



Ohio Revised Code

Section 1782.20 Erroneous belief that one is a limited partner.

Effective: August 6, 2008

Legislation: House Bill 332 - 127th General Assembly

(A) Except as provided in division (C) of this section, when no certificate of limited partnership has been filed, a person who contributes to a business enterprise and who 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, within a reasonable time after ascertaining the mistake, the person does either of the following:

- (1) Causes an appropriate certificate of limited partnership to be executed and filed;
- (2) Takes the action that is necessary to withdraw from the enterprise under the provisions of Chapter 1775. or 1776. of the Revised Code.

(B) Except as provided in division (C) of this section, when a certificate of limited partnership has been filed, a person who contributes to a business enterprise and who 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, within a reasonable time after ascertaining that the filed certificate of limited partnership inaccurately refers to the person as a general partner, the person does any of the following:

- (1) Causes an appropriate certificate of amendment to be executed and filed amending the filed certificate of limited partnership;
- (2) Takes such action as is necessary to withdraw from the enterprise under the provisions of section 1782.32 of the Revised Code;
- (3) Executes and files a certificate of disclaimer of general partner status, together with a copy of the certificate of limited partnership that inaccurately refers to the person as a general partner, in the



office of the secretary of state and provides to the partnership a copy of that certificate of disclaimer. A certificate of disclaimer of general partner status shall be on a form prescribed by the secretary of state and shall include all of the following:

- (a) The name of the limited partnership and the file number assigned to it by the secretary of state;
- (b) The date of the filing that inaccurately refers to the person as a general partner;
- (c) The name of the person who inaccurately was referred to as a general partner.

(C) A person who makes a contribution of the kind described in division (A) or (B) of this section and who knew or should have known either that no certificate of limited partnership has been filed or that a certificate of limited partnership has been filed that inaccurately refers to the person as a general partner is liable as a general partner to any third party who actually believed in good faith that the person was a general partner, but only to the extent that the third party acted in reasonable reliance on that belief and extended credit to the partnership in reasonable reliance on the credit of the person.

(D) If a person who has filed a certificate of disclaimer of general partner status pursuant to division (B)(3) of this section becomes aware that any statement in the certificate of disclaimer was materially false when made or that any arrangement or other fact described in the certificate has changed and that the certificate of disclaimer thus is materially inaccurate, the person promptly shall execute and file a certificate of cancellation of disclaimer of general partner status in the office of the secretary of state and provide a copy of that certificate of cancellation of disclaimer of general partner status to the partnership. The certificate of cancellation of disclaimer of general partner status shall be on a form prescribed by the secretary of state and shall include all of the following:

- (1) The name of the limited partnership and the file number assigned to it by the secretary of state;
- (2) The date on which the certificate of disclaimer of general partner status in question was filed;
- (3) The name of the person identified on the certificate of disclaimer of general partner status pursuant to division (B)(3)(c) of this section.