

1937

c 188 Limited Partnership Act

Ontario

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CHAPTER 188.

The Limited Partnership Act.

1. A limited partnership for the transaction of any brokerage, financial, mercantile, mechanical, manufacturing or other business within Ontario, except banking, the construction or operation of railways or the business of insurance, may be formed by two or more persons, upon the terms, with the rights and powers, and subject to the conditions and liabilities hereinafter mentioned. R.S.O. 1927, c. 171, s. 1; 1930, c. 21, s. 12 (2). Formation of limited partnerships.

2. The partnership may consist of one or more persons, who shall be called general partners, and of one or more persons who contribute in actual cash payments a specific sum as capital to the common stock, who shall be called limited partners. R.S.O. 1927, c. 171, s. 2; 1930, c. 21, s. 12 (1). Of whom to consist.

3. General partners shall be jointly and severally responsible as general partners are by law, but limited partners shall not be liable for the debts of the partnership beyond the amounts by them contributed to the capital. R.S.O. 1927, c. 171, s. 3; 1930, c. 21, s. 12 (1). Liability of general and limited partners.

4. The general partners only shall be authorized to transact business and sign for the partnership, and to bind the same. R.S.O. 1927, c. 171, s. 4. General partners only to transact business, etc.

5. The persons desirous of forming such partnership shall make and each of them shall sign a certificate (Form 1), which shall contain,— Certificate to be signed.

- (a) the name under which the partnership business is to be carried on; Contents of.
- (b) the general nature of the business intended to be carried on;
- (c) the names of all the general and limited partners, distinguishing which are general and which are limited partners, and their usual places of residence;
- (d) the amount of capital which each limited partner has contributed;

(e) the time when the partnership is to commence and the time at which it is to terminate;

(f) the principal place of business of the partnership.
R.S.O. 1927, c. 171, s. 5; 1930, c. 21, s. 12 (1).

Execution of. **6.** The certificate shall be signed by the persons forming the partnership before a notary public who shall certify to the execution of the same. R.S.O. 1927, c. 171, s. 6.

Where to be filed. **7.** The certificate so signed and certified shall be filed in the office of the clerk of the county or district court of the county or district in which the principal place of business named in the certificate is situate, and shall be recorded by him at full length in a book to be kept for that purpose and open to public inspection. R.S.O. 1927, c. 171, s. 7.

Fees. **8.** For filing and recording the certificate the clerk shall be entitled to receive the sum of twenty-five cents, and shall also be entitled to receive from every person searching in the book where such certificate is so recorded the sum of ten cents for each search. R.S.O. 1927, c. 171, s. 8.

Partnership not formed until certificate filed. **9.** No such partnership shall be deemed to have been formed until the certificate has been made, certified, and filed, and if any false statement is made in the certificate, all the members of the partnership shall be liable for all the engagements thereof as general partners. R.S.O. 1927, c. 171, s. 9.

Certificates of renewal or continuance. **10.** Every renewal or continuance of a partnership beyond the time originally fixed for its duration shall be certified, filed and recorded in the manner herein required for its original formation, and every partnership otherwise renewed or continued shall be deemed a general partnership. R.S.O. 1927, c. 171, s. 10.

What alterations to be deemed a dissolution. **11.** Every alteration made in the partnership name, in the names of the partners, in the nature of the business, or in the capital or shares thereof, or in any other manner specified in the original certificate shall be deemed a dissolution of the partnership, and every such partnership in any manner carried on after any such alteration has been made shall be deemed a general partnership, unless renewed as a limited partnership according to the provisions of section 10. R.S.O. 1927, c. 171, s. 11.

Partnership name. **12.** The business of the partnership shall be conducted under a name in which the names of one or more of the general partners shall be used, and unless any limited partner whose name is used in the partnership name is clearly disig-

nated as a limited partner in a line immediately beneath the name of the partnership upon letterheads, confirmations to customers and statements of account, he shall be deemed a general partner. 1931, c. 23, s. 13.

13. No part of the sum which a limited partner has contributed to the capital shall be withdrawn by him, or paid or transferred to him as dividends, profits or otherwise, during the continuance of the partnership; but any partner may annually receive interest at a rate not exceeding five per centum per annum on the sum so contributed by him if the payment of such interest does not reduce the original amount of the capital, and if, after the payment of such interest, any profits remain to be divided he may also receive his share of such profits. R.S.O. 1927, c. 171, s. 13; 1930, c. 21, s. 12 (1).

Restrictions upon withdrawal of capital of limited partners.

14. If by the payment of interest or profits to a limited partner the original capital has been reduced he shall be liable to restore the amount by which his share of the capital has been so reduced with interest. R.S.O. 1927, c. 171, s. 14; 1930, c. 21, s. 12 (1).

When limited partner liable to refund.

15. A limited partner may from time to time examine into the state and progress of the partnership business, and may advise as to its management, and he shall only become liable as a general partner if, in addition to the foregoing he takes part in the control of the business. 1930, c. 21, s. 12 (4).

Rights and liabilities of limited partners.

16. The general partners shall be liable to account to each other and to the limited partners for their management of the business in like manner as other partners. R.S.O. 1927, c. 171, s. 16; 1930, c. 21, s. 12 (1).

General partners liable to account.

17. In case of the insolvency or bankruptcy of the partnership a limited partner shall not, under any circumstances, be allowed to claim as a creditor until the claims of all the other creditors of the partnership have been satisfied. R.S.O. 1927, c. 171, s. 17; 1930, c. 21, s. 12 (1).

Creditors preferred to limited partners.

18. No dissolution of such partnership by the acts of the parties shall take place before the time specified in the certificate of its formation or of its renewal until a notice of such dissolution has been filed in the office in which the original certificate was filed and has been published once in each week, for three weeks, in a newspaper published in the county or district where the partnership has its principle place of business and for the same time in the *Ontario Gazette*. R.S.O. 1927, c. 171, s. 18.

No premature dissolution without notice, etc.

FORM 1.

(Section 5.)

CERTIFICATE.

We, the undersigned, do hereby certify that we have entered into partnership under the name of (*B. D. & Co.*) as (*Grocers and Commission Merchants*), which firm consists of (*A. B.*) residing usually at _____, and (*C. D.*) residing usually at _____, as General Partners; and (*E. F.*), residing usually at _____, and (*G. H.*), residing usually at _____, as Limited Partners. The said (*E. F.*) having contributed (\$4,000) and the said (*G. H.*) (\$8,000) to the Capital of the Partnership.

The principal place of business of the Partnership is at _____

The said Partnership is to commence on the _____ day of _____, 19____, and is to terminate on the _____ day of _____, 19____.

Dated this _____ day of _____, 19____.
(Signed)

A. B.
C. D.
E. F.
G. H.

Signed in the presence of me,

L. M.,
Notary Public.

R.S.O. 1927, c. 171, Form 1; 1930, c. 21, s. 12 (1).