

#### **487.304 Erroneous belief of limited partner status effect on liability as general partner.**

1. Except as provided in subsection 2, a person who makes a contribution to a business enterprise and erroneously but in good faith believes that the person has become a limited partner in the enterprise is not a general partner in the enterprise and is not bound by its obligations by reason of making the contribution, receiving distributions from the enterprise, or exercising any rights of a limited partner, if, on ascertaining the mistake, the person does either of the following:

*a.* Causes an appropriate certificate of limited partnership or a certificate of amendment to be executed and filed.

*b.* Withdraws from future equity participation in the enterprise by executing and filing in the office of the secretary of state a certificate declaring withdrawal under this section.

2. A person who makes a contribution of the kind described in subsection 1 is liable as a general partner to a third party who transacts business with the enterprise before either of the following:

*a.* The person withdraws and an appropriate certificate is filed to show the withdrawal.

*b.* An appropriate certificate is filed to show that the person is not a general partner.

However, in either case referred to in paragraph "*a*" or "*b*", the person is liable as a general partner only if the third party actually believed in good faith that the person was a general partner at the time of the transaction.

[C24, 27, 31, 35, 39, § **9819**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 545.14; 82 Acts, ch 1103, § 304]

C93, § 487.304

97 Acts, ch 188, § 26