.S. § 363	15 Pa.C.S. § 8363
25	59 Pa.C.S. § 364	15 Pa.C.S. § 8364
26	59 Pa.C.S. § 365	15 Pa.C.S. § 8365
27	59 Pa.C.S. § 501	15 Pa.C.S. § 8501
28	59 Pa.C.S. § 502	15 Pa.C.S. § 8502(a)
29	59 Pa.C.S. § 503	15 Pa.C.S. § 8504
30	59 Pa.C.S. § 504	Omitted
31	59 Pa.C.S. § 511	15 Pa.C.S. § 8503
32	59 Pa.C.S. § 512	15 Pa.C.S. § 8511
33	59 Pa.C.S. § 513	15 Pa.C.S. § 8508
34	59 Pa.C.S. § 514	15 Pa.C.S. § 8541
35	59 Pa.C.S. § 515(a)	15 Pa.C.S. § 8505(a)
36	(b)	15 Pa.C.S. § 8523(d)
37	59 Pa.C.S. § 516	15 Pa.C.S. § 8517
38	59 Pa.C.S. § 521	15 Pa.C.S. § 8523
39	59 Pa.C.S. § 522	15 Pa.C.S. § 8521
40	59 Pa.C.S. § 523	15 Pa.C.S. § 8533
41	(7)	15 Pa.C.S. § 8571
42	59 Pa.C.S. § 524(a)	15 Pa.C.S. § 8525
43	(b)	15 Pa.C.S. § 8543
44	59 Pa.C.S. § 525	15 Pa.C.S. § 8524
45	59 Pa.C.S. § 526	15 Pa.C.S. § 8534
46	59 Pa.C.S. § 527	15 Pa.C.S. § 8509
47	59 Pa.C.S. § 528	15 Pa.C.S. § 8544
48	59 Pa.C.S. § 529	15 Pa.C.S. § 8557
49	59 Pa.C.S. § 530(a)(1)	15 Pa.C.S. § 8557
50	(a)(2)	15 Pa.C.S. § 8554
51	(a)(3)	15 Pa.C.S. § 8553
52	(b)	15 Pa.C.S. § 8553
53	(c)	15 Pa.C.S. § 8555
54	(d)	Omitted
55	59 Pa.C.S. § 531	15 Pa.C.S. §§ 8542, 8558
56	59 Pa.C.S. § 532	15 Pa.C.S. § 8561
57	59 Pa.C.S. § 533	15 Pa.C.S. §§ 8521, 8562,
58		8564
59	59 Pa.C.S. § 534	15 Pa.C.S. §§ 8532, 8571

1	59 Pa.C.S. § 535	15 Pa.C.S. § 8565
2	59 Pa.C.S. § 536	15 Pa.C.S. § 8563
3	59 Pa.C.S. § 541	15 Pa.C.S. § 8574
4	59 Pa.C.S. § 542(a)	15 Pa.C.S. § 8513
5	(b)	15 Pa.C.S. § 8512(b)
6	59 Pa.C.S. § 543(a)(1)	15 Pa.C.S. § 8512(a)
7	(a)(2)	15 Pa.C.S. § 8531
8	(b)	15 Pa.C.S. § 8513
9	(c)	15 Pa.C.S. § 8515
10	(d)	15 Pa.C.S. § 8516
11	(e)	15 Pa.C.S.
12		§§ 8503 ("certificate of
13		limited partnership"), 8516
14	59 Pa.C.S. § 544	15 Pa.C.S. § 8520
15	59 Pa.C.S. § 545	Omitted
16	59 Pa.C.S. § 561	15 Pa.C.S. § 8503
17	59 Pa.C.S. § 562	15 Pa.C.S. § 8581
18	59 Pa.C.S. § 563	15 Pa.C.S. § 8582(a)
19	59 Pa.C.S. § 564	15 Pa.C.S. § 8583
20	59 Pa.C.S. § 565	15 Pa.C.S. § 8584
21	59 Pa.C.S. § 566	15 Pa.C.S. § 8585(a)
22	59 Pa.C.S. § 567	15 Pa.C.S. § 8586(a)
23	59 Pa.C.S. § 568	15 Pa.C.S. § 8587
24	59 Pa.C.S. § 569	15 Pa.C.S. § 8588

25 Section 104: The source notes for the new provisions of
26 Title 15 are as follows (references to new 15 Pa.C.S. §§ 521
27 through 4162 are to those provisions as they appear in S.B. 943
28 (P.N.1211)):

29 15 Pa.C.S. § 101: Compare new 15 Pa.C.S. §§ 502, 1102, 2101,
30 2301, 2501, 2701, 2901 and 4101. As to subsection (c), compare 1
31 Pa.C.S. § 1937.

32 15 Pa.C.S. § 102: Derived from former 15 Pa.C.S. § 102. The
33 definition of "court" is revised and made subject to general
34 rules. The definitions of "association" and "credit union" are
35 new. The definitions of "business corporation" and "foreign
36 insurance corporation" appear in new 15 Pa.C.S. § 1103. The
37 definitions of "corporation for profit," "corporation not-for-
38 profit" and "not-for-profit corporation" appear in new 15
39 Pa.C.S. § 1103. The definition of "officially publish" appears
40 in new 15 Pa.C.S. § 1103. The definition of "written" is
41 supplied by 1 Pa.C.S. § 1991. The definitions of "foreign
42 business corporation" and "unconsolidated utility corporation"
43 are omitted from this section as a result of the clarification
44 and redefinition of the applicability of the various provisions
45 of new Title 15.

46 15 Pa.C.S. § 103: Generalization of former 15 Pa.C.S. § 103.
47 See act of May 5, 1933 (P.L.364, No.106), § 6D (15 P.S. §
48 1006D).

49 15 Pa.C.S. § 104: Derived from act of May 5, 1933 (P.L.364,
50 No.106), § 6D (last sentence) (15 P.S. § 1006D (last sentence)),
51 and former 15 Pa.C.S. § 104. As to jurisdiction of courts, see
52 42 Pa.C.S. § 931.

53 15 Pa.C.S. § 105: Reenactment of former 15 Pa.C.S. § 105.
54 Derived from act of May 5, 1933 (P.L.364, No.106), § 7 (15 P.S.
55 § 1007).

56 15 Pa.C.S. § 106: Reenactment of former 15 Pa.C.S. § 108,
57 except for reference to a statutory provision varying the rule
58 of this section. An example of such a statutory provision is 42
59 Pa.C.S. § 8364 when the bylaw authorized by that section is

1 included in the articles pursuant to new 15 Pa.C.S. § 1504(c).
2 Derived from act of May 5, 1933 (P.L.364, No.106), § 9 (15 P.S.
3 § 1009).

4 15 Pa.C.S. § 107: Generalization of former 15 Pa.C.S. § 111.
5 15 Pa.C.S. § 108: Generalization of former 15 Pa.C.S. § 112.
6 Provision on change of name of agent is patterned in general
7 after Delaware General Corporation Law § 134(b).

8 15 Pa.C.S. § 109: New.
9 15 Pa.C.S. § 110: Patterned in part after 13 Pa.C.S. § 1103.
10 Compare new 15 Pa.C.S. §§ 8304, 8305, 8504 and 9101.

11 15 Pa.C.S. § 131: Derived from 54 Pa.C.S. § 102.
12 15 Pa.C.S. § 132: Subsections (a), (b) and (c) are a
13 generalization of former 15 Pa.C.S. § 131. Subsection (d) is a
14 reenactment of section 5(a) of the act of December 16, 1982
15 (P.L.1309, No.295).

16 15 Pa.C.S. § 133: Subsections (a)-(d) are substantially a
17 reenactment of former 15 Pa.C.S. § 132, except for the
18 penultimate sentence of subsection (d). Subsection (e) is a
19 generalization of section 5(c) of the act of December 16, 1982
20 (P.L.1309, No.295).

21 15 Pa.C.S. § 134: Derived from act of May 5, 1933 (P.L.364,
22 No.106), § 206B and C (15 P.S. § 1206B and C).

23 15 Pa.C.S. § 135: Subsection (a) is a generalization of
24 former 15 Pa.C.S. § 133. References to the docketing statement
25 required by new 15 Pa.C.S. § 134 and the provision on documents
26 setting forth a name or mark have been added. Reference to
27 submission of proofs of publication to the Department of State
28 omitted as obsolete. Subsection (b) is intended to abrogate 19
29 Pa. Code § 13.8(b). Subsection (c) is a generalization of
30 section 5(b) of the act of December 16, 1982 (P.L.1309, No.295).

31 15 Pa.C.S. § 136: Substantially a reenactment of former 15
32 Pa.C.S. § 134.

33 15 Pa.C.S. § 137: Generalization of former 15 Pa.C.S. § 135.
34 15 Pa.C.S. § 138: Generalization of former 15 Pa.C.S. § 136.
35 The description of the document to be filed is changed from a
36 "certificate" to a "statement." Execution of the statement by
37 business corporations is governed by new 15 Pa.C.S. § 1108.

38 15 Pa.C.S. § 139: Derived from act of July 11, 1957
39 (P.L.691, No.366) (15 Pa.C.S. §§ 806 and 807).

40 15 Pa.C.S. § 151: Patterned in part after Delaware General
41 Corporation Law § 388. Compare 15 Pa.C.S. § 4161.

42 15 Pa.C.S. § 152: Patterned in part after Delaware General
43 Corporation Law § 389.

44 15 Pa.C.S. § 501: Derived from Constitution, Article 10, §§
45 2 and 3; former 15 Pa.C.S. § 106; act of January 18, 1966 (1965
46 P.L.1443, No.521), § 3 (15 P.S. § 3); act of May 3, 1855
47 (P.L.423, No.448), § 1 (15 P.S. § 101); and act of May 5, 1933
48 (P.L.364, No.106), §§ 3B and 211 (15 P.S. §§ 1003B and 1211).
49 See also act of May 5, 1933 (P.L.289, No.105), § 3B, as added by
50 act of January 18, 1966 (1965 P.L.1406, No.520) (former 15 P.S.
51 § 7003B), and act of May 17, 1921 (P.L.682, No.284), § 106 (40
52 P.S. § 366).

53 15 Pa.C.S. § 502: Derived from former 15 Pa.C.S. § 101.
54 Former subsection (b) is omitted from this section as a result
55 of the clarification and redefinition of the applicability of
56 new 15 Pa.C.S. Part II, Subpart B.

57 15 Pa.C.S. § 503: Generalization of former 15 Pa.C.S. § 7990
58 and act of May 5, 1933 (P.L.364, No.106), § 1112 (15 P.S. §
59 2112).

1 15 Pa.C.S. § 504: Reenactment of former 15 Pa.C.S. § 109.
2 See also act of May 5, 1933 (P.L.364, No.106), § 12 (15 P.S. §
3 1012).
4 15 Pa.C.S. § 505: Substantially a reenactment of former 15
5 Pa.C.S. § 110. See also act of May 5, 1933 (P.L.364, No.106), §
6 13 (15 P.S. § 1013). The term "clerk" includes "prothonotary."
7 See 42 Pa.C.S. Ch. 27.
8 15 Pa.C.S. § 506: Substantially a reenactment of act of May
9 5, 1933 (P.L.364, No.106), § 14 (15 P.S. § 1014). Section 15 of
10 the act of May 5, 1933 (P.L.364, No.106) (15 P.S. § 1015) which
11 limited the applicability of this section is omitted.
12 15 Pa.C.S. § 507: Patterned in general after new 15 Pa.C.S.
13 §§ 504 and 505.
14 15 Pa.C.S. § 8101: New.
15 15 Pa.C.S. § 8102: New.
16 15 Pa.C.S. § 8301: Subsection (a) is a reenactment of former
17 59 Pa.C.S. § 301. Subsection (b) is new. See new 15 Pa.C.S. §
18 101(b).
19 15 Pa.C.S. § 8302: Reenactment of former 59 Pa.C.S. § 302.
20 15 Pa.C.S. § 8303: Reenactment of former 59 Pa.C.S. § 303.
21 15 Pa.C.S. § 8304: Reenactment of former 59 Pa.C.S. § 304.
22 See new 15 Pa.C.S. § 110.
23 15 Pa.C.S. § 8305: Reenactment of former 59 Pa.C.S. § 305.
24 See new 15 Pa.C.S. § 110.
25 15 Pa.C.S. § 8311: Substantially a reenactment of former 59
26 Pa.C.S. § 311.
27 15 Pa.C.S. § 8312: Reenactment of former 59 Pa.C.S. § 312.
28 15 Pa.C.S. § 8313: Reenactment of former 59 Pa.C.S. § 313.
29 15 Pa.C.S. § 8321: Reenactment of former 59 Pa.C.S. § 321.
30 15 Pa.C.S. § 8322: Reenactment of former 59 Pa.C.S. § 322.
31 15 Pa.C.S. § 8323: Reenactment of former 59 Pa.C.S. § 323.
32 15 Pa.C.S. § 8324: Reenactment of former 59 Pa.C.S. § 324.
33 15 Pa.C.S. § 8325: Reenactment of former 59 Pa.C.S. § 325.
34 15 Pa.C.S. § 8326: Reenactment of former 59 Pa.C.S. § 326.
35 15 Pa.C.S. § 8327: Reenactment of former 59 Pa.C.S. § 327.
36 15 Pa.C.S. § 8328: Reenactment of former 59 Pa.C.S. § 328.
37 15 Pa.C.S. § 8329: Reenactment of former 59 Pa.C.S. § 329.
38 15 Pa.C.S. § 8331: Reenactment of former 59 Pa.C.S. § 331.
39 15 Pa.C.S. § 8332: Reenactment of former 59 Pa.C.S. § 332.
40 15 Pa.C.S. § 8333: Reenactment of former 59 Pa.C.S. § 333.
41 15 Pa.C.S. § 8334: Reenactment of former 59 Pa.C.S. § 334.
42 15 Pa.C.S. § 8335: Reenactment of former 59 Pa.C.S. § 335.
43 15 Pa.C.S. § 8336: Reenactment of former 59 Pa.C.S. § 336.
44 15 Pa.C.S. § 8341: Reenactment of former 59 Pa.C.S. § 341.
45 15 Pa.C.S. § 8342: Reenactment of former 59 Pa.C.S. § 342.
46 15 Pa.C.S. § 8343: Reenactment of former 59 Pa.C.S. § 343.
47 15 Pa.C.S. § 8344: Reenactment of former 59 Pa.C.S. § 344.
48 15 Pa.C.S. § 8345: Reenactment of former 59 Pa.C.S. § 345.
49 15 Pa.C.S. § 8351: Reenactment of former 59 Pa.C.S. § 351.
50 15 Pa.C.S. § 8352: Reenactment of former 59 Pa.C.S. § 352.
51 15 Pa.C.S. § 8353: Reenactment of former 59 Pa.C.S. § 353.
52 15 Pa.C.S. § 8354: Substantially a reenactment of former 59
53 Pa.C.S. § 354. The words "the court shall decree a dissolution"
54 are added to subsection (b) to supply an error in the original
55 text of the Uniform Partnership Act § 32. See Uniform
56 Partnership Act (U.L.A.) § 32 (Supp. 1987) for similar
57 amendments in other adopting jurisdictions.
58 15 Pa.C.S. § 8355: Reenactment of former 59 Pa.C.S. § 355.
59 15 Pa.C.S. § 8356: Reenactment of former 59 Pa.C.S. § 356.

1 15 Pa.C.S. § 8357: Reenactment of former 59 Pa.C.S. § 357.
 2 15 Pa.C.S. § 8358: Reenactment of former 59 Pa.C.S. § 358.
 3 15 Pa.C.S. § 8359: Reenactment of former 59 Pa.C.S. § 359.
 4 15 Pa.C.S. § 8360: Reenactment of former 59 Pa.C.S. § 360.
 5 15 Pa.C.S. § 8361: Reenactment of former 59 Pa.C.S. § 361.
 6 15 Pa.C.S. § 8362: Reenactment of former 59 Pa.C.S. § 362.
 7 15 Pa.C.S. § 8363: Reenactment of former 59 Pa.C.S. § 363.
 8 15 Pa.C.S. § 8364: Reenactment of former 59 Pa.C.S. § 364.
 9 15 Pa.C.S. § 8365: Reenactment of former 59 Pa.C.S. § 365.
 10 15 Pa.C.S. § 8501: Derived from former 59 Pa.C.S. § 501.
 11 Patterned after Revised Uniform Limited Partnership Act § 1102
 12 (1985).
 13 15 Pa.C.S. § 8502: Subsection (a) is derived from former 59
 14 Pa.C.S. § 502. Subsection (b) is patterned in part after Revised
 15 Uniform Limited Partnership Act § 1104 (1985). See section
 16 203(1) of the act of , 1988 (P.L. , No.), known as
 17 the Partnership Act of 1988 (15 P.S. §).
 18 15 Pa.C.S. § 8503: Derived from former 59 Pa.C.S. §§ 511 and
 19 561. Patterned after Revised Uniform Limited Partnership Act §
 20 101 (1985). The definitions of "person" and "state" in the
 21 Revised Uniform Act appear in 1 Pa.C.S. § 1991. The last two
 22 sentences of the definition of "certificate of limited
 23 partnership" are patterned after the definition of "articles" in
 24 new 15 Pa.C.S. § 1103. The definitions of "court," "department,"
 25 "except as otherwise provided," "obligation" and "registered
 26 office" are patterned after new 15 Pa.C.S. § 1103. The
 27 definition of "registered investment company" is used in new 15
 28 Pa.C.S. §§ 8523 and 8532.
 29 15 Pa.C.S. § 8504: Derived from former 59 Pa.C.S. § 503.
 30 Patterned after Revised Uniform Limited Partnership Act § 1105
 31 (1985). See new 15 Pa.C.S. § 110.
 32 15 Pa.C.S. § 8505: Subsection (a) is derived from former 59
 33 Pa.C.S. § 515(a), and is patterned in part after Revised Uniform
 34 Limited Partnership Act § 102 (1985). Subsection (b) is
 35 patterned in part after Revised Uniform Limited Partnership Act
 36 § 103 (1985).
 37 15 Pa.C.S. § 8506: Patterned after new 15 Pa.C.S. § 1507.
 38 Subsection (a) is patterned in part after Revised Uniform
 39 Limited Partnership Act § 104 (1985).
 40 15 Pa.C.S. § 8507: Patterned in part after Revised Uniform
 41 Limited Partnership Act § 105 (1985). Compare new 15 Pa.C.S. §
 42 1508(a) and (b).
 43 15 Pa.C.S. § 8508: Reenactment of former 59 Pa.C.S. § 513.
 44 Patterned after Revised Uniform Limited Partnership Act § 106
 45 (1985).
 46 15 Pa.C.S. § 8509: Derived from former 59 Pa.C.S. § 527.
 47 Patterned after Revised Uniform Limited Partnership Act § 107
 48 (1985).
 49 15 Pa.C.S. § 8511: Derived from former 59 Pa.C.S. § 512.
 50 Patterned in part after Revised Uniform Limited Partnership Act
 51 § 201 (1985). Subsection (c) is substantially a reenactment of
 52 former 59 Pa.C.S. § 512(c).
 53 15 Pa.C.S. § 8512: Derived from former 59 Pa.C.S. §§ 542(b)
 54 and 543(a). Patterned in part after Revised Uniform Limited
 55 Partnership Act § 202 (1985). Subsection (a)(4) is patterned
 56 after new 15 Pa.C.S. § 1915(3). Subsection (b)(1) is patterned
 57 in part after 6 Del. Code § 17-202(c)(5). Subsection (e) is
 58 patterned after new 15 Pa.C.S. § 1916(b) and 6 Del. Code § 17-
 59 202(e).

1 15 Pa.C.S. § 8513: Derived from former 59 Pa.C.S. §§ 542(a)
2 and 543(b). Patterned after Revised Uniform Limited Partnership
3 Act § 203 (1985).
4 15 Pa.C.S. § 8514: Patterned in part after Revised Uniform
5 Limited Partnership Act §§ 204 and 206(a) (second sentence)
6 (1985). Section 204(c) of the Revised Uniform Act is supplied by
7 18 Pa.C.S. § 4904.
8 15 Pa.C.S. § 8515: Derived from former 59 Pa.C.S. § 543(c).
9 Patterned in part after Revised Uniform Limited Partnership Act
10 § 205 (1985).
11 15 Pa.C.S. § 8516: Derived from former 59 Pa.C.S. § 543(d)
12 and (e). Patterned after Revised Uniform Limited Partnership Act
13 § 206(b) (1985). Section 206(a) of the Revised Uniform Act is
14 supplied by new 15 Pa.C.S. §§ 136 and 8514.
15 15 Pa.C.S. § 8517: Derived from former 59 Pa.C.S. § 516.
16 Patterned after Revised Uniform Limited Partnership Act § 207
17 (1985). The tests of materiality and reasonable reliance are
18 patterned after 6 Del. Code § 17-207.
19 15 Pa.C.S. § 8518: Patterned in part after Revised Uniform
20 Limited Partnership Act § 208 (1985).
21 15 Pa.C.S. § 8519: Patterned in part after Revised Uniform
22 Limited Partnership Act § 209 (1985).
23 15 Pa.C.S. § 8520: Derived from former 59 Pa.C.S. § 544.
24 Compare new 15 Pa.C.S. § 1311.
25 15 Pa.C.S. § 8521: Derived from former 59 Pa.C.S. §§ 522 and
26 533. Patterned in part after Revised Uniform Limited Partnership
27 Act § 301 (1985). Deletion of the requirement of the Revised
28 Uniform Act that consent under subsection (b)(1) be written is
29 patterned after 6 Del. Code § 17-301(1).
30 15 Pa.C.S. § 8522: Patterned after 6 Del. Code § 17-302.
31 Subsection (b) is patterned in part after Revised Uniform
32 Limited Partnership Act § 302 (1985).
33 15 Pa.C.S. § 8523: Derived from former 59 Pa.C.S. §§ 515(b)
34 and 521. Patterned after Revised Uniform Limited Partnership Act
35 § 303 (1985), and 6 Del. Code § 17-303. Subsection (b)(9) is
36 patterned after former Nebraska Statutes § 67-210(3).
37 15 Pa.C.S. § 8524: Derived from former 59 Pa.C.S. § 525.
38 Patterned in part after Revised Uniform Limited Partnership Act
39 § 304 (1985). Test of action within reasonable time in
40 subsection (a) and requirements of reasonable reliance in
41 subsection (b) are patterned after 6 Del. Code § 17-304.
42 15 Pa.C.S. § 8525: Derived from former 59 Pa.C.S. § 524(a).
43 Patterned in part after Revised Uniform Limited Partnership Act
44 § 305 (1985). The proviso in the introductory clause is
45 patterned after 6 Del. Code § 17-305.
46 15 Pa.C.S. § 8531: Derived from former 59 Pa.C.S. §
47 543(a)(2). Patterned after Revised Uniform Limited Partnership
48 Act § 401 (1985).
49 15 Pa.C.S. § 8532: Subsection (a) is derived from former 59
50 Pa.C.S. § 534, and is patterned after Revised Uniform Limited
51 Partnership Act § 402 (1985). Subsection (b) is new.
52 15 Pa.C.S. § 8533: Derived from former 59 Pa.C.S. § 523.
53 Patterned after Revised Uniform Limited Partnership Act § 403
54 (1985).
55 15 Pa.C.S. § 8534: Derived from former 59 Pa.C.S. § 526.
56 Patterned after Revised Uniform Limited Partnership Act § 404
57 (1985).
58 15 Pa.C.S. § 8535: Patterned after Revised Uniform Limited
59 Partnership Act § 405 (1985).

1 15 Pa.C.S. § 8541: Derived from former 59 Pa.C.S. § 514.
2 Patterned after Revised Uniform Limited Partnership Act § 501
3 (1985).
4 15 Pa.C.S. § 8542: Derived from former 59 Pa.C.S. § 531.
5 Patterned in part after Revised Uniform Limited Partnership Act
6 § 502 (1985).
7 15 Pa.C.S. § 8543: Derived from former 59 Pa.C.S. § 524(b).
8 Patterned in part after Revised Uniform Limited Partnership Act
9 § 503 (1985).
10 15 Pa.C.S. § 8544: Derived from former 59 Pa.C.S. § 528.
11 Patterned in part after Revised Uniform Limited Partnership Act
12 § 504 (1985).
13 15 Pa.C.S. § 8545: Patterned after 6 Del. Code § 17-211.
14 15 Pa.C.S. § 8551: Patterned after Revised Uniform Limited
15 Partnership Act § 601 (1985).
16 15 Pa.C.S. § 8552: Patterned after Revised Uniform Limited
17 Partnership Act § 602 (1985). Compare new 15 Pa.C.S. § 8360.
18 15 Pa.C.S. § 8553: Derived from former 59 Pa.C.S. §
19 530(a)(3) and (b). Patterned after Revised Uniform Limited
20 Partnership Act § 603 (1985). Compare new 15 Pa.C.S. § 8507.
21 15 Pa.C.S. § 8554: Derived from former 59 Pa.C.S. §
22 530(a)(2). Patterned after Revised Uniform Limited Partnership
23 Act § 604 (1985).
24 15 Pa.C.S. § 8555: Derived from former 59 Pa.C.S. § 530(c).
25 Patterned after Revised Uniform Limited Partnership Act § 605
26 (1985).
27 15 Pa.C.S. § 8556: Patterned after Revised Uniform Limited
28 Partnership Act § 606 (1985).
29 15 Pa.C.S. § 8557: Derived from former 59 Pa.C.S. §§ 529 and
30 530(a)(1). Patterned after Revised Uniform Limited Partnership
31 Act § 607 (1983), as adopted in California. See Cal. Corp. Code
32 § 15666.
33 15 Pa.C.S. § 8558: Derived from former 59 Pa.C.S. § 531.
34 Patterned in part after Revised Uniform Limited Partnership Act
35 § 608 (1985).
36 15 Pa.C.S. § 8561: Derived from former 59 Pa.C.S. § 532.
37 Patterned after Revised Uniform Limited Partnership Act § 701
38 (1985).
39 15 Pa.C.S. § 8562: Derived from former 59 Pa.C.S. § 533.
40 Patterned after 6 Del. Code § 17-702. Subsection (a) is
41 patterned in part after Revised Uniform Limited Partnership Act
42 § 702 (1985).
43 15 Pa.C.S. § 8563: Derived from former 59 Pa.C.S. § 536.
44 Patterned after Revised Uniform Limited Partnership Act § 703
45 (1985).
46 15 Pa.C.S. § 8564: Derived from former 59 Pa.C.S. § 533.
47 Patterned after Revised Uniform Limited Partnership Act § 704
48 (1985).
49 15 Pa.C.S. § 8565: Derived from former 59 Pa.C.S. § 535.
50 Patterned after Revised Uniform Limited Partnership Act § 705
51 (1985).
52 15 Pa.C.S. § 8571: Subsection (a) is derived from former 59
53 Pa.C.S. §§ 523(7) and 534, and is patterned after Revised
54 Uniform Limited Partnership Act § 801 (1985). The balance of the
55 section is added. As to subsection (c), see section 203(2) of
56 the act of , 1988 (P.L. , No.), known as the
57 Partnership Act of 1988 (15 P.S. §).
58 15 Pa.C.S. § 8572: Patterned after Revised Uniform Limited
59 Partnership Act § 802 (1985).

1 15 Pa.C.S. § 8573: Patterned after Revised Uniform Limited
2 Partnership Act § 803 (1985), except provision for a liquidating
3 trustee which is patterned after 6 Del. Code § 17-803(a).
4 Compare new 15 Pa.C.S. § 8359.
5 15 Pa.C.S. § 8574: Derived from former 59 Pa.C.S. § 541.
6 Patterned after Revised Uniform Limited Partnership Act § 804
7 (1985). Provision for establishment of reserves is patterned
8 after 6 Del. Code § 17-804(1).
9 15 Pa.C.S. § 8575: Patterned after new 15 Pa.C.S. § 1979.
10 15 Pa.C.S. § 8581: Derived from former 59 Pa.C.S. § 562.
11 Patterned after Revised Uniform Limited Partnership Act § 901
12 (1985).
13 15 Pa.C.S. § 8582: Subsection (a) is derived from former 59
14 Pa.C.S. § 563 and is patterned in part after Revised Uniform
15 Limited Partnership Act § 902 (1985). Subsection (b) is
16 patterned after Conn. G.S.A. § 34-380 and Mich. Con. L.A. §
17 449.1909.
18 15 Pa.C.S. § 8583: Substantially a reenactment of former 59
19 Pa.C.S. § 564. Patterned in part after Revised Uniform Limited
20 Partnership Act § 903 (1985).
21 15 Pa.C.S. § 8584: Reenactment of former 59 Pa.C.S. § 565.
22 Patterned in part after Revised Uniform Limited Partnership Act
23 § 904 (1985).
24 15 Pa.C.S. § 8585: Subsection (a) is derived from former 59
25 Pa.C.S. § 566, and is patterned in part after Revised Uniform
26 Limited Partnership Act § 905 (1985). Subsections (b) and (c)
27 are new.
28 15 Pa.C.S. § 8586: Subsection (a) is derived from former 59
29 Pa.C.S. § 567, and is patterned in part after Revised Uniform
30 Limited Partnership Act § 906 (1985). Subsection (b) is
31 patterned after new 15 Pa.C.S. § 4129(d).
32 15 Pa.C.S. § 8587: Subsections (a)-(c) are derived from
33 former 59 Pa.C.S. § 568 and are patterned in part after Revised
34 Uniform Limited Partnership Act § 907(a)-(c) (1985). The second
35 sentence of subsection (a) is patterned after the second
36 sentence of new 15 Pa.C.S. § 4141(a). Subsections (d) and (e)
37 are patterned after new 15 Pa.C.S. § 4143(a) and (b). Section
38 907(d) of the Revised Uniform Act is supplied by 42 Pa.C.S. Ch.
39 53 Subch. B.
40 15 Pa.C.S. § 8588: Substantially a reenactment of former 59
41 Pa.C.S. § 569. Patterned after Revised Uniform Limited
42 Partnership Act § 908 (1985).
43 15 Pa.C.S. § 8589: Patterned after new 15 Pa.C.S. § 4142.
44 15 Pa.C.S. § 8591: Patterned after Revised Uniform Limited
45 Partnership Act § 1001 (1985).
46 15 Pa.C.S. § 8592: Subsection (a) is patterned after Revised
47 Uniform Limited Partnership Act § 1002 (1985). Subsection (b) is
48 patterned after new 15 Pa.C.S. § 1782(b).
49 15 Pa.C.S. § 8593: Patterned after Revised Uniform Limited
50 Partnership Act § 1003 (1985). The introductory proviso is
51 derived from Pa. Const. Art. V, § 10 and 42 Pa.C.S. § 1722.
52 15 Pa.C.S. § 8594: The first sentence of subsection (a) is
53 patterned after Revised Uniform Limited Partnership Act § 1004
54 (1985). The introductory proviso is derived from Pa. Const. Art.
55 V, § 10 and 42 Pa.C.S. § 1726. The second sentence of
56 subsection (a) is patterned after 6 Del. Code § 17-1004.
57 Subsection (b) is patterned after new 15 Pa.C.S. § 1782(c).
58 15 Pa.C.S. § 8701: Subsections (a), (b) and (c) are
59 substantially a reenactment of former 59 Pa.C.S. § 701. The

1 designation of the document filed in the Department of State is
2 changed from "certificate" to "statement." Subsection (d) is
3 new.

4 15 Pa.C.S. § 8702: Reenactment of former 59 Pa.C.S. § 702.

5 15 Pa.C.S. § 8703: Substantially a reenactment of former 59
6 Pa.C.S. § 703. The designation of the document is changed from
7 "certificate" to "statement."

8 15 Pa.C.S. § 8704: Reenactment of former 59 Pa.C.S. § 704.

9 15 Pa.C.S. § 8705: Reenactment of former 59 Pa.C.S. § 705,
10 except that subsection (b)(1) is new and is intended as a
11 codification of existing law. See section 203(3) of the act of
12 , 1988 (P.L. , No.), known as the Partnership Act of
13 1988 (15 P.S. §).

14 15 Pa.C.S. § 8706: Reenactment of former 59 Pa.C.S. § 706.

15 15 Pa.C.S. § 8707: Derived from former 59 Pa.C.S. § 707. The
16 words "of the partnership in addition to or in contravention of
17 the changes" in the second sentence of subsection (a) are
18 intended as a codification of existing law. See section 203(3)
19 of the act of , 1988 (P.L. , No.), known as the
20 Partnership Act of 1988 (15 P.S. §).

21 Section 105: New.

22 Section 106: New. Compare former 15 Pa.C.S. § 101(c) and 15
23 P.S. § 4 note.

24 Section 107: Derived from act of November 15, 1972
25 (P.L.1063, No.271), § 2 (15 Pa.C.S. § 101 note).

26 Section 108: Substantially a reenactment of act of July 10,
27 1981 (P.L.237, No.77), § 6 (59 Pa.C.S.A. § 701 note).

28 Section 109: New.

29 DIVISION II

30 Section 201: New.

31 Section 202: New.

32 Section 203: New.