SENATE.....No. 21.

Reported by a Select Committee, consisting of Messrs. J. T. Austin, Merrill and Hoar.

In Senate, Feb. 16, 1832.

The special committee, to whom was referred an act relating to partnerships, have attended to the duty as signed them, and report the same as taken into a new draft.

By order of the committee,

JAMES T. AUSTIN, *Chairman.*

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427

Commonwealth of Massachusetts.

In the Year of our Lord, One Thousand Eight Hundred and Thirty-Two.

AN ACT

Relative to Partnership.

1 Sec. 1. Be *it enacted by the Senate and House*
2 *of Representatives, in General Court assembled, and*
3 *by the authority of the same*, That limited copartner-
4 ships, for the transaction of any mercantile or me-
5 chanical business, may be formed by two or more
6 persons, upon the terms, and subject to the condi-
7 tions and liabilities herein prescribed; *provided,*
8 *however*, that nothing herein contained shall autho-
9 rize any such partnership for the purpose of bank-
10 ing or insurance, or for any manufacturing establish-
11 ment in which steam or water power is employed.
1 Sec. 2. *Be it further enacted*, That partnerships to
2 be formed under this act shall consist of one or
3 more partners, who shall be jointly and severally
4 responsible in all matters for which partners may be

5 liable according to the existing provisions of law,
6 who shall be called general partners, and one or
7 more persons, who shall furnish funds or capital to
8 the common stock, and be called special partners,
9 whose liability for the contracts or debts of the part-
10 nership shall not extend further than the fund they
11 have furnished to said common stock.

1 Sec. 3. *Be it further enacted*, That persons de-
2 sirous of forming such partnership shall make and
3 subscribe a certificate, which shall contain,

4 First, the name or firm of the general partners
5 and the special partners, distinguishing them as
6 such, and the name under which such partnership
7 shall be conducted.

8 Second, the amount of capital which each special
9 partner has contributed to the common stock, and
10 the time and manner of such contribution.

11 Third, the general nature of the business intend-
12 ed to be transacted, and the period at which said
13 partnership is to begin and end.

1 Sec. 4. *Be it further enacted*, That a certificate,
2 so to be made, shall be sworn to by all the partners,
3 before some magistrate of the county in which the
4 general partners reside, and be recorded by the
5 Register of Deeds for said county, in a book to be
6 kept for that purpose, and the substance of such
7 certificate shall be published within thirty days from
8 the commencement of the partnership, once a week
9 for three weeks successively, in some newspaper
10 published in said county, if any such there be ; and
11 if no such paper be there published, then in some
12 daily paper published in the city of Boston, once a
13 week for three weeks successively, and in the same

manner once a year during the continuance of said partnership.

SEC. 5. *Be it further enacted*, That during the continuance of any partnership under the authority of this act, no part of the capital stock shall be withdrawn therefrom, or any division of interest or profits be made so as to reduce the capital below the sum stated in the certificate aforesaid.

SEC. 6. *Be it further enacted*, That no special partner shall be concerned in transacting the business of the partnership, nor shall his name be used in the style or firm of said partnership; and any special partner whose name, with his privity and consent, shall be so used, or who shall specially and personally make any contract in relation to said partnership, with any other person than the general partners, shall be liable to the contracts of the partnership, as if this law had not been made.

SEC. 7. *Be it further enacted*, That every partner who shall be guilty of any fraud in the affairs of the partnership, shall be liable to the party injured, to the extent of his damages, and shall also be liable to indictment therefor, as for a misdemeanor, and be punishable, on conviction, by fine or imprisonment, or both, at the discretion of the court before which he may be tried.

SEC. 8. *Be it further enacted*, That in any suit, to be brought on any contract or other matter arising out of the business of a partnership under this act, the general partners only shall be sued;—but that nothing herein contained shall prevent the funds contributed by the special partners from being taken

on mesne process or execution, on any suit commenced for the debts of the partnership.

SEC. 9. *Be it further enacted*, That no dissolution of such partnership shall take place previous to the time specified in the certificate above provided for, unless a notice of such dissolution be published once a week, for eight weeks, in such newspaper as directed in the fourth section of this act.