



## Ohio Revised Code

### Section 1782.19 Rights, powers, and liabilities of limited partners.

Effective: October 4, 1996

Legislation: House Bill 495 - 121st General Assembly

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(A) Except as provided in division (D) of this section, a limited partner shall not become liable for the obligations of a limited partnership unless the limited partner is also a general partner or, in addition to the exercise of the limited partner's rights and powers as a limited partner, the limited partner participates in the control of the business. However, if the limited partner participates in the control of the business the limited partner is liable only to persons who transact business with the limited partnership with actual knowledge of the limited partner's participation in control.

(B) A limited partner does not participate in the control of the business within the meaning of division (A) of this section solely by doing one or more of the following:

- (1) Being an independent contractor for or transacting business with, including being a contractor for, or being an agent or employee of, the limited partnership or a general partner;
- (2) Being an officer, director, or stockholder of a corporate general partner;
- (3) Being a partner of a partnership that is a general partner of the limited partnership;
- (4) Being a fiduciary or beneficiary of an estate or trust that is a general partner;
- (5) Being a member, manager, or officer of a limited liability company that is a general partner of a limited partnership;
- (6) Consulting with and advising a general partner with respect to any matter, including the business of the limited partnership;
- (7) Acting as surety, guarantor, or endorser for the limited partnership or a general partner, borrowing money from the limited partnership or a general partner, lending money to the limited partnership or a general partner, or providing collateral for the limited partnership or a general



partner;

(8) Taking any action required or permitted by law to bring, pursue, settle, or otherwise terminate a derivative action in the right of the limited partnership;

(9) Calling, requesting, attending, or participating in a meeting of partners or the limited partners;

(10)(a) Acting or causing the taking or refraining from the taking of any action, including proposing, approving, or disapproving, by voting or otherwise, on one or more of the following matters:

(i) The dissolution and winding up of the limited partnership, or an election to continue the limited partnership, or an election to continue the business of the limited partnership;

(ii) The sale, exchange, lease, mortgage, pledge, or other transfer of or granting of a security interest in any asset or assets of the limited partnership;

(iii) The incurrence, renewal, refinancing, or payment or other discharge of indebtedness by the limited partnership;

(iv) A change in the nature of the business;

(v) The admission, removal, or retention of a general partner;

(vi) The admission, removal, or retention of a limited partner;

(vii) A transaction involving an actual or potential conflict of interest between a general partner and the limited partnership or the limited partners;

(viii) An amendment to the partnership agreement or certificate of limited partnership;

(ix) The merger or consolidation of a limited partnership;

(x) In respect of a limited partnership that is registered as an investment company under the



"Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C. 80a-1, et seq., as amended, any matter required by that act or the rules of the securities and exchange commission adopted under it to be approved by the holders of beneficial interests in an investment company, including the electing of directors or trustees of the investment company, the approving or terminating of investment advisory or underwriting contracts, and the approving of auditors;

(xi) The indemnification of any partner or other person;

(xii) Such other matters, stated in writing, as may be subject to the approval or disapproval of limited partners.

(b) The voting described in division (B)(10)(a) of this section may be by number, financial interest, class, group, or as otherwise provided in the partnership agreement.

(11) Winding up the limited partnership pursuant to section 1782.46 of the Revised Code;

(12) Serving on a committee of the limited partnership or the partners;

(13) Exercising any right or power that is not specifically enumerated in divisions (B)(1) to (12) of this section but that is permitted to limited partners under this chapter.

(C) Division (B) of this section shall not be read to mean that the possession or exercise of powers other than those enumerated in that division by a limited partner constitutes participation by the limited partner in the control of the business of the limited partnership.

(D) A limited partner who knowingly permits the limited partner's name to be used in the name of the limited partnership, except as permitted by division (A)(1) of section 1782.02 of the Revised Code, shall be liable to creditors who extend credit to the limited partnership without actual knowledge that the limited partner is not a general partner.

(E) This section does not create any right or power of limited partners. Rights and powers of limited partners may be created only by a partnership agreement or any other agreement or in writing, or by any section contained in this chapter other than this section.