

**DISTRICT OF COLUMBIA**  
**OFFICIAL CODE**

**TITLE 29.**  
**BUSINESS ORGANIZATIONS.**

**CHAPTER 6.**  
**GENERAL PARTNERSHIPS.**

**2001 Edition**

# DISTRICT OF COLUMBIA OFFICIAL CODE

## CHAPTER 6. GENERAL PARTNERSHIPS.

---

### TABLE OF CONTENTS

---

#### **Subchapter I. General Provisions.**

---

- § 29-601.01. Short title.
- § 29-601.02. Definitions.
- § 29-601.03. Knowledge and notice.
- § 29-601.04. Effect of partnership agreement; nonwaivable provisions.
- § 29-601.05. Execution, filing, and recording of statements.
- § 29-601.06. Governing law.
- § 29-601.07. Applicability of act to foreign and interstate commerce.

#### **Subchapter II. Nature of Partnership.**

---

- § 29-602.01. Partnership as entity.
- § 29-602.02. Formation of partnership.
- § 29-602.03. Partnership property.
- § 29-602.04. When property is partnership property.

#### **Subchapter III. Relations of Partners to Persons Dealing with Partnership.**

---

- § 29-603.01. Partner agent of partnership.
- § 29-603.02. Transfer of partnership property.
- § 29-603.03. Statement of partnership authority.
- § 29-603.04. Statement of denial.
- § 29-603.05. Partnership liable for partner's actionable conduct.
- § 29-603.06. Partner's liability.
- § 29-603.07. Actions by and against partnership and partners.
- § 29-603.08. Liability of purported partner.

#### **Subchapter IV. Relations of Partners to Each Other and to Partnership.**

---

- § 29-604.01. Partner's rights and duties.
- § 29-604.02. Distributions in kind.
- § 29-604.03. Partner's rights and duties with respect to information.
- § 29-604.04. General standards of partner's conduct.
- § 29-604.05. Actions by partnership and partners.
- § 29-604.06. Continuation of partnership beyond definite term or particular undertaking.

#### **Subchapter V. Transferees and Creditors of Partner.**

---

- § 29-605.01. Partner not co-owner of partnership property.
- § 29-605.02. Partner's transferable interest in partnership.
- § 29-605.03. Transfer of partner's transferable interest.
- § 29-605.04. Partner's transferable interest subject to charging order.

#### **Subchapter VI. Partner's Dissociation.**

---

- § 29-606.01. Events causing partner's dissociation.

- § 29-606.02. Partner's power to dissociate; wrongful dissociation.
- § 29-606.03. Effect of partner's dissociation.

### **Subchapter VII. Partner's Dissociation When Business Not Wound Up.**

---

- § 29-607.01. Purchase of dissociated partner's interest.
- § 29-607.02. Dissociated partner's power to bind and liability to partnership.
- § 29-607.03. Dissociated partner's liability to other persons.
- § 29-607.04. Statement of dissociation.
- § 29-607.05. Continued use of partnership name.

### **Subchapter VIII. Winding Up Partnership Business.**

---

- § 29-608.01. Events causing dissolution and winding up of partnership business.
- § 29-608.02. Partnership continues after dissolution.
- § 29-608.03. Right to wind up partnership business.
- § 29-608.04. Partner's power to bind partnership after dissolution.
- § 29-608.05. Statement of dissolution.
- § 29-608.06. Partner's liability to other partners after dissolution.
- § 29-608.07. Settlement of accounts and contributions among partners.

### **Subchapter IX. Mergers and Interest Exchanges.**

---

- § 29-609.01. Definitions.
- § 29-609.02. Merger of partnerships.
- § 29-609.03. Effect of merger.
- § 29-609.04. Statement of merger.
- § 29-609.05. Interest exchanges.
- § 29-609.06. Nonexclusive.

### **Subchapter X. Limited Liability Partnership.**

---

- § 29-610.01. Statement of qualification.

### **Subchapter XI. Transition Provisions.**

---

- § 29-611.01. Application to existing relations.

## CHAPTER 6. GENERAL PARTNERSHIPS.

*Refs & Annos*

Jurisdiction	Laws	Effective Date	Statutory Citation
Alabama	2000, Act 675	1-1-2001	Code 1975, §§ 19-3A-101 to 19-3A-606.
Alaska	2003, c. 145	9-1-2003	AS §§ 13.38.200 to 13.38.990.
Arizona	2001, c. 176	1-1-2002	A.R.S. §§ 14-7401 to 14-7431.
Arkansas	1999, Act 647	1-1-2000	A.C.A. §§ 28-70-101 to 28-70-606.
California	1999, c. 145	1-1-2000	West's Ann.Cal.Probate Code §§ 16320 to 16375.
Colorado	2000, c. 257	7-1-2001	West's C.R.S.A. §§ 15-1-401 to 15-1-436.
Connecticut	1999, P.A. 99-164	1-1-2000	C.G.S.A. §§ 45a-542 to 45a-542ff.
District of Columbia	2001, D.C. Law 13-292	4-27-2001	D.C. Official Code, 2001 Ed. §§ 28-4801.01 to 28-4806.03.
Florida	2002, c. 42	1-1-2003	West's F.S.A. §§ 738.101 to 738.804.
Georgia	2010, c. 506	7-1-2010	O.C.G.A. §§ 53-12-380 to 53-12-431.
Hawaii	2000, c. 191	7-1-2000	HRS §§ 557A-101 to 557A-506.
Idaho	2001, c. 261	7-1-2001	I.C. §§ 68-10-101 to 68-10-605.
Indiana	2002, c. 84	1-1-2003	West's A.I.C. §§ 30-2-14-1 to 30-2-14-44.
Iowa	1999, H.F. 584	7-1-1999	I.C.A. §§ 637.101 to 637.701.
Kansas	2000, c. 61	7-1-2000	K.S.A. §§ 58-9-101 to 58-9-603.
Kentucky	2004, c. 158	1-1-2005	KRS 386.450 to 386.504.
Maine	2002, c. 544	1-1-2003	18-A M.R.S.A. §§ 7-701 to 7-773.
Maryland	2000, c. 292	10-1-2000	Code, Estates and Trusts, §§ 15-501 to 15-530.
Massachusetts	2005, c. 129	1-1-2006	M.G.L.A. c. 203D, §§ 1 to 29.
Michigan	2004, c. 159	9-1-2004	M.C.L.A. §§ 555.501 to 555.1005.
Minnesota[FN1]	1969, c. 1006	1-1-1970	M.S.A. §§ 501B.59 to 501B.76.
Missouri	2001, H.B. 241	7-10-2001 [FN*]	V.A.M.S. §§ 469.401 to 469.467.
Montana	2003, c. 506	4-25-2003 [FN*]	MCA §§ 72-34-421 to 72-34-453.
Nebraska	2001, LB 56	9-1-2001	R.R.S.1943, §§ 30-3116 to 30-3149.
Nevada	2003, c. 355	10-1-2003	NRS 164.780 to 164.925.
New Hampshire	2006, c. 320	1-1-2007	RSA 564-C:1-101 to 564-C:6-602.
New Jersey	2001, c. 212	1-1-2002	N.J.S.A. 3B:19B-1 to 3B:19B-31.
New Mexico	2001, c. 113	7-1-2001	NMSA 1978, §§ 46-3A-101 to 46-3A-603.
New York	2001, c. 243	1-1-2002	McKinney's EPTL 11-A-1.1 to 11-A-6.4.
North Carolina	2003, c. 232	1-1-2004	G.S. §§ 37A-1-101 to 37A-6-602.
North Dakota	1999, c. 532	8-1-1999	NDCC 59-04.2-01 to 59-04.2-30.
Ohio	2006, H.B. 416	1-1-2007	R.C. §§ 5812.01 to 5812.52.
Oklahoma	1998, c. 115	11-1-1998	60 Okl.St.Ann. §§ 175.101 to 175.603.
Oregon	2003, c. 279	1-1-2004	ORS 116.007, 129.200 to 129.450.
Pennsylvania	2002, c. 50	5-16-2002 [FN*]	20 Pa.C.S.A. §§ 8101 to 8191.
South Carolina	2005, c. 66	1-1-2006	Code 1976, §§ 62-7-901 to 62-7-932.
South Dakota[FN2]	2007, c. 282	7-1-2007	SDCL 55-13A-101 to 55-13A-602.
Tennessee	2000, c. 829	7-1-2000	T.C.A. §§ 35-6-101 to 35-6-602.
Texas	2003, c. 659	1-1-2004	V.T.C.A. Property Code §§ 116.001 to 116.206.
Utah	2004, c. 285	5-3-2004	U.C.A. 1953, 22-3-101 to 22-3-604.
Virginia	1999, c. 975	1-1-2000	Code 1950, §§ 55-277.1 to 55-277.33.
Washington	2002, c. 345	1-1-2003	West's RCWA 11.104A.001 to 11.104A.907.
West Virginia	2000, c. 273	7-1-2000	Code, 44B-1-101 to 44B-6-606.
Wisconsin	2005, c. 10	5-17-2005	W.S.A. 701.20.
Wyoming	2001, c. 11	7-1-2001	Wyo.Stat.Ann. §§ 2-3-801 to 2-3-834.

[FN\*] Approval date.

[FN1] Minnesota's act remains a substantial adoption of the provisions of the Uniform Principal and Income Act (1962), but various amendments and newly enacted sections have adopted several provisions of the Uniform Principal and Income Act (1997). Therefore, Minnesota will be carried in the Table of Adopting Jurisdictions for both acts.

[FN2] Enacted the Uniform Principal and Income Act (1997) without repealing the Uniform Principal and Income Act (1962).

## **SUBCHAPTER I. GENERAL PROVISIONS.**

### **§ 29-601.01. SHORT TITLE.**

This chapter may be cited as the "Uniform Partnership Act of 2010".

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 1202 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-601.02. DEFINITIONS.**

For the purposes of this chapter, the term:

- (1) "Business" includes every trade, occupation, and profession.
- (2) "Distribution" means a transfer of money or other property from a partnership to a partner in the partner's capacity as a partner or to the partner's transferee.
- (3) "Domestic partnership" means a partnership whose internal relations are governed by the laws of the District.
- (4) "Foreign limited liability partnership" means a partnership that:
  - (A) Is formed under laws other than the laws of the District; and
  - (B) Has the status of a limited liability partnership under those laws.
- (5) "Foreign partnership" means a partnership other than a domestic partnership.
- (6) "Limited liability partnership" or "domestic limited liability partnership" means a partnership that has filed a statement of qualification under § 29-610.01 and does not have a similar statement in effect in any other jurisdiction.
- (7) "Partnership" means an association of 2 or more persons to carry on as co-owners a business for profit formed under § 29-602.02, predecessor law, or comparable law of another jurisdiction.
- (8) "Partnership agreement" means the agreement, whether written, oral, or implied, among the partners concerning the partnership, including amendments to the partnership agreement.
- (9) "Partnership at will" means a partnership in which the partners have not agreed to remain partners until the expiration of a definite term or the completion of a particular undertaking.
- (10) "Partnership interest" or "partner's interest in the partnership" means all of a partner's interests in the partnership, including the partner's transferable interest and all management and other rights.
- (11) "Statement" means a statement of partnership authority under § 29-603.03, a statement of denial under § 29-603.04, a statement of dissociation under § 29-607.04, a statement of dissolution under § 29-608.05, a statement of merger under § 29-609.04, a statement of qualification under § 29-610.01, a foreign registration statement under § 29-105.03, or an amendment or cancellation of any of the foregoing.
- (12) "Surviving partnership" means a domestic or foreign partnership into which one or more domestic or foreign partnerships are merged. A surviving partnership may preexist the merger or be created by the merger.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

2001 Ed., § 33-101.01.

1981 Ed., § 41-151.1.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 101 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

**§ 29-601.03. KNOWLEDGE AND NOTICE.**

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

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

2001 Ed., § 33-101.02.

1981 Ed., § 41-151.2.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 102 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

**§ 29-601.04. EFFECT OF PARTNERSHIP AGREEMENT; NONWAIVABLE PROVISIONS.**

- (a) Except as otherwise provided in subsection (b) of this section, relations among the partners and between the partners and the partnership shall be governed by the partnership agreement. To the extent the partnership agreement does not otherwise provide, this chapter shall govern relations among the

partners and between the partners and the partnership.

(b) The partnership agreement shall not:

- (1) Vary the rights and duties under § 29-601.05, except to eliminate the duty to provide copies of statements to all of the partners;
- (2) Unreasonably restrict the right of access to books and records under § 29-604.03(b);
- (3) Eliminate the duty of loyalty under § 29-604.04(b) or § 29-606.03(b)(3), but:
  - (A) The partnership agreement may identify specific types or categories of activities that do not violate the duty of loyalty, if not manifestly unreasonable; or
  - (B) All of the partners or a number or percentage specified in the partnership agreement may authorize or ratify, after full disclosure of all material facts, a specific act or transaction that otherwise would violate the duty of loyalty;
- (4) Unreasonably reduce the duty of care under § 29-604.04(c) or § 29-606.03(b)(3);
- (5) Eliminate the obligation of good faith and fair dealing under § 29-604.04(d), but the partnership agreement may prescribe the standards by which the performance of the obligation is to be measured, if the standards are not manifestly unreasonable;
- (6) Vary the power to dissociate as a partner under § 29-606.02(a), except to require the notice under § 29-606.01(1) to be in writing;
- (7) Vary the right of a court to expel a partner in the events specified in § 29-606.01(5);
- (8) Vary the requirement to wind up the partnership business in cases specified in § 29-608.01(4), (5), or (6);
- (9) Vary the law applicable to a limited liability partnership under § 29-105.01(a); or
- (10) Restrict rights of third parties under this chapter.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

2001 Ed., § 33-101.03.

1981 Ed., § 41-151.3.

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 103 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-601.05. EXECUTION, FILING, AND RECORDING OF STATEMENTS.**

- (a) A statement delivered to the Mayor for filing by a partnership shall be executed by at least 2 partners. Other statements shall be executed by a partner or other person authorized by this chapter.
- (b) A person that delivers a statement to the Mayor for filing pursuant to this section shall promptly send a copy of the statement to every nonfiling partner and to any other person named as a partner in the statement. Failure to send a copy of a statement to a partner or other person shall not limit the effectiveness of the statement as to a person not a partner.
- (c) A statement delivered to the Mayor for filing by a partnership shall be executed by at least 2 partners. Other statements shall be executed by a partner or other person authorized by this chapter. An individual who executes a statement shall personally declare under penalty of perjury that the contents of the statement are accurate.
- (d) A person authorized by this chapter to deliver a statement to the Mayor for filing may amend or cancel the statement by delivering filing an amendment or cancellation to the Mayor for filing that names the partnership, identifies the statement, and states the substance of the amendment or cancellation.
- (e) A person that delivers a statement to the Mayor for filing pursuant to this section shall promptly send a copy of the statement to every nonfiling partner and to any other person named as a partner in the statement. Failure to send a copy of a statement to a partner or other person shall not limit the effectiveness of the statement as to a person not a partner.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

2001 Ed., § 33-101.05.

1981 Ed., § 41-151.5.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 105 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

**§ 29-601.06. GOVERNING LAW.**

(a) Except as otherwise provided in subsection (b) of this section or § 29-611.01(a), the law of the jurisdiction in which a partnership has its principal office shall govern relations among the partners and between the partners and the partnership.

(b) The law of District of Columbia shall govern relations among the partners and between the partners and the partnership and the liability of partners for an obligation of a limited liability partnership.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

2001 Ed., § 33-101.06.

1981 Ed., § 41-151.6.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 106 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

**§ 29-601.07. APPLICABILITY OF ACT TO FOREIGN AND INTERSTATE COMMERCE.**

(a) A partnership or limited liability partnership organized and existing under this chapter may conduct its business, carry on its operations, and exercise the powers granted by this chapter in any state, territory, district, or possession of the United States or in any foreign country.

(b) It is the intent of the Council of the District of Columbia that the legal existence of limited liability partnerships organized in the District be recognized outside the boundaries of the District and that, subject to any reasonable requirement of registration, a District limited liability partnership doing business outside the District be granted full faith and credit.

(c) The liability of partners in a limited liability partnership organized and existing under this chapter for the debts and obligations of the limited liability partnership, or for the acts or omission of other partners, employees, or representatives of the limited liability partnership, shall at all be times determined solely and exclusively by this chapter and any rules promulgated hereunder.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

2001 Ed., § 33-111.06.

1981 Ed., § 41-161.6.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.



## SUBCHAPTER II. NATURE OF PARTNERSHIP.

### § 29-602.01. PARTNERSHIP AS ENTITY.

(a) A partnership is an entity distinct from its partners.

(b) A limited liability partnership shall continue to be the same entity that existed before the filing of a statement of qualification under § 29-610.01.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

2001 Ed., § 33-102.01.

1981 Ed., § 41-152.1.

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 201 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### § 29-602.02. FORMATION OF PARTNERSHIP.

(a) Except as otherwise provided in subsection (b) of this section, the association of 2 or more persons to carry on as co-owners of a business for profit shall form a partnership, whether or not the persons intend to form a partnership.

(b) An association formed under a statute other than this chapter, a predecessor statute, or a comparable statute of another jurisdiction shall not be a partnership under this chapter.

(c) In determining whether a partnership is formed, the following rules shall apply:

(1) Joint tenancy, tenancy in common, tenancy by the entireties, joint property, common property, or part ownership shall not by itself establish a partnership, even if the co-owners share profits made by the use of the property.

(2) The sharing of gross returns shall not by itself establish a partnership, even if the persons sharing them have a joint or common right or interest in property from which the returns are derived.

(3) A person that receives a share of the profits of a business shall be presumed to be a partner in the business, unless the profits were received in payment:

(A) Of a debt by installments or otherwise;

(B) For services as an independent contractor or of wages or other compensation to an employee;

(C) Of rent;

(D) Of an annuity or other retirement or health benefit to a beneficiary, representative, or designee of a deceased or retired partner;

(E) Of interest or other charge on a loan, even if the amount of payment varies with the profits of the business, including a direct or indirect present or future ownership of the collateral, or rights to income, proceeds, or increase in value derived from the collateral; or

(F) For the sale of the goodwill of a business or other property by installments or otherwise.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

2001 Ed., § 33-102.02.

1981 Ed., § 41-152.2.

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 202 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-602.03. PARTNERSHIP PROPERTY.**

Property acquired by a partnership shall be property of the partnership and not of the partners individually.  
(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

2001 Ed., § 33-102.03.

1981 Ed., § 41-152.3.

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 203 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-602.04. WHEN PROPERTY IS PARTNERSHIP PROPERTY.**

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

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

2001 Ed., § 33-102.04.

1981 Ed., § 41-152.4.

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 204 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **SUBCHAPTER III. RELATIONS OF PARTNERS TO PERSONS DEALING WITH PARTNERSHIP.**

### **§ 29-603.01. PARTNER AGENT OF PARTNERSHIP.**

Subject to the effect of a statement of partnership authority under § 29- 603.03:

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

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

2001 Ed., § 33-103.01.

1981 Ed., § 41-153.1.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 301 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-603.02. TRANSFER OF PARTNERSHIP PROPERTY.**

(a) Partnership property may be transferred as follows:

- (1) Subject to the effect of a statement of partnership authority under § 29-603.03, partnership property held in the name of the partnership may be transferred by an instrument of transfer executed by a partner in the partnership name.
- (2) Partnership property held in the name of one or more partners with an indication in the instrument transferring the property to them in their capacity as partners or of the existence of a partnership, but without an indication of the name of the partnership, may be transferred by an instrument of transfer executed by the persons in whose name the property is held.
- (3) Partnership property held in the name of one or more persons other than the partnership, without an indication in the instrument transferring the property to them in their capacity as partners or of the existence of a partnership, may be transferred by an instrument of transfer executed by the persons in whose name the property is held.

(b) A partnership may recover partnership property from a transferee only if it proves that execution of the instrument of initial transfer did not bind the partnership under § 29-603.01 and:

- (1) As to a subsequent transferee who gave value for property transferred under subsection (a)(1) and (2) of this section, proves that the subsequent transferee knew or had received a notification that the person that executed the instrument of initial transfer lacked authority to bind the partnership; or
- (2) As to a transferee who gave value for property transferred under subsection (a)(3) of this section, proves that the transferee knew or had received a notification that the property was partnership property and that the person that executed the instrument of initial transfer lacked authority to bind the partnership.

(c) A partnership shall not recover partnership property from a subsequent transferee if the partnership would not have been entitled to recover the property, under subsection (b) of this section, from any earlier transferee of the property.

(d) If a person holds all of the partners' interests in the partnership, all of the partnership property shall vest in that person. The person may execute a document in the name of the partnership to evidence vesting of the property in that person and may file or record the document.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

2001 Ed., § 33-103.02.

For history of Law 18-378, see notes under § 29-101.01.

This section is based on § 302 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-603.03. STATEMENT OF PARTNERSHIP AUTHORITY.**

- (a) A partnership may file a statement of partnership authority, which:
- (1) Shall include:
    - (A) The name of the partnership;
    - (B) The street address of its principal office and of one office in District, if there is one;
    - (C) The names and mailing addresses of all of the partners or of an agent appointed and maintained by the partnership for the purposes of subsection (b) of this section; and
    - (D) The names of the partners authorized to execute an instrument transferring real property held in the name of the partnership; and
  - (2) May state the authority, or limitations on the authority, of some or all of the partners to enter into other transactions on behalf of the partnership and any other matter.
- (b) If a statement of partnership authority names an agent, the agent shall maintain a list of the names and mailing addresses of all of the partners and make it available to any person on request for good cause shown.
- (c) If a filed statement of partnership authority is executed pursuant to § 29-601.05(c) and states the name of the partnership, but does not contain all of the other information required by subsection (a) of this section, the statement shall nevertheless operate with respect to a person not a partner as provided in subsections (d) and (e) of this section.
- (d) Except as otherwise provided in subsection (g) of this section, a filed statement of partnership authority shall supplement the authority of a partner to enter into transactions on behalf of the partnership as follows:
- (1) Except for transfers of real property, a grant of authority contained in a filed statement of partnership authority shall be conclusive in favor of a person that gives value without knowledge to the contrary, so long as and to the extent that a limitation on that authority is not then contained in another filed statement. A filed cancellation of a limitation on authority shall revive the previous grant of authority.
  - (2) A grant of authority to transfer real property held in the name of the partnership contained in a certified copy of a filed statement of partnership authority recorded in the office for recording transfers of that real property shall be conclusive in favor of a person that gives value without knowledge to the contrary, so long as and to the extent that a certified copy of a filed statement containing a limitation on that authority is not then of record in the office for recording transfers of that real property. The recording in the office for recording transfers of that real property of a certified copy of a filed cancellation of a limitation on authority shall revive the previous grant of authority
- (e) A person not a partner shall be deemed to know of a limitation on the authority of a partner to transfer real property held in the name of the partnership if a certified copy of the filed statement containing the limitation on authority is of record in the office for recording transfers of that real property.
- (f) Except as otherwise provided in subsections (d) and (e) of this section and §§ 29-607.04 and 29-608.05, a person not a partner shall not be deemed to know of a limitation on the authority of a partner merely because the limitation is contained in a filed statement.
- (g) Unless earlier canceled, a filed statement of partnership authority shall be canceled by operation of law 5 years after the date on which the statement, or the most recent amendment, was filed with the Mayor.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

2001 Ed., § 33-103.03.

1981 Ed., § 41-153.3.

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 303 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-603.04. STATEMENT OF DENIAL.**

A partner or other person named as a partner in a filed statement of partnership authority or in a list maintained by an agent pursuant to § 29-603.03(b) may file a statement of denial stating the name of the partnership and the fact that is being denied, which may include denial of a person's authority or status as a partner. A statement of denial shall be a limitation on authority as provided in § 29-603.03(d) and (e).

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

2001 Ed., § 33-103.04.

1981 Ed., § 41-153.4.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 304 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-603.05. PARTNERSHIP LIABLE FOR PARTNER'S ACTIONABLE CONDUCT.**

(a) A partnership shall be liable for loss or injury caused to a person, or for a penalty incurred, as a result of a wrongful act or omission, or other actionable conduct, of a partner acting in the ordinary course of business of the partnership or with authority of the partnership.

(b) If, in the course of the partnership's business or while acting with authority of the partnership, a partner receives or causes the partnership to receive money or property of a person not a partner, and the money or property is misapplied by a partner, the partnership shall be liable for the loss.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

2001 Ed., § 33-103.05.

1981 Ed., § 41-153.5.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 305 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-603.06. PARTNER'S LIABILITY.**

(a) Except as otherwise provided in subsections (b) and (c) of this section, all partners shall be liable jointly and severally for all obligations of the partnership unless otherwise agreed by the claimant or provided by law.

(b) A person admitted as a partner into an existing partnership shall not be personally liable for any partnership obligation incurred before the person's admission as a partner.

(c) An obligation of a partnership incurred while the partnership is a limited liability partnership, whether arising in contract, tort, or otherwise, shall be solely the obligation of the partnership. A partner shall not be personally liable, directly or indirectly, by way of contribution or otherwise, for such an obligation solely by

reason of being or so acting as a partner. This subsection shall apply notwithstanding anything inconsistent in the partnership agreement that existed immediately before the vote required to become a limited liability partnership under § 29-610.01(b).

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

2001 Ed., § 33-103.06.

1981 Ed., § 41-153.6.

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 306 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-603.07. ACTIONS BY AND AGAINST PARTNERSHIP AND PARTNERS.**

- (a) A partnership may sue and be sued in the name of the partnership.
- (b) Except as otherwise provided in subsection (f) of this section, action may be brought against the partnership and, to the extent not inconsistent with § 29-603.06, any or all of the partners in the same action or in separate actions.
- (c) A judgment against a partnership shall not by itself be a judgment against a partner. A judgment against a partnership shall not be satisfied from a partner's assets unless there is also a judgment against the partner.
- (d) A judgment creditor of a partner may not levy execution against the assets of the partner to satisfy a judgment based on a claim against the partnership unless the partner is personally liable for the claim under § 29-603.06 and:
  - (1) A judgment based on the same claim has been obtained against the partnership and a writ of execution on the judgment has been returned unsatisfied in whole or in part;
  - (2) The partnership is a debtor in bankruptcy;
  - (3) The partner has agreed that the creditor need not exhaust partnership assets;
  - (4) A court grants permission to the judgment creditor to levy execution against the assets of a partner based on a finding that partnership assets subject to execution are clearly insufficient to satisfy the judgment, that exhaustion of partnership assets is excessively burdensome, or that the grant of permission is an appropriate exercise of the court's equitable powers; or
  - (5) Liability is imposed on the partner by law or contract independent of the existence of the partnership.
- (e) This section shall apply to any partnership liability or obligation resulting from a representation by a partner or purported partner under § 29-603.08.
- (f) A partner shall not be a proper party to an action against a partnership if that partner is not personally liable for the claim under § 29-603.06.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

2001 Ed., § 33-103.07.

1981 Ed., § 41-153.7.

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 307 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-603.08. LIABILITY OF PURPORTED PARTNER.**

(a) If a person, by words or conduct, purports to be a partner, or consents to being represented by another as a partner, in a partnership or with one or more persons not partners, the purported partner shall be liable to a person to whom the representation is made, if that person, relying on the representation, enters into a transaction with the actual or purported partnership. If the representation, either by the purported partner or by a person with the purported partner's consent, is made in a public manner, the purported partner shall be liable to a person that relies upon the purported partnership even if the purported partner is not aware of being held out as a partner to the claimant. If partnership liability results, the purported partner shall be liable with respect to that liability as if the purported partner were a partner. If no partnership liability results, the purported partner shall be liable with respect to that liability jointly and severally with any other person consenting to the representation.

(b) If a person is thus represented to be a partner in an existing partnership, or with one or more persons not partners, the purported partner shall be an agent of persons consenting to the representation to bind them to the same extent and in the same manner as if the purported partner were a partner, with respect to persons that enter into transactions in reliance upon the representation. If all of the partners of the existing partnership consent to the representation, a partnership act or obligation shall result. If fewer than all of the partners of the existing partnership consent to the representation, the person acting and the partners consenting to the representation shall be jointly and severally liable.

(c) A person shall not be liable as a partner merely because the person is named by another in a statement of partnership authority.

(d) A person shall not continue to be liable as a partner merely because of a failure to file a statement of dissociation or to amend a statement of partnership authority to indicate the partner's dissociation from the partnership.

(e) Except as otherwise provided in subsections (a) and (b) of this section, persons that are not partners as to each other shall not be liable as partners to other persons.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Prior Codifications*

2001 Ed., § 33-103.08.

1981 Ed., § 41-153.8.

#### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

#### *Uniform Law*

This section is based on § 308 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **SUBCHAPTER IV. RELATIONS OF PARTNERS TO EACH OTHER AND TO PARTNERSHIP.**

### **§ 29-604.01. PARTNER'S RIGHTS AND DUTIES.**

(a) Each partner shall be deemed to have an account that is:

(1) Credited with an amount equal to the money plus the value of any other property, net of the amount of any liabilities, the partner contributes to the partnership and the partner's share of the partnership profits; and

(2) Charged with an amount equal to the money plus the value of any other property, net of the amount of any liabilities, distributed by the partnership to the partner and the partner's share of the partnership losses.

(b) Each partner shall be entitled to an equal share of the partnership profits and shall be chargeable with a share of the partnership losses in proportion to the partner's share of the profits.

(c) A partnership shall reimburse a partner for payments made, and indemnify a partner for liabilities incurred, by the partner in the ordinary course of the business of the partnership or for the preservation of its business or property.

(d) A partnership shall reimburse a partner for an advance to the partnership beyond the amount of capital the partner agreed to contribute.

(e) A payment or advance made by a partner which gives rise to a partnership obligation under subsection (c) or (d) of this section shall constitute a loan to the partnership which accrues interest from the date of the payment or advance.

(f) Each partner shall have equal rights in the management and conduct of the partnership business.

(g) A partner shall use or possess partnership property only on behalf of the partnership.

(h) A partner shall not be entitled to remuneration for services performed for the partnership, except for reasonable compensation for services rendered in winding up the business of the partnership.

(i) A person shall become a partner only with the consent of all of the partners.

(j) Except as otherwise provided in subchapter IX of this chapter or Chapter 2 of this title, a person shall become a partner only with the consent of all of the partners.

(k) A difference arising as to a matter in the ordinary course of business of a partnership shall be decided by a majority of the partners. An act outside the ordinary course of business of a partnership and an amendment to the partnership agreement shall be undertaken only with the consent of all of the partners.

(l) This section shall not affect the obligations of a partnership to other persons under § 29-603.01.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

1981 Ed., § 41-154.1.

2001 Ed., § 33-104.01.

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 401 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-604.02. DISTRIBUTIONS IN KIND.**

A partner shall have no right to receive, and shall not be required to accept, a distribution in kind.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

1981 Ed., § 41-154.2.

2001 Ed., § 33-104.02.

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 402 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-604.03. PARTNER'S RIGHTS AND DUTIES WITH RESPECT TO INFORMATION.**

(a) A partnership shall keep its books and records, if any, at its principal office.

(b) A partnership shall provide partners and their agents and attorneys access to its books and records. It shall provide former partners and their agents and attorneys access to books and records pertaining to the period during which they were partners. The right of access provides the opportunity to inspect and copy books and records during ordinary business hours. A partnership may impose a reasonable charge, covering the costs of labor and material, for copies of documents furnished.

(c) Each partner and the partnership shall furnish to a partner, and to the legal representative of a deceased partner or partner under legal disability:

(1) Without demand, any information concerning the partnership's business and affairs reasonably



required for the proper exercise of the partner's rights and duties under the partnership agreement or this chapter; and

(2) On demand, any other information concerning the partnership's business and affairs, except to the extent the demand or the information demanded is unreasonable or otherwise improper under the circumstances.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

1981 Ed., § 41-154.3.

2001 Ed., § 33-104.03.

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 403 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-604.04. GENERAL STANDARDS OF PARTNER'S CONDUCT.**

(a) The only fiduciary duties a partner owes to the partnership and the other partners are the duty of loyalty and the duty of care set forth in subsections (b) and (c) of this section.

(b) A partner's duty of loyalty to the partnership and the other partners shall be limited to the following:

(1) To account to the partnership and hold as trustee for it any property, profit, or benefit derived by the partner in the conduct and winding up of the partnership business or derived from a use by the partner of partnership property, including the appropriation of a partnership opportunity;

(2) To refrain from dealing with the partnership in the conduct or winding up of the partnership business as or on behalf of a party having an interest adverse to the partnership; and

(3) To refrain from competing with the partnership in the conduct of the partnership business before the dissolution of the partnership.

(c) A partner's duty of care to the partnership and the other partners in the conduct and winding up of the partnership business shall be limited to refraining from engaging in grossly negligent or reckless conduct, intentional misconduct, or a knowing violation of law.

(d) A partner shall discharge the duties to the partnership and the other partners under this chapter or under the partnership agreement and exercise any rights consistently with the obligation of good faith and fair dealing.

(e) A partner shall not violate a duty or obligation under this chapter or under the partnership agreement merely because the partner's conduct furthers the partner's own interest.

(f) A partner may lend money to and do other business with the partnership, and, as to each loan or transaction, the rights and obligations of the partner shall be the same as those of a person that is not a partner, subject to other applicable law.

(g) This section shall apply to a person winding up the partnership business as the personal or legal representative of the last surviving partner as if the person were a partner.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

1981 Ed., § 41-154.4.

2001 Ed., § 33-104.04.

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 404 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-604.05. ACTIONS BY PARTNERSHIP AND PARTNERS.**

- (a) A partnership may maintain an action against a partner for a breach of the partnership agreement, or for the violation of a duty to the partnership, causing harm to the partnership.
- (b) A partner may maintain an action against the partnership or another partner for legal or equitable relief, with or without an accounting as to partnership business, to enforce the:
  - (1) Partner's rights under the partnership agreement;
  - (2) Partner's rights under this chapter, including:
    - (A) The partner's rights under § 29-604.01, § 29-604.03, or § 29-604.04 ;
    - (B) The partner's right on dissociation to have the partner's interest in the partnership purchased pursuant to § 29-607.01 or enforce any other right under subchapter VI or VII of this chapter; or
    - (C) The partner's right to compel a dissolution and winding up of the partnership business under § 29-608.01 or enforce any other right under subchapter VIII of this chapter; or
  - (3) Rights and otherwise protect the interests of the partner, including rights and interests arising independently of the partnership relationship.
- (c) The accrual of, and any time limitation on, a right of action for a remedy under this section shall be governed by other law. A right to an accounting upon a dissolution and winding up shall not revive a claim barred by law.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Prior Codifications*

1981 Ed., § 41-154.5.

2001 Ed., § 33-104.05.

#### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

#### *Uniform Law*

This section is based on § 405 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-604.06. CONTINUATION OF PARTNERSHIP BEYOND DEFINITE TERM OR PARTICULAR UNDERTAKING.**

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

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Prior Codifications*

1981 Ed., § 41-154.6.

2001 Ed., § 33-104.06.

#### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

#### *Uniform Law*

This section is based on § 406 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **SUBCHAPTER V. TRANSFEREES AND CREDITORS**

# OF PARTNER.

## **§ 29-605.01. PARTNER NOT CO-OWNER OF PARTNERSHIP PROPERTY.**

A partner shall not be a co-owner of partnership property and has no interest in partnership property which can be transferred, either voluntarily or involuntarily.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Prior Codifications*

1981 Ed., § 41-155.1.

2001 Ed., § 33-105.01.

#### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

#### *Uniform Law*

This section is based on § 501 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-605.02. PARTNER'S TRANSFERABLE INTEREST IN PARTNERSHIP.**

Except as otherwise provided in subchapter IX of this chapter or Chapter 2 of this title, the only transferable interest of a partner in the partnership shall be the partner's share of the profits and losses of the partnership and the partner's right to receive distributions. The interest of a partner, whether or not transferable, shall be personal property.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Prior Codifications*

1981 Ed., § 41-155.2.

2001 Ed., § 33-105.02.

#### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

#### *Uniform Law*

This section is based on § 502 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-605.03. TRANSFER OF PARTNER'S TRANSFERABLE INTEREST.**

(a) A transfer, in whole or in part, of a partner's transferable interest in the partnership:

- (1) Is permissible;
- (2) Shall not by itself cause the partner's dissociation or a dissolution and winding up of the partnership business; and
- (3) Shall not, as against the other partners or the partnership, entitle the transferee, during the continuance of the partnership, to participate in the management or conduct of the partnership business, to require access to information concerning partnership transactions, or to inspect or copy the partnership books or records.

(b) A transferee of a partner's transferable interest in the partnership shall have a right to:

- (1) Receive, in accordance with the transfer, distributions to which the transferor would otherwise be entitled;
- (2) Receive upon the dissolution and winding up of the partnership business, in accordance with the transfer, the net amount otherwise distributable to the transferor; and
- (3) Seek under § 29-608.01(6) a judicial determination that it is equitable to wind up the partnership business.

(c) In a dissolution and winding up, a transferee shall be entitled to an account of partnership transactions only from the date of the latest account agreed to by all of the partners.

(d) Upon transfer, the transferor shall retain the rights and duties of a partner other than the interest in distributions transferred.

(e) A partnership need not give effect to a transferee's rights under this section until it has notice of the transfer.

(f) A transfer of a partner's transferable interest in the partnership in violation of a restriction on transfer contained in the partnership agreement shall be ineffective as to a person having notice of the restriction at the time of transfer.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

1981 Ed., § 41-155.3.

2001 Ed., § 33-105.03.

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 503 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-605.04. PARTNER'S TRANSFERABLE INTEREST SUBJECT TO CHARGING ORDER.**

(a) On application by a judgment creditor of a partner or of a partner's transferee, a court having jurisdiction may charge the transferable interest of the judgment debtor to satisfy the judgment. The court may appoint a receiver of the share of the distributions due or to become due to the judgment debtor in respect of the partnership and make all other orders, directions, accounts, and inquiries the judgment debtor might have made or which the circumstances of the case may require.

(b) A charging order shall constitute a lien on the judgment debtor's transferable interest in the partnership. The court may order a foreclosure of the interest subject to the charging order at any time. The purchaser at the foreclosure sale shall have the rights of a transferee.

(c) At any time before foreclosure, an interest charged may be redeemed:

(1) By the judgment debtor;

(2) With property other than partnership property, by one or more of the other partners; or

(3) With partnership property, by one or more of the other partners with the consent of all of the partners whose interests are not so charged.

(d) This chapter shall not deprive a partner of a right under exemption laws with respect to the partner's interest in the partnership.

(e) This section provides the exclusive remedy by which a judgment creditor of a partner or partner's transferee may satisfy a judgment out of the judgment debtor's transferable interest in the partnership.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

1981 Ed., § 41-155.4.

2001 Ed., § 33-105.04.

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 504 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## SUBCHAPTER VI. PARTNER'S DISSOCIATION.

### § 29-606.01. EVENTS CAUSING PARTNER'S DISSOCIATION.

A partner shall be dissociated from a partnership when:

- (1) The partnership has notice of the partner's express will to withdraw as a partner or on a later date specified by the partner;
- (2) An event agreed to in the partnership agreement as causing the partner's dissociation occurs;
- (3) The partner is expelled pursuant to the partnership agreement;
- (4) The partner is expelled by the unanimous vote of the other partners if:
  - (A) It is unlawful to carry on the partnership business with that partner;
  - (B) There has been a transfer of all or substantially all of that partner's transferable interest in the partnership, other than a transfer for security purposes, or a court order charging the partner's interest, which has not been foreclosed;
  - (C) Within 90 days after the partnership notifies a corporate partner that it will be expelled because it has filed a certificate of dissolution or the equivalent, its charter has been revoked, or its right to conduct business has been suspended by the jurisdiction of its incorporation, there is no revocation of the certificate of dissolution or no reinstatement of its charter or its right to conduct business; or
  - (D) A partnership that is a partner has been dissolved and its business is being wound up;
- (5) On application by the partnership or another partner, the partner is expelled by judicial determination because the partner:
  - (A) Engaged in wrongful conduct that adversely and materially affected the partnership business;
  - (B) Willfully or persistently committed a material breach of the partnership agreement or of a duty owed to the partnership or the other partners under § 29-604.04; or
  - (C) Engaged in conduct relating to the partnership business which makes it not reasonably practicable to carry on the business in partnership with the partner;
- (6) The partner:
  - (A) Became a debtor in bankruptcy;
  - (B) Executed an assignment for the benefit of creditors;
  - (C) Sought, consented to, or acquiesced in the appointment of a trustee, receiver, or liquidator of that partner or of all or substantially all of that partner's property; or
  - (D) Failed, within 90 days after the appointment, to have vacated or stayed the appointment of a trustee, receiver, or liquidator of the partner or of all or substantially all of the partner's property obtained without the partner's consent or acquiescence, or failed within 90 days after the expiration of a stay to have the appointment vacated;
- (7) In the case of a partner who is an individual:
  - (A) The partner dies;
  - (B) A guardian or general conservator is appointed for the partner; or
  - (C) There is a judicial determination that the partner has otherwise become incapable of performing the partner's duties under the partnership agreement;
- (8) In the case of a partner that is a trust or is acting as a partner by virtue of being a trustee of a trust, the trust's entire transferable interest in the partnership is distributed;
- (9) In the case of a partner that is an estate or is acting as a partner by virtue of being a personal representative of an estate, the estate's entire transferable interest in the partnership is distributed; or
- (10) A partner that is not an individual, partnership, corporation, trust, or estate is terminated.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

1981 Ed., § 41-156.1.

2001 Ed., § 33-106.01.

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 601 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-606.02. PARTNER'S POWER TO DISSOCIATE; WRONGFUL DISSOCIATION.**

(a) A partner may dissociate at any time, rightfully or wrongfully, by express will pursuant to § 29-606.01(1).

(b) A partner's dissociation shall be wrongful only if:

(1) It is in breach of an express provision of the partnership agreement; or

(2) In the case of a partnership for a definite term or particular undertaking, before the expiration of the term or the completion of the undertaking:

(A) The partner withdraws by express will, unless the withdrawal follows within 90 days after another partner's dissociation by death or otherwise under § 29-606.01(6) through (10) or wrongful dissociation under this subsection;

(B) The partner is expelled by judicial determination under § 29-606.01(5);

(C) The partner is dissociated by becoming a debtor in bankruptcy; or

(D) In the case of a partner that is not an individual, trust other than a business trust, or estate, the partner is expelled or otherwise dissociated because it willfully dissolved or terminated.

(c) A partner that wrongfully dissociates shall be liable to the partnership and to the other partners for damages caused by the dissociation. The liability shall be in addition to any other obligation of the partner to the partnership or to the other partners.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 41-156.2.

2001 Ed., § 33-106.02.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 602 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-606.03. EFFECT OF PARTNER'S DISSOCIATION.**

(a) If a partner's dissociation results in a dissolution and winding up of the partnership business, subchapter VIII of this chapter shall apply; otherwise, subchapter VII of this chapter applies.

(b) Upon a partner's dissociation:

(1) The partner's right to participate in the management and conduct of the partnership business terminates, except as otherwise provided in § 29- 608.03;

(2) The partner's duty of loyalty under § 29-604.04(b)(3) terminates; and

(3) The partner's duty of loyalty under § 29-604.04(b)(1) and (2) and duty of care under § 29-604.04(c) continue only with regard to matters arising and events occurring before the partner's dissociation, unless the partner participates in winding up the partnership's business pursuant to § 29- 608.03.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 41-156.3.

2001 Ed., § 33-106.03.

*Legislative History of Laws*

## **SUBCHAPTER VII. PARTNER'S DISSOCIATION WHEN BUSINESS NOT WOUND UP.**

### **§ 29-607.01. PURCHASE OF DISSOCIATED PARTNER'S INTEREST.**

(a) If a partner is dissociated from a partnership without resulting in a dissolution and winding up of the partnership business under § 29-608.01, the partnership shall cause the dissociated partner's interest in the partnership to be purchased for a buyout price determined pursuant to subsection (b) of this section.

(b) The buyout price of a dissociated partner's interest shall be the amount that would have been distributable to the dissociating partner under § 29-608.07(b) if, on the date of dissociation, the assets of the partnership were sold at a price equal to the greater of the liquidation value or the value based on a sale of the entire business as a going concern without the dissociated partner and the partnership were wound up as of that date. Interest shall be paid from the date of dissociation to the date of payment.

(c) Damages for wrongful dissociation under § 29-606.02(b), and all other amounts owing, whether or not presently due, from the dissociated partner to the partnership, shall be offset against the buyout price. Interest shall be paid from the date the amount owed becomes due to the date of payment.

(d) A partnership shall indemnify a dissociated partner whose interest is being purchased against all partnership liabilities, whether incurred before or after the dissociation, except liabilities incurred by an act of the dissociated partner under § 29-607.02.

(e) If no agreement for the purchase of a dissociated partner's interest is reached within 120 days after a written demand for payment, the partnership shall pay, or cause to be paid, in cash to the dissociated partner the amount the partnership estimates to be the buyout price and accrued interest, reduced by any offsets and accrued interest under subsection (c) of this section.

(f) If a deferred payment is authorized under subsection (h) of this section, the partnership may tender a written offer to pay the amount it estimates to be the buyout price and accrued interest, reduced by any offsets under subsection (c) of this section, stating the time of payment, the amount and type of security for payment, and the other terms and conditions of the obligation.

(g) The payment or tender required by subsection (e) or (f) of this section shall be accompanied by the following:

- (1) A statement of partnership assets and liabilities as of the date of dissociation;
- (2) The latest available partnership balance sheet and income statement, if any;
- (3) An explanation of how the estimated amount of the payment was calculated; and
- (4) Written notice that the payment is in full satisfaction of the obligation to purchase unless, within 120 days after the written notice, the dissociated partner commences an action to determine the buyout price, any offsets under subsection (c) of this section, or other terms of the obligation to purchase.

(h) A partner that wrongfully dissociates before the expiration of a definite term or the completion of a particular undertaking shall not be entitled to payment of any portion of the buyout price until the expiration of the term or completion of the undertaking, unless the partner establishes to the satisfaction of the court that earlier payment will not cause undue hardship to the business of the partnership. A deferred payment shall be adequately secured and bear interest.

(i) A dissociated partner may maintain an action against the partnership, pursuant to § 29-604.05(b)(2)(B), to determine the buyout price of that partner's interest, any offsets under subsection (c) of this section, or other terms of the obligation to purchase. The action shall be commenced within 120 days after the partnership has tendered payment or an offer to pay or within one year after written demand for payment if no payment or offer to pay is tendered. The court shall determine the buyout price of the dissociated partner's interest, any offset due under subsection (c) of this section, and accrued interest, and enter judgment for any additional payment or refund. If deferred payment is authorized under subsection (h) of this section, the court shall also determine the security for payment and other terms of the obligation to purchase. The court may assess reasonable attorneys' fees and the fees and expenses of appraisers or other experts for a party to the action, in amounts the court finds equitable, against a party that the court finds acted arbitrarily, vexatiously, or not in good faith. The finding may be based on the partnership's failure to tender payment or an offer to pay or to comply with subsection (g) of this section.

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 41-157.1.

2001 Ed., § 33-107.01.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 701 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

**§ 29-607.02. DISSOCIATED PARTNER'S POWER TO BIND AND LIABILITY TO PARTNERSHIP.**

(a) For 2 years after a partner dissociates without resulting in a dissolution and winding up of the partnership business, the partnership, including a surviving partnership under subchapter IX of this chapter, shall be bound by an act of the dissociated partner which would have bound the partnership under § 29-603.01 before dissociation only if at the time of entering into the transaction the other party:

- (1) Reasonably believed that the dissociated partner was then a partner;
- (2) Did not have notice of the partner's dissociation; and
- (3) Is not deemed to have had knowledge under § 29-603.03(e) or notice under § 29-607.04(c).

(b) A dissociated partner shall be liable to the partnership for any damage caused to the partnership arising from an obligation incurred by the dissociated partner after dissociation for which the partnership is liable under subsection (a) of this section.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 41-157.2.

2001 Ed., § 33-107.02.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 702 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

**§ 29-607.03. DISSOCIATED PARTNER'S LIABILITY TO OTHER PERSONS.**

(a) A partner's dissociation shall not of itself discharge the partner's liability for a partnership obligation incurred before dissociation. A dissociated partner shall not be liable for a partnership obligation incurred after dissociation, except as otherwise provided in subsection (b) of this section.

(b) A partner that dissociates without resulting in a dissolution and winding up of the partnership business shall be liable as a partner to the other party in a transaction entered into by the partnership, or a surviving partnership under subchapter IX of this chapter, within 2 years after the partner's dissociation, only if the partner is liable for the obligation under § 29-603.06 and at the time of entering into the transaction the other party:

- (1) Reasonably believed that the dissociated partner was then a partner;
- (2) Did not have notice of the partner's dissociation; and
- (3) Is not deemed to have had knowledge under § 29-603.03(e) or notice under § 29-607.04(c).

(c) By agreement with the partnership creditor and the partners continuing the business, a dissociated partner may be released from liability for a partnership obligation.

(d) A dissociated partner shall be released from liability for a partnership obligation if a partnership creditor, with notice of the partner's dissociation but without the partner's consent, agrees to a material alteration in the nature or time of payment of a partnership obligation.



(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 41-157.3.

2001 Ed., § 33-107.03.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 703 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

**§ 29-607.04. STATEMENT OF DISSOCIATION.**

(a) A dissociated partner or the partnership may file a statement of dissociation stating the name of the partnership and that the partner is dissociated from the partnership.

(b) A statement of dissociation shall be a limitation on the authority of a dissociated partner for the purposes of § 29-603.03(d) and (e).

(c) For the purposes of §§ 29-607.02(a)(3) and 29-607.03(b)(3), a person not a partner shall be deemed to have notice of the dissociation 90 days after the statement of dissociation is filed.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 41-157.4.

2001 Ed., § 33-107.04.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 704 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

**§ 29-607.05. CONTINUED USE OF PARTNERSHIP NAME.**

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

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 41-157.5.

2001 Ed., § 33-107.05.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 705 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

**SUBCHAPTER VIII. WINDING UP PARTNERSHIP  
BUSINESS.**

## **§ 29-608.01. EVENTS CAUSING DISSOLUTION AND WINDING UP OF PARTNERSHIP BUSINESS.**

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

- (1) In a partnership at will, the partnership's having notice from a partner, other than a partner that is dissociated under § 29-606.01(2) through (10), of that partner's express will to withdraw as a partner, or on a later date specified by the partner;
- (2) In a partnership for a definite term or particular undertaking:
  - (A) Within 90 days after a partner's dissociation by death or otherwise under § 29-606.01(6) through (10) or wrongful dissociation under § 29-606.02(b), the express will of at least half of the remaining partners to wind up the partnership business, for which purpose a partner's rightful dissociation pursuant to § 29-606.02(b)(2)(A) constitutes the expression of that partner's will to wind up the partnership business;
  - (B) The express will of all of the partners to wind up the partnership business; or
  - (C) The expiration of the term or the completion of the undertaking;
- (3) An event agreed to in the partnership agreement resulting in the winding up of the partnership business;
- (4) An event that makes it unlawful for all or substantially all of the business of the partnership to be continued, but a cure of illegality within 90 days after notice to the partnership of the event shall be effective retroactively to the date of the event for purposes of this section;
- (5) On application by a partner, a judicial determination that:
  - (A) The economic purpose of the partnership is likely to be unreasonably frustrated;
  - (B) Another partner has engaged in conduct relating to the partnership business which makes it not reasonably practicable to carry on the business in partnership with that partner; or
  - (C) It is not otherwise reasonably practicable to carry on the partnership business in conformity with the partnership agreement; or
- (6) On application by a transferee of a partner's transferable interest, a judicial determination that it is equitable to wind up the partnership business:
  - (A) After the expiration of the term or completion of the undertaking, if the partnership was for a definite term or particular undertaking at the time of the transfer or entry of the charging order that gave rise to the transfer; or
  - (B) At any time, if the partnership was a partnership at will at the time of the transfer or entry of the charging order that gave rise to the transfer.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Prior Codifications*

1981 Ed., § 41-158.1.

2001 Ed., § 33-108.01.

#### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

#### *Uniform Law*

This section is based on § 801 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-608.02. PARTNERSHIP CONTINUES AFTER DISSOLUTION.**

- (a) Subject to subsection (b) of this section, a partnership shall continue after dissolution only for the purpose of winding up its business. The partnership shall be terminated when the winding up of its business is completed.
- (b) At any time after the dissolution of a partnership and before the winding up of its business is completed, all of the partners, including any dissociating partner other than a wrongfully dissociating partner, may waive the right to have the partnership's business wound up and the partnership terminated. In that event:

(1) The partnership shall resume carrying on its business as if dissolution had never occurred, and any liability incurred by the partnership or a partner after the dissolution and before the waiver shall be determined as if dissolution had never occurred; and

(2) The rights of a third party accruing under § 29-608.04(1) or arising out of conduct in reliance on the dissolution before the third party knew or received a notification of the waiver shall not be adversely affected.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 41-158.2.

2001 Ed., § 33-108.02.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 802 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-608.03. RIGHT TO WIND UP PARTNERSHIP BUSINESS.**

(a) After dissolution, a partner that has not wrongfully dissociated may participate in winding up the partnership's business, but on application of any partner, partner's legal representative, or transferee, the Superior Court, for good cause shown, may order judicial supervision of the winding up.

(b) The legal representative of the last surviving partner may wind up a partnership's business.

(c) A person winding up a partnership's business may preserve the partnership business or property as a going concern for a reasonable time, prosecute and defend actions and proceedings, whether civil, criminal, or administrative, settle and close the partnership's business, dispose of and transfer the partnership's property, discharge the partnership's liabilities, distribute the assets of the partnership pursuant to § 29-608.07, settle disputes by mediation or arbitration, and perform other necessary acts.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 41-158.3.

2001 Ed., § 33-108.03.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 803 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-608.04. PARTNER'S POWER TO BIND PARTNERSHIP AFTER DISSOLUTION.**

Subject to § 29-608.05, a partnership shall be bound by a partner's act after dissolution that:

(1) Is appropriate for winding up the partnership business; or

(2) Would have bound the partnership under § 29-603.01 before dissolution, if the other party to the transaction did not have notice of the dissolution.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 41-158.4.

2001 Ed., § 33-108.04.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 804 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-608.05. STATEMENT OF DISSOLUTION.**

(a) After dissolution, a partner that has not wrongfully dissociated may file a statement of dissolution stating the name of the partnership and that the partnership has dissolved and is winding up its business.

(b) A statement of dissolution shall cancel a filed statement of partnership authority for the purposes of § 29-603.03(d) and shall be a limitation on authority for the purposes of § 29-603.03(e).

(c) For the purposes of §§ 29-603.01 and 29-608.04, a person not a partner shall be deemed to have notice of the dissolution and the limitation on the partners' authority as a result of the statement of dissolution 90 days after it is filed.

(d) After filing and, if appropriate, recording a statement of dissolution, a dissolved partnership may file and, if appropriate, record a statement of partnership authority which will operate with respect to a person not a partner as provided in § 29-603.03(d) and (e) in any transaction, whether or not the transaction is appropriate for winding up the partnership business.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 41-158.5.

2001 Ed., § 33-108.05.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 805 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-608.06. PARTNER'S LIABILITY TO OTHER PARTNERS AFTER DISSOLUTION.**

(a) Except as otherwise provided in subsection (b) of this section and § 29-603.06, after dissolution, a partner shall be liable to the other partners for the partner's share of any partnership liability incurred under § 29-608.04.

(b) A partner that, with knowledge of the dissolution, incurs a partnership liability under § 29-608.04(2) by an act that is not appropriate for winding up the partnership business shall be liable to the partnership for any damage caused to the partnership arising from the liability.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 41-158.6.

2001 Ed., § 33-108.06.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 806 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-608.07. SETTLEMENT OF ACCOUNTS AND CONTRIBUTIONS AMONG PARTNERS.**

(a) In winding up a partnership's business, the assets of the partnership, including the contributions of the partners required by this section, shall be applied to discharge its obligations to creditors, including, to the extent permitted by law, partners who are creditors. Any surplus shall be applied to pay in cash the net amount distributable to partners in accordance with their right to distributions under subsection (b) of this section.

(b) Each partner shall be entitled to a settlement of all partnership accounts upon winding up the partnership business. In settling accounts among the partners, profits and losses that result from the liquidation of the partnership assets shall be credited and charged to the partners' accounts. The partnership shall make a distribution to a partner in an amount equal to any excess of the credits over the charges in the partner's account. A partner shall contribute to the partnership an amount equal to any excess of the charges over the credits in the partner's account but excluding from the calculation charges attributable to an obligation for which the partner is not personally liable under § 29-603.06.

(c) If a partner fails to contribute the full amount required under subsection (b) of this section, all of the other partners shall contribute, in the proportions in which those partners share partnership losses, the additional amount necessary to satisfy the partnership obligations for which they are personally liable under § 29-603.06. A partner or partner's legal representative may recover from the other partners any contributions the partner makes to the extent the amount contributed exceeds that partner's share of the partnership obligations for which the partner is personally liable under § 29-603.06.

(d) After the settlement of accounts, each partner shall contribute, in the proportion in which the partner shares partnership losses, the amount necessary to satisfy partnership obligations that were not known at the time of the settlement and for which the partner is personally liable under § 29-603.06.

(e) The estate of a deceased partner shall be liable for the partner's obligation to contribute to the partnership.

(f) An assignee for the benefit of creditors of a partnership or a partner, or a person appointed by a court to represent creditors of a partnership or a partner, may enforce a partner's obligation to contribute to the partnership.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Prior Codifications*

1981 Ed., § 41-158.7.

2001 Ed., § 33-108.07.

#### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

#### *Uniform Law*

This section is based on § 807 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **SUBCHAPTER IX. MERGERS AND INTEREST EXCHANGES.**

### **§ 29-609.01. DEFINITIONS.**

For the purposes of this subchapter, the term:

- (1) "General partner" means a partner in a partnership and a general partner in a limited partnership.
- (2) "Limited partner" means a limited partner in a limited partnership.
- (3) "Limited partnership" means a limited partnership created under Chapter 2 of this title, predecessor law, or comparable law of another jurisdiction.
- (4) "Partner" includes both a general partner and a limited partner.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Prior Codifications*

1981 Ed., § 41-159.1.

2001 Ed., § 33-109.01.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 901 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-609.02. MERGER OF PARTNERSHIPS.**

(a) Pursuant to a plan of merger approved as provided in subsection (c) of this section, a partnership may be merged with one or more partnerships.

(b) The plan of merger shall set forth:

- (1) The name of each partnership that is a party to the merger;
- (2) The name of the surviving partnership into which the other partnerships will merge;
- (3) The terms and conditions of the merger;
- (4) The manner and basis of converting the interests of each party to the merger into interests or obligations of the surviving partnership, or into money or other property in whole or part; and
- (5) The street address of the surviving partnership's principal office.

(c) The plan of merger shall be approved by all of the partners, or a number or percentage specified for merger in the partnership agreement.

(d) After a plan of merger is approved and before the merger takes effect, the plan may be amended or abandoned as provided in the plan.

(e) The merger shall be effective on the later of:

- (1) The filing of all documents required by law to be filed as a condition to the effectiveness of the merger; or
- (2) Any effective date specified in the plan of merger.

(f) A merger in which a partnership and another form of entity are parties shall be governed by Chapter 2 of this title.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 41-159.5.

2001 Ed., § 33-109.05.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 905 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-609.03. EFFECT OF MERGER.**

(a) When a merger takes effect:

- (1) The separate existence of every partnership that is a party to the merger, other than the surviving partnership, shall cease;
- (2) All property owned by each of the merged partnerships vests in the surviving partnership;
- (3) All obligations of every partnership that is a party to the merger shall be the obligations of the surviving partnership;
- (4) An action or proceeding pending against a partnership that is a party to the merger may be continued as if the merger had not occurred, or the surviving partnership may be substituted as a party to the action or proceeding; and

(5) If the plan of merger provides for a person to become a partner in a surviving domestic partnership, the person becomes a partner without the need for the consent that would otherwise be required by § 29-604.01(i).

(b) Service of process in an action or proceeding against a surviving foreign partnership to enforce an obligation of a domestic partnership that is a party to a merger may be served pursuant to § 29-104.12.

(c) A partner of the surviving partnership shall be liable for:

(1) All obligations of a party to the merger for which the partner was personally liable before the merger;

(2) All other obligations of the surviving partnership incurred before the merger by a party to the merger, but those obligations shall be satisfied only out of property of the partnership; and

(3) Except as otherwise provided in § 29-603.06, all obligations of the surviving partnership incurred after the merger takes effect.

(d) Except as otherwise provided in § 29-603.06, if the obligations incurred before the merger by a party to the merger are not satisfied out of the property of the surviving partnership, the general partners of that party immediately before the effective date of the merger shall contribute the amount necessary to satisfy that party's obligations to the surviving partnership, in the manner provided in § 29-608.07 as if the merged party were dissolved.

(e) A partner of a party to a merger who is not a partner of the surviving partnership shall be dissociated from the partnership of which that partner was a partner, as of the date the merger takes effect. A surviving domestic partnership shall be bound under § 29-607.02 by an act of a general partner dissociated under this subsection, and the partner shall be liable under § 29-607.03 for transactions entered into by the surviving partnership after the merger takes effect.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

1981 Ed., § 41-159.6.

2001 Ed., § 33-109.06.

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 906 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-609.04. STATEMENT OF MERGER.**

(a) After a merger, the surviving partnership may file a statement that the parties to the merger have merged into the surviving partnership.

(b) A statement of merger shall contain:

(1) The name of each partnership that is a party to the merger;

(2) The name of the surviving partnership into which the other partnerships were merged; and

(3) The street address of the surviving partnership's principal office and of an office in the District, if any.

(c) Except as otherwise provided in subsection (d) of this section, for the purposes of § 29-603.02, property of the surviving partnership that before the merger was held in the name of another party to the merger shall be property held in the name of the surviving partnership upon filing a statement of merger.

(d) For the purposes of § 29-603.02, real property of the surviving partnership that before the merger was held in the name of another party to the merger shall be property held in the name of the surviving partnership upon recording a certified copy of the statement of merger in the office for recording transfers of that real property.

(e) A filed and, if appropriate, recorded statement of merger, executed and declared to be accurate pursuant to § 29-601.05(c), stating the name of a partnership that is a party to the merger in whose name property was held before the merger and the name of the surviving partnership, but not containing all of the other information required by subsection (b) of this section, shall operate with respect to the partnerships named to the extent provided in subsections (c) and (d) of this section.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 41-159.7.

2001 Ed., § 33-109.07.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 907 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

**§ 29-609.05. INTEREST EXCHANGES.**

(a) One or more domestic or foreign partnerships may adopt a plan of interest exchange by which a domestic or foreign partnership acquires all of the outstanding partnership interests of one or more domestic partnerships in exchange for cash or securities of the acquiring domestic or foreign partnership, if:

(1) Each domestic or foreign partnership, the partnership interests of which are to be acquired under the plan of exchange, approves the plan of exchange in the manner prescribed in its partnership agreement; and

(2) Each acquiring domestic or foreign partnership takes all action that may be required by the laws of the state under which it was formed and as required by its partnership agreement in order to effect the exchange.

(b) A statement of interest exchange shall be signed on behalf of a domestic acquired entity and filed with the Mayor in accordance with § 29-102.03(a). When an interest exchange takes effect as provided in the plan of exchange:

(1) The partnership interest of each domestic partnership that is to be acquired under the plan of exchange shall be considered exchanged as provided in the plan of exchange;

(2) The former holders of the partnership interests exchanged under the plan of exchange shall be entitled only to the exchange rights provided in the plan of exchange; and

(3) The acquiring domestic or foreign partnership shall be entitled to all rights, title, and interest with respect to the partnership interests so acquired and exchanged, subject to the provisions in the plan of exchange.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 41-159.8.

2001 Ed., § 33-109.08.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

**§ 29-609.06. NONEXCLUSIVE.**

This subchapter shall not be exclusive. Partnerships may merge or engage in interest exchanges in any other manner provided or permitted by law.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 41-159.9.

2001 Ed., § 33-109.09.

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.



This section is based on § 909 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **SUBCHAPTER X. LIMITED LIABILITY PARTNERSHIP.**

### **§ 29-610.01. STATEMENT OF QUALIFICATION.**

- (a) A partnership may become a limited liability partnership pursuant to this section.
- (b) The terms and conditions on which a partnership becomes a limited liability partnership shall be approved by the vote necessary to amend the partnership agreement except, in the case of a partnership agreement that expressly considers obligations to contribute, the vote necessary to amend those provisions.
- (c) After the approval required by subsection (b) of this section, a partnership may become a limited liability partnership by delivering to the Mayor for filing a statement of qualification. The statement shall contain:
  - (1) The name of the partnership, which shall satisfy the requirements of §§ 29-103.01 and 29-103.02(e);
  - (2) The street address of the partnership's principal office and, if different, the street address of an office in District, if any;
  - (3) If the partnership does not have an office in District, the information required by § 29-104.04;
  - (4) A statement that the partnership elects to be a limited liability partnership; and
  - (5) A deferred effective date, if any.
- (d) The agent of a limited liability partnership for service of process shall be an individual who is a resident of the District or other person authorized to do business in the District.
- (e) The status of a partnership as a limited liability partnership shall be effective on the later of the filing of the statement or a date specified in the statement. The status shall remain effective, regardless of changes in the partnership, until it is canceled pursuant to § 29-601.05(d) or revoked pursuant to § 29-106.01(3).
- (f) The status of a partnership as a limited liability partnership and the liability of its partners shall not be affected by errors or later changes in the information required to be contained in the statement of qualification under subsection (c) of this section.
- (g) The filing of a statement of qualification establishes that a partnership has satisfied all conditions precedent to the qualification of the partnership as a limited liability partnership.
- (h) An amendment or cancellation of a statement of qualification shall be effective when it is filed or on a deferred effective date specified in the amendment or cancellation.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Prior Codifications*

1981 Ed., § 41-160.1.

2001 Ed., § 33-110.01.

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

#### *Uniform Law*

This section is based on § 1001 of the Uniform Partnership Act (1997 Act). See Vol. 6, Part I, Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **SUBCHAPTER XI. TRANSITION PROVISIONS.**

### **§ 29-611.01. APPLICATION TO EXISTING RELATIONS.**

(a) This chapter shall apply to a partnership formed after the applicability date of this chapter and to a partnership that elects, as provided by subsection (c) of this section, to be governed by this chapter.

(b) On and after one year after the applicability date of this chapter, this chapter shall govern all partnerships, whenever formed.

(c) After the applicability date of this chapter, a partnership voluntarily may elect, in the manner provided in its partnership agreement or by law for amending the partnership agreement, to be governed by this chapter. The provisions of this chapter relating to the liability of the partnership's partners to third parties shall apply to limit those partners' liability to a third party that had done business with the partnership within one year before the partnership's election to be governed by this chapter only if the third party knows or has received a notification of the partnership's election to be governed by this chapter.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.