

**REVIEW PROCEDURES FOR C&S 401
CERTIFICATE OF LIMITED PARTNERSHIP**

Act 213, P.A. 1982; MCLA 449.1101; MSA 20.1101

A limited partnership is a partnership composed of two types of partners, general partners who are managers and limited partners who are investors. At least two persons are required to organize a limited partnership. A person can be both a general and a limited partner but a limited partnership cannot be organized unless there are at least two persons with at least one being a general partner and at least one being a limited partner.

A limited partnership is created by adoption of a partnership agreement which contains conditions under which the partnership will operate and conduct its business. The partnership agreement is not filed with the Bureau.

Section 201, Act 213, P.A. 1982 lists information required in the certificate of limited partnership. Sections 1 through 11 of form C&S 401 MUST be completed to reflect this information.

Section 206(3) permits the administrator to require limited partnership documents to be on its forms. The Bureau has determined its forms, or documents following the outline of its forms, must be used.

The contents of the certificate of limited partnership are taken from the partnership agreement but the agreement itself is not filed with the Bureau. Sections 4 through 10 need not reflect the entire provision from the partnership agreement; a synopsis is sufficient so long as the information required by statute is provided.

The document must be reviewed to determine that it substantially complies with the Act. For example, it must conform to law and be consistent with attorney general opinions, guidelines and policies; it must be signed in ink; fees must be paid; etc.

Following are specific items to be considered in determining whether or not the Certificate of Limited Partnership can be filed.

SPECIFIC DOCUMENT ITEMS	STATUTORY CITE
The document must be completed by using the Bureau's form or a form which follows the outline and sequence of the Bureau's form.	ULPA 206(3)
<u>SECTION I</u>	
The name must be checked for availability. The following must be considered in doing so:	ULPA 102(1)
1. The name must contain the words Limited Partnership. These words must be spelled out - abbreviations are not acceptable.	ULPA 102(2)
2. The name may not contain the name of a limited partner unless <ul style="list-style-type: none"> a) it is also the name of a general partner b) it is the name of a corporate general partner c) business was transacted under that name before the person was admitted as a limited partner 	
3. The name may not indicate or imply that the partnership is engaged in an activity other than that provided in the purposes.	ULPA 102(3)

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<p>4. It must be distinguishable from any active name of a corporation, limited partnership, or limited liability company, including</p> <ul style="list-style-type: none"> a) a corporate name b) a limited partnership name c) a limited liability company name d) an assumed name for a corporation, limited partnership or limited liability company e) a reserved name f) a name registered by a foreign corporation 	<p>ULPA 102(4) Guideline adopted 1-28-83</p> <p>Policy Statement C-40</p>
<p>5. The name may not contain the words Corporation or Incorporated or any derivative of these words, including Corp. or Inc.</p>	<p>ULPA 102(5)</p>
<p>6. Various state and federal statutes prohibit or restrict the use of certain words or abbreviations in names. The NAMES program in the computer system searches for any of these words which have been identified when inquiry regarding name availability is made and displays a message that the proposed name contains a word or abbreviation which may be prohibited or restricted from use.</p>	<p>See RESTRICTED WORD list.</p>
<u>SECTION 2</u>	
<p>The general character of the business in which the partnership will be engaged must be reflected.</p>	<p>ULPA 201(a)(2)</p>
<p>A limited partnership may carry on any business that a general or co-partnership could be engaged in.</p>	<p>ULPA 107</p>
<p>An "all purpose" statement to the effect the partnership will engage in any activity within the purposes for which a partnership can be formed is not permitted.</p>	
<u>SECTION 3</u>	
<p>a) The address of the office at which the limited partnership records are kept must be completed. This address must be a physical location (a post office box is not acceptable) in Michigan and must include a number, street, city and zip code. The route, suite, or apartment number must also be included if applicable.</p>	<p>ULPA 105(a)(1) 201(a)(3)</p>
<p>b) The name of the resident agent must be completed. The resident agent must be</p> <ul style="list-style-type: none"> 1) an individual resident of Michigan 2) a domestic corporation 3) a foreign corporation authorized to transact business in Michigan 	<p>ULPA 105(a)(2) 201(a)(3)</p>

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<p>The resident agent cannot be:</p> <ol style="list-style-type: none"> 1) a dissolved or withdrawn corporation 2) a limited partnership 3) partnerships generally 4) limited liability companies 5) limited liability partnerships <p>c) The address of the resident agent. This address must be a physical location (a post office box is not acceptable) in Michigan and must include a number, street, city and zip code. The route, suite, or apartment number must also be included if applicable.</p> <p style="text-align: center;"><u>SECTION 4</u></p> <p>Must specify</p> <ol style="list-style-type: none"> 1) what right a limited partner has to grant the right to become a limited partner to an assignee of any part of the partnership interest 2) the terms and conditions of the power <p>This Section cannot be blank. If the partnership agreement does not include a provision regarding this matter, the word "none" is acceptable.</p> <p style="text-align: center;"><u>ITEM 5</u></p> <p>a) Must describe the times or events when a general partner can terminate membership in the partnership. The terms and conditions of the termination are also required.</p> <p>This should not be confused with the information requested in Section 8 concerning when the partnership is to be dissolved.</p> <p>This Section cannot be blank. If the partnership agreement does not include a provision regarding this matter, the word "none" is acceptable. In this event, a general partner can withdraw as provided in Section 602.</p> <p>b) Must describe the times or events when a limited partner can terminate membership in the partnership. The amount of any distributions the withdrawing partner is entitled to and the method of determining the distribution is also required.</p> <p>This should not be confused with the information requested in Section 8 concerning when the partnership is to be dissolved.</p>	<p>ULPA 201(a)(3) Policy Statement C-32</p> <p>ULPA 201(a)(7) 704(a)</p> <p>ULPA 201(a)(8)</p> <p>ULPA 201(a)(8)</p>

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<p>The Section cannot be blank. If the partnership agreement does not include a provision regarding this matter, the word "none" is acceptable. In this event, a limited partner can withdraw as provided in section 603.</p> <p style="text-align: center;"><u>SECTION 6</u></p> <p>Must describe any right a limited partner has to receive distributions consisting of property. These distributions can include cash and are similar to dividends distributed to shareholders in corporations. These distributions would not include a return of contributions made by the partner.</p> <p>These distributions would be other than distributions a limited partner is entitled to when they terminate membership in the partnership.</p> <p>The Section cannot be blank. If the partnership agreement does not include a provision regarding this matter, the word "none" is acceptable.</p> <p style="text-align: center;"><u>SECTION 7</u></p> <p>Must describe any right a limited partner has to receive distributions of property which include a return of all or any part of the partner's contribution. These distributions would consist of the partner's contribution only; they would not include distributions received in the form of a dividend out of profits nor are they distributions a limited partner is entitled to receive when they terminate membership in the partnership.</p> <p>This section should also describe any right a general partner has to return all or part of a limited partner's contribution.</p> <p>This Section cannot be blank. If the partnership agreement does not include a provision regarding this matter, the word "none" is acceptable.</p> <p style="text-align: center;"><u>ITEM 8</u></p> <p>Must list the times or events when the limited partnership is to be dissolved. This should not be confused with the information requested in Section 5 concerning when partners can terminate membership in the partnership.</p> <p>The Section cannot be blank. If the partnership agreement does not include a provision regarding this matter, the word "none" is acceptable and the partnership could dissolve and wind up its affairs as provided in Section 801.</p> <p style="text-align: center;"><u>SECTION 9</u></p> <p>Must describe the right a remaining general partner has to continue the business of the partnership when a general partner withdraws.</p> <p>The Section cannot be blank. If the partnership agreement does not include a provision regarding this matter, the word "none" is acceptable.</p>	<p>ULPA 201(a)(9)</p> <p>ULPA 201(a)(10)</p> <p>ULPA 201(a)(11)</p> <p>ULPA 201(a)(12)</p>

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<u>SECTION 10</u>	
<p>Any additional information the partners may wish included in the certificate may be reflected in this section. Provisions from the partnership agreement may be included here; however, the entire agreement should not appear.</p> <p>The number or pages of Supplement O related to this section should be reflected in the space provided.</p>	
<u>SECTION 11</u>	
<p>Must be completed to reflect information regarding partners and, in the case of limited partners, the contribution they have made or have agreed to make in the future. The contribution cannot be blank or "0".</p> <p>At least two persons are required with at least one general and one limited partner. The following is required separately for each partner.</p>	
<p>1. An indication that the partner is either a general or limited partner or both.</p> <p>Any indication that a partner is other than simply a "general" or "limited" partner, such as "managing general", "initial limited", etc. must be defined.</p>	ULPA 201(a)(4)
<p>2. The name of the partner.</p>	ULPA 201(a)(4)
<p>3. The partner's business or residence address. The address should include a street and number, city, state and zip code. A post office box address is acceptable. The address need not be in Michigan.</p>	ULPA 201(a)(4)
<p>4. For limited partners only, the dollar amount of any cash contributions already made. If contributions are in the form of property or services, reflect the dollar amount of the property or services or the amount agreed to by the partners. If contributions are future contributions only, this area may be blank.</p>	ULPA 201(a)(5)
<p>5. For limited partners only, the dollar amount of any cash to be contributed in the future and/or the dollar amount of any property or services to be contributed in the future. If a dollar amount is not available, a dollar amount agreed to by the partners is acceptable. If partners have not committed to making future contributions, this area may be blank.</p>	ULPA 201(a)(5)
<p>6. Describe any contributions other than cash. This includes all property and/or services contributed or to be contributed. This area may be blank if contributions already made or identified as future contributions are cash.</p>	ULPA 201(a)(5)
<p>7. The times or events when future contributions will be made must be reflected. This may be dates or events.</p>	ULPA 201(a)(6)

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f) form of contributions	ULPA 501
g) obligation to contribute	ULPA 502
h) right to distributions	ULPA 601 & 604
i) right to withdraw	ULPA 603
4. GENERAL PARTNERS	
a) admission of	ULPA 401
b) events causing cessation as	ULPA 402
c) rights and powers	ULPA 403
d) right to contribute and share in profits and losses	ULPA 404
e) voting rights	ULPA 405
f) form of contributions	ULPA 501
g) right to distributions	ULPA 601 & 604
h) right to withdraw	ULPA 602
5. Partnership interest is	
a) personal property	ULPA 701
b) assignable	ULPA 702
c) units	Policy Statement C-17
d) A limited partner's interest in a limited partnership is a "security" within the provisions of the Uniform Gifts to Minors Act but a general partner's interest is not.	AG Opinion dated 2-15-79 (Our No. 268)