

[27] CHAPTER 30.

LIMITED PARTNERSHIPS.

AN ACT in relation to limited partnerships.

Be it enacted by the Council and House of Representatives of the Territory of Iowa.

SECTION 1. Limited partnership authorized. That limited partnerships are hereby authorized for the transaction of any business which may be lawfully carried on by general partners.

SEC. 2. Any number of persons may associate. Any number of persons may associate in this manner, and may make such regulations as they please for the management of their business, consistent with a legal and honest purpose.

SEC. 3. May render their interest transferable. They may render their interest in their association transferable.

SEC. 4. Death not to terminate. The death of any of the partners shall not terminate the partnership.

SEC. 5. May sue in partnership name. It may sue and be sued in its partnership name.

SEC. 6. Private property not liable. The private property of the partners shall not be liable for the debts of the partnership: provided, the requisites of this act are substantially complied with.

SEC. 7. Shall adopt articles of association. Previous to commencing business as a partnership, they shall adopt articles of association, which shall be recorded in the office of the recorder of deeds for the county in which such partnership shall be formed.

SEC. 8. Notice to be published in newspaper. A notice shall be published for four weeks in some newspaper in each county where their business is to extend; or if there is no newspaper therein, then such publication shall be made in some newspaper as convenient as practicable to such place of business.

SEC. 9. What notice shall contain. Such notice shall contain:

[28] First—The name of the partnership.

Second—The general nature of the business to be transacted.

Third—The amount of capital actually paid in, and the times and conditions on which the remainder is to be paid.

Fourth—the place where the articles of association are deposited as above required.

Fifth—The time of commencement and termination of the partnership.

SEC. 10. Publication on renewal of partnership. A like publication shall be made upon a renewal or essential alteration of the articles of association.

SEC. 11. Limited to ten years. The association shall not be permitted to continue for more than ten years at once; but may be renewed by the unanimous consent of the partners.

SEC. 12. Cannot be dissolved previously. The partnership cannot be dissolved previous to the period first agreed upon, without giving the same previous publicity of its dissolution as is required of its creation.

SEC. 13. Penalty for fraud. Intentional fraud in the transaction of the affairs of the partnership shall subject those guilty thereof, to fine or imprisonment, or both, at the discretion of the court. Any person who receives an injury from such fraud, may also recover damages therefor in a civil suit.

SEC. 14. Process may be served on any officer. Legal process may be served upon any officer of the association, or if there are no officers, then upon any member thereof.—This shall be deemed a sufficient service upon the partnership.

SEC. 15. Payment of dividends. The payment of dividends which shall leave insufficient funds to meet the liabilities of the partnership, shall be deemed fraudulent.

SEC. 16. Civil suits for fraud. The perpetration of any fraud, shall render the individual property of all those engaged in, or cognizant of, such perpetration, liable for the partnership debts.

SEC. 17. Execution against company, how served. Whenever an execution shall be issued against the company, and after reasonable inquiries no partnership property can be found sufficient to satisfy the same, it shall be lawful to levy in the first instance upon the individual property of any of the partners. This property shall only be released from the effects of the levy, by either.

First—Pointing out sufficient partnership property whereon to levy; in which case the costs thus far made by the first levy shall be added to the amount to be collected from the company by the execution, or,

Second—By informing the officer who made the levy, that the funds of the partnership are wholly exhausted. In this latter case the officer shall forthwith make return of that fact to the court from whence the [29] execution issued. He shall thereupon suspend all further proceedings under the execution, and the property shall be treated as though held by virtue of a writ of attachment, until the further order of the court.

SEC. 18. Plaintiff may direct release of property. The plaintiff may direct a release of the property thus taken in execution, or he may appear before the court at the return day of the execution, or as early as practicable afterwards, and in answer to a rule to show cause why the property should be sold, may allege such matters as will render the private property of the partners liable, or that the funds of the partnership are not exhausted; and issue shall thereupon be joined to be tried by a jury.

SEC. 19. Company to exhibit books and papers. Upon such trial, it shall be necessary for the company to exhibit their books and papers if required, and to explain by those, or some other means, the fairness and regularity of their business transactions.

SEC. 20. Remedy for partner when he pays a firm debt. Whenever the private property of one of the partners is thus held, he shall have a claim for indemnity against the company.

SEC. 21. Any of the partners may sue company at law. Any of the partners may sue the company at law for a private demand against the partnership.

Approved, January 17th, 1846.

CHAPTER 31.

GARNISHEES.

AN ACT to amend an act entitled "An act regulating practice in the district courts of the territory of Iowa."

Be it enacted by the Council and House of Representatives of the Territory of Iowa,

SECTION 1. Garnishee required to appear—facts to be tried by jury. That a garnishee clause in an execution issued from any court of record, shall re-