

PARTNERSHIPS.

CHAPTER 65.

AN ACT TO REGULATE LIMITED PARTNERSHIPS.

*Be it enacted by the Legislative Assembly of the Territory of
Dakota:*

SECTION 1. Limited partnerships, for the transaction of mercantile, mechanical, or manufacturing business within this territory, may be formed by two or more persons, upon the terms, with the rights and powers, and subject to the conditions and liabilities herein prescribed; but the provisions of this act shall not be construed to authorize any such partnership for the purpose of banking or making insurance.

Partnership by two or more persons.

Not for banking purposes.

SECT. 2. Such partnership may consist of one or more persons, who shall be called general partners, and who shall be jointly and severally responsible as general partners now are by law; and one or more persons, who shall contribute in actual cash payments, a specific sum as capital to the common stock, who shall be called special partners, and who shall not be liable for the debts of the partnership beyond the fund so contributed by him or them to the capital.

May consist of general and special partners.

Their liability.

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

General partners transact business, &c.

SECT. 4. The persons desirous of forming such partnership shall make and severally sign a certificate, which shall contain: 1. The name or firm under which such partnership is to be conducted. 2. The general nature of the business to be transacted. 3. The names of all the general and special partners interested therein, distinguishing which are general and which are special partners, and their respective places of residence. 4. The amount of capital which each special partner shall have contributed to the common stock. 5. The period at which the partnership is to commence, and the period at which it is to terminate.

Persons forming to make and sign certificate, containing what.

Certificate acknowledged by whom.

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

Certificate filed, where.

SECT. 6. The certificate, so acknowledged and certified, shall be filed in the office of the register of deeds of the county in which the principal place of business of the partnership shall be situated, and shall also be recorded by him at large in a book to be kept for that purpose, open to public inspection. If the partnership shall have place of business situated in different counties, a transcript of the certificate and acknowledgment thereof, duly certified by the register of deeds in whose office it shall be filed, under his official seal, shall be filed and recorded in like manner in the office of the register of deeds of every such county.

Affidavit made as to amount paid in by special partners.

SECT. 7. At the time of filing the original certificate, with the evidence of the acknowledgment thereof, as before directed, an affidavit of one or more of the general partners shall also be filed in the same office, stating the sums specified in the certificate to have been contributed by each of the special partners to the common stock, have been actually and in good faith paid in cash.

Partnership only formed, when.

SECT. 8. No such partnership shall be deemed to have been formed until a certificate shall have been made, acknowledged, filed, and recorded, nor until an affidavit shall have been filed as above directed; and if any false statement be made in such certificate or affidavit, all the persons interested in such partnership shall be liable for all the engagements thereof, as general partners.

If false statement made.

Partners shall publish term of partnership.

SECT. 9. The partners shall publish the term of the partnership, when registered, for at least six weeks immediately after such registry, in a newspaper, to be designated by the register of deeds in the county where such registry shall be made, if there is [one] published therein; and if there is none published in said county, then in a newspaper published at the capital of the territory; and if such publication be not made, the partnership shall be deemed general.

SECT. 10. Affidavit of the publication of such notice, by

the publishers (or their foreman) of the newspaper in which the same shall be published, may be filed with the register of deeds directing the same, and shall be evidence of the fact therein contained. Affidavit of publication may be filed.

SECT. 11. Every renewal or continuance of such partnership, beyond the time originally fixed for its duration, shall be certified, acknowledged, and recorded, and an affidavit of a general partner be made and filed, and notice given in the manner herein required for its original formation, and every such partnership which shall be otherwise renewed or continued, shall be deemed a general partnership. Of renewal and continuance of partnership.

SECT. 12. Every alteration which shall be made in the names of the parties, in the nature of the business, or in the capital or shares thereof, or in any other matter specified in the original certificate, shall be deemed a dissolution of the partnership; and any such partnership which shall in any manner be carried on after any such alteration shall have been made, shall be deemed a general partnership, unless renewed as a special partnership, according to the provisions of the last section. When alteration made, deemed dissolution.

SECT. 13. The business of the partnership shall be conducted under a firm in which the name of the general partners only shall be inserted, without the addition of the word "company," or any other general term; and, if the name of any special partner shall be [used] in such firm with his privity, he shall be deemed a general partner. When special deemed general partner.

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

SECT. 15. No part of the sum which any special partner shall have contributed to the capital stock shall be withdrawn by him or paid, or transferred to him in the shape of dividends, profits, or otherwise, at any time during the continuance of the partnership; but every partner may annually receive lawful interest on the sum so contributed by him, if the payment of such interest shall not reduce the original amount of such capital, and if, after the payment of such interest, any profits shall remain to be divided, he may also receive his portion of such profits. No part of special partner's stock withdrawn. Annual interest and profits.

SECT. 16. If it shall appear that, by the payment of in- If capital reduced.

terest or profits to any special partner, the original capital has been reduced, the parties receiving the same shall be bound to restore the amount necessary to make good his share of capital, with interest.

Special partner may examine and advise, but not transact business.

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

General partners liable to account.

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

Partners guilty of fraud, how liable.

SECT. 19. Every partner who shall be guilty of any fraud in the affairs of the partnership shall be liable, civilly, to the party injured, to the extent of his damage, and shall also be liable to an indictment for a misdemeanor, punishable by fine or imprisonment, or both, in the discretion of the court by which he shall be tried.

Certain assignments void.

SECT. 20. Every sale, assignment, or transfer of any of the property or effects of such partnership, made by such partnership, when insolvent, or in contemplation of insolvency, or after, or in contemplation of the insolvency of any partner, with the intent of giving a preference to any creditor of such partnership, or insolvent partner, every other creditor or creditors of such partnership, and every judgment confessed, lien created, or security given by such partnership, under the like circumstances and with like intent, shall be void as against the creditors of such partnership.

Same.

SECT. 21. Every such sale, assignment, or transfer of any of the property or effects of a general or special partner made by such general or special partner, when insolvent or in contemplation of insolvency, or after or in contemplation of the insolvency in the partnership, with the intent of giving to any creditor of his own, or of the partnership, a preference over creditors of the partnership, and every judgment confessed, lien created, or security given by such partner, under the like circumstances and with the like intent, shall be void as against the creditors of the partnership.

SECT. 22. Every special partner who shall violate any provisions of the two last preceding sections, or who shall concur in or assent to any such violation of the partnership, or by any individual partner, shall be liable as a general partner. Same.

SECT. 23. In case of the insolvency or bankruptcy of the partnership, no special partner shall, under any circumstances, be allowed to claim as a creditor, until the claims of all the other creditors of the partnership shall be satisfied. No special partner claims until all others are satisfied.

SECT. 24. No dissolution of such partnership by the act of the parties shall take place previous to the time specified in the certificate of its formation, or in the certificate of its renewal, until a notice of such dissolution shall have been filed and recorded in the office of the register of deeds in which the original certificate was recorded, and published once in each [week] for four weeks, in a newspaper printed in each of the counties where the partnership may have places of business; and, if there be no newspaper published in such county or counties, then by publishing the same as aforesaid, in a newspaper published at the capital of the territory. Dissolution before time specified, how.

SECT. 25. This act shall take effect and be in force from and after its passage. Take effect, when.

Approved May 12, 1862.

W. JAYNE, *Governor.*

PENITENTIARY.

CHAPTER 66.

AN ACT TO LOCATE THE PENITENTIARY.

Be it enacted by the Legislative Assembly of the Territory of Dakota :

SECTION 1. That the penitentiary for Dakota Territory is hereby located at Bon Homme, in said territory, on the Located at Bon Homme.