

# State of Wisconsin



2015 Assembly Bill 837

Date of enactment: **March 30, 2016**

Date of publication\*: **March 31, 2016**

## 2015 WISCONSIN ACT 295

AN ACT *to repeal* 73.14, 179.76 (5) (bm), 179.76 (5m), 179.77 (5) (bm), 179.77 (5r), 180.1161 (5) (bm), 181.1105 (1m), 181.1161 (5) (bm), 182.01 (7), 183.1204 (1) (cm) and 183.1207 (5) (bm); *to renumber* 179.10; *to renumber and amend* 179.04 (1) (b) and 179.82 (4); *to amend* 13.69 (1), 70.21 (2), 71.80 (21), 71.80 (22), 73.03 (58) (a) and (b), 77.21 (1e), 77.25 (6), 77.25 (6d), 77.25 (6m), 77.61 (15), 108.02 (20r), 179.065 (2), 179.70 (2) and (3), 180.0121 (1) (a) 4., 180.0121 (2), 180.0501 (2), 180.1100 (2) and (3), 180.1507 (2), 181.0121 (1) (a) 4., 181.0121 (2), 181.0501 (2), 181.1100 (2) and (3), 181.1507 (2), 182.01 (3) (intro.), 183.0105 (1) (b), 183.0109 (1) (a) 5., 183.0109 (2), 183.1200 (2) and (3), 244.49 (9), 766.01 (9) (d) and 815.18 (13) (e); *to repeal and recreate* chapter 178; and *to create* 71.80 (21m), 71.80 (22m), 73.03 (58) (c) and (d), 77.25 (6q), 77.25 (6t) and 179.10 (2) of the statutes; **relating to:** adopting revisions to the state's uniform partnership law, providing an exemption from emergency rule procedures, granting rule-making authority, and providing a criminal penalty.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

**SECTION 1.** 13.69 (1) of the statutes is amended to read:

13.69 (1) Except as provided in sub. (2m), any principal violating ss. 13.61 to 13.68 or a rule of the board promulgated under those sections may be required to forfeit not more than \$5,000. In the case of a partnership other than a foreign or domestic limited liability partnership, each of the partners is jointly and severally liable for any forfeiture imposed under this subsection.

**SECTION 2.** 70.21 (2) of the statutes is amended to read:

70.21 (2) The personal property of a limited liability partnership shall be assessed in the name of the partnership, and each partner shall be liable for the taxes levied thereon only to the extent permitted under s. 178.12 178.0306.

**SECTION 3.** 71.80 (21) of the statutes is amended to read:

71.80 (21) BUSINESS ENTITY CONVERSION. Notwithstanding any provision of ss. 178.1141 to 178.1145, 179.76, 180.1161, 181.1161, and 183.1207, the conversion of a business entity to another form of business entity under s. 178.1141, 179.76, 180.1161, 181.1161, or 183.1207 shall be treated for state tax purposes in the same manner as the conversion is treated for federal tax purposes.

**SECTION 4.** 71.80 (21m) of the statutes is created to read:

71.80 (21m) BUSINESS ENTITY INTEREST EXCHANGE. Notwithstanding any provision of ss. 178.1131 to 178.1135, an interest exchange under s. 178.1131 shall be treated for state tax purposes in the same manner as the interest exchange is treated for federal tax purposes.

\* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

**SECTION 5.** 71.80 (22) of the statutes is amended to read:

71.80 (22) BUSINESS ENTITY MERGER. Notwithstanding any provision of ss. 178.1121 to 178.1125, 179.77, 180.1101, 180.1104, 181.1101, 181.1104, and 183.1201, the merger of a business entity with one or more business entities under s. 178.1121, 179.77, 180.1101, 180.1104, 181.1101, 181.1104, or 183.1201 shall be treated for state tax purposes in the same manner as the merger is treated for federal tax purposes.

**SECTION 6.** 71.80 (22m) of the statutes is created to read:

71.80 (22m) BUSINESS ENTITY DOMESTICATION. Notwithstanding any provision of ss. 178.1151 to 178.1155, a domestication under s. 178.1151 shall be treated for state tax purposes in the same manner as the domestication is treated for federal tax purposes.

**SECTION 7.** 73.03 (58) (a) and (b) of the statutes are amended to read:

73.03 (58) (a) Notwithstanding any provision of ss. 178.1141 to 178.1145, 179.76, 180.1161, 181.1161, and 183.1207, to treat, for state tax purposes, the conversion of a business entity to another form of business entity under s. 178.1141, 179.76, 180.1161, 181.1161, or 183.1207 in the same manner as the conversion is treated for federal tax purposes.

(b) Notwithstanding any provision of ss. 178.1121 to 178.1125, 179.77, 180.1101, 180.1104, 181.1101, 181.1104, and 183.1201, to treat, for state tax purposes, the merger of a business entity with one or more business entities under s. 178.1121, 179.77, 180.1101, 180.1104, 181.1101, 181.1104, or 183.1201 in the same manner as the merger is treated for federal tax purposes.

**SECTION 8.** 73.03 (58) (c) and (d) of the statutes are created to read:

73.03 (58) (c) Notwithstanding any provision of ss. 178.1131 to 178.1135, to treat, for state tax purposes, an interest exchange under s. 178.1131 in the same manner as the interest exchange is treated for federal tax purposes.

(d) Notwithstanding any provision of ss. 178.1151 to 178.1155, to treat, for state tax purposes, a domestication under s. 178.1151 in the same manner as the domestication is treated for federal tax purposes.

**SECTION 9.** 73.14 of the statutes is repealed.

**SECTION 10.** 77.21 (1e) of the statutes is amended to read:

77.21 (1e) “Mergers of ~~corporations entities~~” means the merger or combination of 2 or more corporations, nonstock corporations, limited liability companies, ~~or~~ limited partnerships, or other entities, or any combination thereof, under a plan of merger or a plan of consolidation permitted by the laws that govern the entities.

**SECTION 11.** 77.25 (6) of the statutes is amended to read:

77.25 (6) Pursuant to mergers of ~~corporations~~ entities.

**SECTION 12.** 77.25 (6d) of the statutes is amended to read:

77.25 (6d) Pursuant to partnerships ~~registering as limited liability partnerships~~ filing or cancelling a statement of qualification under s. ~~178.40~~ 178.0901 or a corresponding statement under the law of another jurisdiction.

**SECTION 13.** 77.25 (6m) of the statutes is amended to read:

77.25 (6m) Pursuant to the conversion of a business entity to another form of business entity under s. 178.1141, 179.76, 180.1161, 181.1161, or 183.1207, if, after the conversion, the ownership interests in the new entity are identical with the ownership interests in the original entity immediately preceding the conversion.

**SECTION 14.** 77.25 (6q) of the statutes is created to read:

77.25 (6q) Pursuant to an interest exchange under s. 178.1131.

**SECTION 15.** 77.25 (6t) of the statutes is created to read:

77.25 (6t) Pursuant to a domestication under s. 178.1151.

**SECTION 16.** 77.61 (15) of the statutes is amended to read:

77.61 (15) Notwithstanding any provision of ss. 178.1141 to 178.1145, 179.76, 180.1161, 181.1161, and 183.1207, a business entity that converts to another business entity under s. 178.1141, 179.76, 180.1161, 181.1161, or 183.1207 shall be subject to the provisions under this subchapter applicable to liquidations, reorganizations, and business entity formations.

**SECTION 17.** 108.02 (20r) of the statutes is amended to read:

108.02 (20r) PARTNERSHIP. “Partnership” has the meaning given in s. ~~178.03~~ 178.0102 (11).

**SECTION 18.** Chapter 178 of the statutes is repealed and recreated to read:

**CHAPTER 178**  
**UNIFORM PARTNERSHIP LAW**  
SUBCHAPTER I  
GENERAL PROVISIONS

**178.0101 Short title.** This chapter may be cited as the “Wisconsin Uniform Partnership Law.”

**178.0102 Definitions.** In this chapter:

(1) “Business” includes every trade, occupation, and profession.

(2) “Contribution,” except in the phrase “right of contribution,” means property or a benefit described in s. 178.0403 which is provided by a person to a partnership to become a partner or in the person’s capacity as a partner.

(3) “Debtor in bankruptcy” means a person that is the subject of any of the following:

(a) An order for relief under Title 11, USC, or a comparable order under a successor statute of general application.

(b) A comparable order under federal, state, or foreign law governing insolvency.

(3m) “Department” means the department of financial institutions.

(4) (a) Except as provided in par. (b), “distribution” means a transfer of money or other property from a partnership to a person on account of a transferable interest or in the person’s capacity as a partner. The term includes all of the following:

1. A redemption or other purchase by a partnership of a transferable interest.

2. A transfer to a partner in return for the partner’s relinquishment of any right to participate as a partner in the management or conduct of the partnership’s business or have access to records or other information concerning the partnership’s business.

(b) “Distribution” does not include amounts constituting reasonable compensation for present or past service, payments made in the ordinary course of business under a bona fide retirement plan or other bona fide benefits program, or other payments made to partners for good and valuable consideration other than in their capacity as partners.

(4c) “Domestic” means, with respect to an entity, an entity whose governing law is the law of this state.

(4j) “Electronic” means relating to technology having electronic, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(4p) “Entity” means a person other than an individual.

(4t) “Foreign” means, with respect to an entity, an entity whose governing law is other than the law of this state.

(5) “Foreign limited liability partnership” means a foreign partnership whose partners have limited liability for the debts, obligations, or other liabilities of the foreign partnership under a provision similar to s. 178.0306 (3).

(6) “Foreign partnership” means an association that would be a partnership subject to this chapter but for the fact that its governing law is not the law of this state. The term includes a foreign limited liability partnership.

(6g) “General cooperative association” means, with respect to a Wisconsin cooperative, a cooperative organized under ch. 185.

(6m) “Governing law” means, with respect to an entity, the law of the jurisdiction that collectively governs its internal affairs and the liability of the persons associated with the entity for a debt, obligation, or other liability of the entity under s. 178.0104 or the corresponding applicable law with respect to entities other than domestic partnerships.

(7) “Jurisdiction,” used to refer to a political entity, means the United States, a state, a foreign country, or a political subdivision of a foreign country.

(8m) “Limited cooperative association” means, with respect to a Wisconsin cooperative, a cooperative organized under ch. 193.

(9) “Limited liability partnership,” except in the phrase “foreign limited liability partnership,” or “domestic limited liability partnership” means a partnership that has filed a statement of qualification under s. 178.0901 and does not have a similar statement in effect in any other jurisdiction.

(10) “Partner” means a person that satisfies all of the following:

(a) The person has become a partner in a partnership under s. 178.0402 or was a partner in a partnership when the partnership became subject to this chapter.

(b) The person has not dissociated as a partner under s. 178.0601.

(11) “Partnership” or “domestic partnership” means an association of 2 or more persons, except to the extent provided in s. 178.0801 (6), to carry on as co-owners a business for profit whose governing law is the law of this state, and which is subject to this chapter, including an association that has become and is still subject to this chapter. The term includes a limited liability partnership.

(12) “Partnership agreement” means the agreement, whether or not referred to as a partnership agreement and whether oral, implied, in a record, or in any combination thereof, of all the partners of a partnership concerning the matters described in s. 178.0105 (1). The term includes the agreement as amended or restated.

(13) “Partnership at will” means a partnership in which the partners have not agreed to remain partners until the expiration of a definite term or the completion of a particular undertaking.

(14) “Person” means an individual, business corporation, nonprofit corporation, partnership, limited partnership, limited liability company, general cooperative association, limited cooperative association, unincorporated nonprofit association, statutory trust, business trust, common-law business trust, estate, trust, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(15) “Principal office” means the principal executive office of a partnership or a foreign limited liability partnership, whether or not the office is located in this state.

(16) “Property” means all property, whether real, personal, or mixed or tangible or intangible, or any right or interest therein.

(17) “Record,” used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(18) “Registered agent” means an agent of a limited liability partnership or foreign limited liability partnership that is authorized to receive service of any process, notice, or demand required or permitted by law to be served on the partnership.

(19) “Registered foreign limited liability partnership” means a foreign limited liability partnership that is registered to do business in this state pursuant to a statement of registration filed by the department.

(20) “Sign” means, with present intent to authenticate or adopt a record, any of the following:

(a) To execute or adopt a tangible symbol.

(b) To attach to or logically associate with the record an electronic symbol, sound, or process.

(21) “State” means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(22) “Transfer” includes all of the following:

(a) An assignment.

(b) A conveyance.

(c) A sale.

(d) A lease.

(e) An encumbrance, including a mortgage or security interest.

(f) A gift.

(g) A transfer by operation of law.

(23) “Transferable interest” means the right, as initially owned by a person in the person’s capacity as a partner, to receive distributions from a partnership, whether or not the person remains a partner or continues to own any part of the right. The term applies to any fraction of the interest, by whomever owned.

(24) “Transferee” means a person to which all or part of a transferable interest has been transferred, whether or not the transferor is a partner.

**178.0103 Knowledge; notice.** (1) A person knows a fact if any of the following applies:

(a) The person has actual knowledge of the fact.

(b) The person is deemed to know the fact under sub.

(4) (a) or law other than this chapter.

(2) A person has notice of a fact if any of the following applies:

(a) The person has reason to know the fact from all the facts known to the person at the time in question.

(b) The person is deemed to have notice of the fact under sub. (4) (b).

(3) Subject to s. 178.0117 (6), a person notifies another person of a fact by taking steps reasonably required to inform the other person in ordinary course, whether or not those steps cause the other person to know the fact.

(4) (a) A person not a partner is deemed to know of a limitation on authority to transfer real property as provided in s. 178.0303 (7).

(b) A person not a partner is deemed to have notice of all of the following as follows:

1. A person’s dissociation as a partner 90 days after a statement of dissociation under s. 178.0704 becomes effective.

2. A partnership’s dissolution 90 days after a statement of dissolution under s. 178.0802 becomes effective.

3. A partnership’s termination 90 days after a statement of termination under s. 178.0802 becomes effective.

4. A partnership’s participation in a merger, interest exchange, conversion, or domestication, 90 days after the articles of merger, interest exchange, conversion, or domestication under subch. XI become effective.

(5) Except for a transferor partner’s notice or knowledge of the transfer under s. 178.0503 (4) or a withdrawing partner’s notice or knowledge of the withdrawal under s. 178.0601 (1), a partner’s knowledge or notice of a fact relating to the partnership is effective immediately as knowledge of or notice to the partnership, except in the case of a fraud on the partnership committed by or with the consent of that partner.

(6) This subsection applies to notice that is required under this chapter and that is made subject to this subsection by express reference to this subsection. Written notice is effective at the earliest of the following:

(a) When received.

(b) Five days after its deposit in the U.S. mail, if mailed postpaid and correctly addressed.

(c) On the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

**178.0104 Governing law.** The internal affairs of an association that would be a partnership if its governing law were the law of this state and the liability of the persons so associated for a debt, obligation, or other liability of the association are governed by the law of this state if any of the following applies:

(1) The association is a domestic limited liability partnership.

(2) In the case of any association other than a domestic or foreign limited liability partnership, the partnership agreement designates the law of this state as its governing law or, in the absence of such designation, the association has its principal office in this state.

**178.0105 Partnership agreement; scope, function, and limitations.** (1) Except as otherwise provided in subs. (3) and (4), the partnership agreement governs all of the following:

(a) Relations among the partners as partners and between the partners and the partnership.

(b) The business of the partnership and the conduct of that business.

(c) The means and conditions for amending the partnership agreement.

(d) Mergers, interest exchanges, conversions, and domestications under subch. XI.

(2) To the extent the partnership agreement does not provide for a matter described in sub. (1), this chapter governs the matter.

(3) A partnership agreement may not do any of the following:

(a) Vary the law applicable under ss. 178.0104 (1) and 178.0110.

(b) Vary the provisions of this section.

(c) Vary the provisions of s. 178.0307.

(d) Unreasonably restrict the duties and rights under s. 178.0408, but the partnership agreement may impose reasonable restrictions on the availability and use of information obtained under that section and may define appropriate remedies, including liquidated damages, for a breach of any reasonable restriction on use.

(e) Alter or eliminate, or restrict remedies for the breach of, the duty of loyalty or the duty of care, except as otherwise provided in sub. (4).

(f) Eliminate, or restrict remedies for the breach of, the contractual obligation of good faith and fair dealing under s. 178.0409 (4), but the partnership agreement may prescribe the standards, if not manifestly unreasonable, by which the performance of the obligation is to be measured.

(g) Unreasonably restrict the right of a person to maintain an action under s. 178.0410 (2).

(h) Relieve or exonerate a person from liability for conduct that constitutes any of the following:

1. A willful failure to deal fairly with the partnership or its partners in connection with a matter in which the partner has a material conflict of interest.

2. A violation of the criminal law, unless the partner had reasonable cause to believe that the partner's conduct was lawful or no reasonable cause to believe that the partner's conduct was unlawful.

3. A transaction from which the partner derived an improper personal profit.

4. Willful misconduct.

(i) Unless the partnership is a limited liability partnership, vary the power of a person to dissociate as a partner under s. 178.0602 (1), except to require that the notice under s. 178.0601 (1) be in a record and to not unreasonably specify how the notice must be given.

(j) Vary the grounds for expulsion specified in s. 178.0601 (5).

(k) Vary the causes of dissolution specified in s. 178.0801 (4) or (5).

(L) Vary the requirement to wind up the partnership's business as specified in s. 178.0802 (1), (2) (a), and (4).

(m) Vary the right of a partner under s. 178.0901 (6) to vote on or consent to a cancellation of a statement of qualification.

(n) Vary the right of a partner to approve a merger, interest exchange, conversion, or domestication under s.

178.1123 (1), 178.1133 (1), 178.1143 (1), or 178.1153 (1), except by written provision in the partnership agreement that does not impair the rights of a partner under s. 178.1161.

(o) Vary the required contents of a plan of merger under s. 178.1122, plan of interest exchange under s. 178.1132, plan of conversion under s. 178.1142, or plan of domestication under s. 178.1152.

(p) Vary any requirement, procedure, or other provision of this chapter pertaining to any of the following:

1. Registered agents, except to require some form of vote or consent of the partners notwithstanding s. 178.0909 (2).

2. The department, including provisions pertaining to records authorized or required to be delivered to the department for filing under this chapter.

(q) Except as otherwise provided in ss. 178.0106 and 178.0107 (2), restrict the rights under this chapter of a person other than a partner.

(4) Subject to sub. (3) (h), without limiting other terms that may be included in a partnership agreement, the following rules apply:

(a) The partnership agreement may do any of the following:

1. Specify the method by which a specific act or transaction that would otherwise violate the duty of loyalty may be authorized or ratified by one or more disinterested and independent persons after full disclosure of all material facts.

2. Alter the prohibition in s. 178.0406 (1) (b) so that the prohibition requires only that the partnership's total assets not be less than the sum of its total liabilities.

(b) To the extent the partnership agreement expressly relieves a partner of a responsibility that the partner would otherwise have under this chapter and imposes the responsibility on one or more other partners, the agreement also may eliminate or limit any fiduciary duty of the partner relieved of the responsibility which would have pertained to the responsibility.

(c) Except as provided in sub. (3) (h), if not manifestly unreasonable, the partnership agreement may do any of the following:

1. Alter or eliminate the aspects of, or restrict remedies with respect to, the duty of loyalty stated in s. 178.0409 (2).

2. Identify specific types or categories of activities that do not violate the duty of loyalty or the contractual obligation of good faith and fair dealing.

3. Alter the duty of care.

4. Alter or eliminate any other fiduciary duty.

(5) The court shall decide as a matter of law whether a term of a partnership agreement is manifestly unreasonable under sub. (3) (f) or (4) (c). The court shall make its determination as of the time the challenged term became part of the partnership agreement and by considering only circumstances existing at that time. The court may

invalidate the term only if, in light of the purposes and business of the partnership, it is readily apparent that the objective of the term is unreasonable or that the term is an unreasonable means to achieve the term's objective.

**178.0106 Partnership agreement; effect on partnership and person becoming partner; preformation agreement.** (1) A partnership is bound by and may enforce the partnership agreement, whether or not the partnership has itself manifested assent to the agreement.

(2) A person that becomes a partner is deemed to assent to the partnership agreement.

(3) Two or more persons intending to become the initial partners of a partnership may make an agreement providing that upon the formation of the partnership the agreement will become the partnership agreement.

**178.0107 Partnership agreement; effect on third parties and relationship to records effective on behalf of partnership.** (1) A partnership agreement may specify that its amendment requires the approval of a person that is not a party to the agreement or the satisfaction of a condition. An amendment is ineffective if its adoption does not include the required approval or satisfy the specified condition.

(2) The obligations of a partnership and its partners to a person in the person's capacity as a transferee or person dissociated as a partner are governed by the partnership agreement. Subject only to a court order issued under s. 178.0504 (2) (b) to effectuate a charging order, all of the following apply to an amendment to the partnership agreement made after a person becomes a transferee or is dissociated as a partner:

(a) Except as provided in par. (b), the amendment is effective with regard to any debt, obligation, or other liability of the partnership or its partners to the person in the person's capacity as a transferee or person dissociated as a partner.

(b) The amendment is not effective to the extent the amendment does any of the following:

1. Imposes a new debt, obligation, or other liability on the transferee or person dissociated as a partner.

2. Prejudices the rights under s. 178.0701 of a person that dissociated as a partner before the amendment was made.

(3) If a record delivered by a partnership to the department for filing becomes effective and contains a provision that would be ineffective under s. 178.0105 (3) or (4) (c) if contained in the partnership agreement, the provision is ineffective in the record.

(4) Subject to sub. (3), if a record delivered by a partnership to the department for filing becomes effective and conflicts with a provision of the partnership agreement, all of the following apply:

(a) The agreement prevails as to partners, persons dissociated as partners, and transferees.

(b) The record prevails as to other persons to the extent they reasonably rely on the record.

**178.0108 Signing of records to be delivered for filing to the department.** (1) A record delivered to the department for filing pursuant to this chapter must be signed as follows:

(a) Except as otherwise provided in pars. (b) and (c), a record signed by a partnership must be signed by a person authorized by the partnership.

(b) A record filed on behalf of a dissolved partnership that has no partner must be signed by the person winding up the partnership's business under s. 178.0802 (4) or a person appointed under s. 178.0802 (5) to wind up the business.

(c) A statement of denial by a person under s. 178.0304 must be signed by that person.

(d) Any record not identified in pars. (a) to (c) that is delivered on behalf of a person to the department for filing must be signed by that person.

(2) A record filed under this chapter may be signed by an attorney-in-fact. Whenever this chapter requires a particular individual to sign a record and the individual is deceased or incompetent, the record may be signed by a legal representative of the individual.

(3) A person that signs a record as an attorney-in-fact or legal representative affirms as a fact that the person is authorized to sign the record.

**178.0109 Liability for inaccurate information in filed record.** (1) If a record delivered to the department for filing under this chapter and filed by the department contains inaccurate information, a person that suffers loss by reliance on the information may recover damages for the loss from any of the following:

(a) A person that signed the record, or caused another to sign it on the person's behalf, and knew the information to be inaccurate at the time the record was signed.

(b) Subject to sub. (2), a partner if all of the following apply:

1. The record was delivered for filing on behalf of the partnership.

2. The partner knew or had notice of the inaccuracy for a reasonably sufficient time before the information was relied upon so that, before the reliance, the partner reasonably could have done any of the following:

a. Effected an amendment under s. 178.0901 (6).

b. Filed a petition under s. 178.0112.

c. Delivered to the department for filing a statement of change under s. 178.0909 or a statement of correction under s. 178.0116.

(2) To the extent the partnership agreement expressly relieves a partner of responsibility for maintaining the accuracy of information contained in records delivered on behalf of the partnership to the department for filing under this chapter and imposes that responsibility on one or more other partners, the liability stated in sub. (1) (b) applies to those other partners and not to the partner that the partnership agreement relieves of the responsibility.

(3) An individual who signs a record authorized or required to be filed under this chapter affirms under penalty of perjury that the information stated in the record is accurate.

**178.0110 Applicability.** (1) This chapter applies to a partnership formed on or after January 1, 2018, unless the partnership is the successor to a partnership under s. 178.36, 2013 stats.

(2) On January 1, 2018, this chapter applies to a partnership formed before January 1, 2018, including a partnership that is the successor to a partnership under s. 178.36, 2013 stats., except as follows:

(a) If a partnership elects, in a manner allowed by law for amending the partnership agreement, to be subject to this chapter as of any date between the effective date of this paragraph .... [LRB inserts date], and January 1, 2018, and files with the department a statement of applicability to that effect, this chapter applies to the partnership as of the date that the statement of applicability is effective under s. 178.0114.

(b) If a partnership elects, in a manner allowed by law for amending the partnership agreement, to continue to be subject to ch. 178, 2013 stats., and files with the department a statement of nonapplicability to that effect prior to January 1, 2018, the partnership shall not be subject to this chapter. Thereafter, if the partnership elects, in such manner, to be subject to this chapter as of any subsequent date and files with the department a statement of applicability to that effect, this chapter applies to the partnership as of the date that the statement of applicability is effective under s. 178.0114.

(c) Any statement of applicability to be subject to this chapter pursuant to a valid election by the partnership shall be irrevocable upon such filing.

(d) Upon this chapter becoming applicable with respect to a partnership, all of the following apply:

1. This chapter shall not, and the corresponding provisions of ch. 178, 2013 stats., shall, be applicable with respect to obligations incurred by the partnership prior to such applicability.

2. Any provisions of a partnership agreement that were valid and in effect immediately prior to this chapter becoming applicable with respect to the partnership shall continue to be valid and applicable to the extent allowed under prior law.

3. A registration statement filed by a registered limited liability partnership or foreign registered limited liability partnership under ch. 178, 2013 stats., shall be effective as a statement of qualification or statement of foreign qualification, respectively, under this chapter.

**178.0111 Delivery of record.** (1) Except as otherwise provided in this chapter, permissible means of delivery of a record include delivery by hand, mail, conventional commercial practice, and electronic transmission.

(2) Delivery to the department is effective only when a record is received by the department.

**178.0112 Signing and filing pursuant to judicial order.** (1) If a person required by this chapter to sign a record or deliver a record to the department for filing under this chapter does not do so, any other person that is aggrieved may petition the circuit court to order any of the following:

(a) The person to sign the record.

(b) The person to deliver the record to the department for filing.

(c) The department to file the record unsigned.

(2) If a petitioner under sub. (1) is not the partnership or foreign partnership to which the record pertains, the petitioner shall make the partnership or foreign partnership a party to the action.

(3) A record filed under sub. (1) (c) is effective without being signed.

**178.0113 Filing requirements.** (1) Subject to sub. (1m), to be filed by the department pursuant to this chapter, a record must be received by the department, comply with this chapter, and satisfy all of the following:

(a) The filing of the record must be required or permitted by this chapter.

(b) The record must be physically delivered in written form unless and to the extent the department permits electronic delivery of records.

(c) The words in the record must be in English, and numbers must be in Arabic or Roman numerals, but the name of an entity need not be in English if written in English letters or Arabic or Roman numerals.

(d) The record must be signed by a person authorized or required under this chapter to sign the record.

(e) The record must state the name and capacity, if any, of each individual who signed it, either on behalf of the individual or the person authorized or required to sign the record, but need not contain a seal, attestation, acknowledgment, or verification.

(f) The record must contain the name of the drafter, if required by s. 182.01 (3).

(1m) The department may waive any of the requirements of sub. (1) (a) to (f) if it appears from the face of the document that the document's failure to satisfy the requirement is immaterial.

(2) If law other than this chapter prohibits the disclosure by the department of information contained in a record delivered to the department for filing, the department shall file the record if the record otherwise complies with this chapter but may redact the information.

(3) When a record is delivered to the department for filing, any fee required under this chapter and any fee, interest, or penalty required to be paid to the department must be paid in a manner permitted by the department.

(5) The department may provide forms for filings required or permitted to be made by this chapter and may require their use.

**178.0114 Effective date and time.** Except as otherwise provided in s. 178.0115 and subject to s. 178.0116

(3), a record filed under this chapter is effective as follows:

(1) Except as provided in subs. (2) and (3), on the date that it is received by the department for filing and at any of the following times on that date:

(a) The time of day specified in the document as its effective time.

(b) If no effective time is specified, at the close of business.

(2) The date that a document is received by the department is determined by the department's endorsement on the original document under s. 178.0117 (2).

(3) A document may specify a delayed effective date and time, except the effective date may not be more than 90 days after the date that it is received for filing. If a document specifies a delayed effective date and time in accordance with this subsection, the document is effective at the time and date specified. If a delayed effective date, but no time, is specified, the document is effective at the close of business on that date.

**178.0115 Withdrawal of filed record before effectiveness.** (1) Except as otherwise provided in ss. 178.1123 (2), 178.1133 (2), 178.1143 (2), and 178.1153 (2), a record delivered to the department for filing may be withdrawn before it takes effect by delivering to the department for filing a statement of withdrawal.

(2) A statement of withdrawal must satisfy all of the following:

(a) It must be signed by each person that signed the record being withdrawn, except as otherwise agreed by those persons.

(b) It must identify the record to be withdrawn.

(c) If signed by fewer than all the persons that signed the record being withdrawn, it must state that the record is withdrawn in accordance with the agreement of all the persons that signed the record.

(3) On filing by the department of a statement of withdrawal, the action or transaction evidenced by the original record does not take effect.

**178.0116 Correcting filed record.** (1) A person on whose behalf a filed record was delivered to the department for filing may correct the record if any of the following applies:

(a) The record at the time of filing was inaccurate.

(b) The record was defectively signed.

(c) The electronic transmission of the record to the department was defective.

(2) To correct a filed record, a person on whose behalf the record was delivered to the department must deliver to the department for filing a statement of correction.

(3) (a) A statement of correction may not state a delayed effective date.

(b) A statement of correction must satisfy all of the following:

1. It must be signed by the person correcting the filed record.

2. It must identify the filed record to be corrected.

3. It must specify the inaccuracy or defect to be corrected.

4. It must correct the inaccuracy or defect.

(4) A statement of correction is effective as of the effective date of the filed record that it corrects except for purposes of s. 178.0103 (4) and as to persons relying on the uncorrected filed record and adversely affected by the correction. For those purposes and as to those persons, the statement of correction is effective when filed.

**178.0117 Duty of department to file; review of refusal to file; delivery of record by department.** (1) The department shall file a record delivered to the department for filing which satisfies this chapter. The duty of the department under this section is ministerial.

(2) When the department files a record, the department shall record it as filed on the date of its delivery. After filing a record, the department shall deliver to the person that submitted the record a copy of the record with an acknowledgment of the date of filing and, in the case of a statement of denial, also to the partnership to which the statement pertains.

(3) If the department refuses to file a record, the department shall, not later than 5 business days after the record is delivered, do all of the following:

(a) Return the record or notify the person that submitted the record of the refusal.

(b) Provide a brief explanation in a record of the reason for the refusal.

(4) If the department refuses to file a record, the person that submitted the record may petition the circuit court to compel filing of the record. The record and the explanation of the department of the refusal to file must be attached to the petition. The court may decide the matter in a summary proceeding.

(5) The filing of or refusal to file a record does not create a presumption of any of the following:

(a) That the record does or does not conform to the requirements of this chapter.

(b) That the information contained in the record is correct or incorrect.

(6) Except as otherwise provided by s. 178.0912 or by law other than this chapter, the department may deliver any record to a person by delivering it in any of the following ways:

(a) In person to the person that submitted it.

(b) To the address of the person's registered agent.

(c) To the principal office of the person.

(d) To another address the person provides to the department for delivery.

**178.0119 Supplemental principles of law.** Unless displaced by particular provisions of this chapter, the principles of law and equity supplement this chapter.

**178.0120 Fees; certified copies; filing false documents.** (1) Subject to sub. (2) (a), the department may collect a fee for filing, or providing a certified copy of, a

record under this chapter. Subject to sub. (2) (a), the department may also collect a fee in connection with any request under s. 178.0121.

(2) (a) Any fee under sub (1) shall be established by the department by rule.

(b) The department may collect an expedited service fee, established by rule, for processing in an expeditious manner a record required or permitted to be filed with the department under this chapter.

(c) The department may, by rule, specify a larger fee for filing records in paper format.

(3) A certified copy of a record filed by the department is conclusive evidence that the original record is on file with the department.

(4) A person may not sign a document with intent that it be delivered to the department for filing, or deliver a document or cause a document to be delivered to the department for filing, if the person knows that the document is false in any material respect at the time of its delivery. Whoever violates this subsection is guilty of a Class I felony.

**178.0121 Confirmation of status.** (1) Any person may obtain from the department, upon request, a certificate of status for a limited liability partnership or a foreign limited liability partnership.

(2) A certificate of status shall include all of the following information:

(a) The limited liability partnership's name or the foreign limited liability partnership's name and fictitious name, if any, used in this state.

(b) Whether each of the following is true:

1. The limited liability partnership is a limited liability partnership under the laws of this state, or the foreign limited liability partnership is authorized to transact business in this state.

2. The limited liability partnership or the foreign limited liability partnership has, during its most recently completed report year, filed with the department the annual report required by s. 178.0913.

3. The limited liability partnership has not filed a cancellation of its statement of qualification and is not the subject of a proceeding under s. 178.09032 to revoke its statement of qualification.

4. The foreign limited liability partnership has not filed a cancellation of its registration statement and is not the subject of a proceeding under s. 178.10102 to revoke its registration statement.

(c) The limited liability partnership's effective date of its statement of qualification or the foreign limited liability partnership's effective date of its registration statement.

(3) The certificate of status may include other facts of record in the department that are requested.

(4) Subject to any qualification stated in a certificate of status issued by the department, the certificate is conclusive evidence that the limited liability partnership or

the foreign limited liability partnership is in existence or is authorized to transact business in this state.

(5) Upon request by telephone or otherwise, the department shall confirm, by telephone, any of the information required in a certificate of status under sub. (2) and may confirm any other information permitted under sub. (3).

## SUBCHAPTER II NATURE OF PARTNERSHIP

**178.0201 Partnership as entity.** (1) A partnership is an entity distinct from its partners.

(2) A partnership is the same entity regardless of whether the partnership has a statement of qualification in effect under s. 178.0901.

**178.0202 Formation of partnership.** (1) Except as otherwise provided in sub. (2), the association of 2 or more persons to carry on, as co-owners, a business for profit forms a partnership, whether or not the persons intend to form a partnership.

(2) An association whose governing law is other than the law of this state is not a partnership under this chapter.

(3) In determining whether a partnership is formed, the following rules apply:

(a) Joint tenancy, tenancy in common, tenancy by the entirety, joint property, common property, or part ownership does not by itself establish a partnership, even if the co-owners share profits made by the use of the property.

(b) The sharing of gross returns does not by itself establish a partnership, even if the persons sharing them have a joint or common right or interest in property from which the returns are derived.

(c) A person who receives a share of the profits of a business is presumed to be a partner in the business, unless the profits were received in payment of or for any of the following:

1. A debt by installments or otherwise.

2. Services as an independent contractor or wages or other compensation to an employee.

3. Rent.

4. An annuity or other retirement or health benefit to a deceased or retired partner or a beneficiary, representative, or designee of a deceased or retired partner.

5. Interest or other charge on a loan, even if the amount of payment varies with the profits of the business, including a direct or indirect present or future ownership of the collateral, or rights to income, proceeds, or increase in value derived from the collateral.

6. The sale of the goodwill of a business or other property by installments or otherwise.

**178.0203 Partnership property.** Property acquired by a partnership is property of the partnership and not of the partners individually.

**178.0204 When property is partnership property.**

(1) Property is partnership property if acquired in the name of any of the following:

(a) The partnership.

(b) One or more partners with an indication in the instrument transferring title to the property of the person's capacity as a partner or of the existence of a partnership but without an indication of the name of the partnership.

(2) Property is acquired in the name of the partnership by a transfer to any of the following:

(a) The partnership in its name.

(b) One or more partners in their capacity as partners in the partnership, if the name of the partnership is indicated in the instrument transferring title to the property.

(3) Property is presumed to be partnership property if purchased with partnership assets, even if not acquired in the name of the partnership or of one or more partners with an indication in the instrument transferring title to the property of the person's capacity as a partner or of the existence of a partnership.

(4) Property acquired in the name of one or more of the partners, without an indication in the instrument transferring title to the property of the person's capacity as a partner or of the existence of a partnership and without use of partnership assets, is presumed to be separate property, even if used for partnership purposes.

### SUBCHAPTER III

#### RELATIONS OF PARTNERS TO PERSONS DEALING WITH PARTNERSHIP

**178.0301 Partner agent of partnership.** Subject to the effect of a statement of partnership authority under s. 178.0303, the following rules apply:

(1) Each partner is an agent of the partnership for the purpose of its business. An act of a partner, including the signing of an instrument in the partnership name, for apparently carrying on in the ordinary course the partnership business or business of the kind carried on by the partnership binds the partnership, unless the partner did not have authority to act for the partnership in the particular matter and the person with which the partner was dealing knew or had notice that the partner lacked authority.

(2) An act of a partner which is not apparently for carrying on in the ordinary course the partnership's business or business of the kind carried on by the partnership binds the partnership only if the act was actually authorized by all the other partners.

**178.0302 Transfer of partnership property.** (1) Partnership property may be transferred as follows:

(a) Subject to the effect of a statement of partnership authority under s. 178.0303, partnership property held in the name of the partnership may be transferred by an instrument of transfer signed by a partner in the partnership name.

(b) Partnership property held in the name of one or more partners with an indication in the instrument transferring the property to them of their capacity as partners or of the existence of a partnership, but without an indication of the name of the partnership, may be transferred by

an instrument of transfer signed by the persons in whose name the property is held.

(c) Partnership property held in the name of one or more persons other than the partnership, without an indication in the instrument transferring the property to them of their capacity as partners or of the existence of a partnership, may be transferred by an instrument of transfer signed by the persons in whose name the property is held.

(2) A partnership may recover partnership property from a transferee, as a result of the lack of authority under this subchapter to make the transfer, only if the partnership proves that signing of the instrument of initial transfer did not bind the partnership under s. 178.0301 and if any of the following is true:

(a) As to a subsequent transferee who gave value for property transferred under sub. (1) (a) or (b), the partnership proves that the subsequent transferee knew or had been notified that the person who signed the instrument of initial transfer lacked authority to bind the partnership.

(b) As to a transferee who gave value for property transferred under sub. (1) (c), the partnership proves that the transferee knew or had been notified of all of the following:

1. The property was partnership property.

2. The person who signed the instrument of initial transfer lacked authority to bind the partnership.

(3) A partnership may not recover partnership property from a subsequent transferee, for lack of authority under this subchapter to make the transfer, if the partnership would not have been entitled to recover the property under sub. (2) from any earlier transferee of the property.

(4) If a person holds all of the partners' interests in a partnership that is dissolved under subch. VIII, all the partnership property vests in that person. The person may sign a record in the name of the partnership to evidence vesting of the property in that person and may file or record the record.

#### **178.0303 Statement of partnership authority.** (1)

(a) A partnership may deliver to the department for filing a statement of partnership authority.

(b) The statement of authority must include all of the following:

1. The name of the partnership.

2. If the partnership is not a limited liability partnership, the street and mailing addresses of its principal office.

3. If the partnership is a limited liability partnership, the street address of its registered office in this state and the name of its registered agent at that office.

(c) With respect to any position that exists in or with respect to the partnership, the statement of authority may state the authority, or limitations on the authority, of all persons holding the position to do any of the following:

1. Sign an instrument transferring real property held in the name of the partnership.

2. Enter into other transactions on behalf of, or otherwise act for or bind, the partnership.

(d) The statement of authority may state the authority, or limitations on the authority, of a specific person to do any of the following:

1. Sign an instrument transferring real property held in the name of the partnership.

2. Enter into other transactions on behalf of, or otherwise act for or bind, the partnership.

(2) To amend or cancel a statement of authority filed by the department, a partnership must deliver to the department for filing an amendment or cancellation stating all of the following:

(a) The name of the partnership.

(b) If the partnership is not a limited liability partnership, the street and mailing addresses of the partnership's principal office.

(c) If the partnership is a limited liability partnership, the street address of its registered office in this state and the name of its registered agent at that office.

(d) The date the statement being affected became effective.

(e) The contents of the amendment or a declaration that the statement is canceled.

(2m) (a) A statement of authority is renewable for successive 5-year periods. To renew a statement of authority filed by the department, a partnership must deliver to the department for filing, during the 3 months before the cancellation would occur under sub. (10), a statement of renewal that includes all of the following:

1. The name of the partnership.

2. If the partnership is not a limited liability partnership, the street and mailing addresses of the partnership's principal office.

3. If the partnership is a limited liability partnership, the street address of its registered office in this state and the name of its registered agent at that office.

4. The statement of authority being affected.

5. A declaration that the statement of authority is being renewed.

(b) When filed, a statement of renewal that complies with par. (a) renews the statement of authority for a 5-year period commencing with the date of filing of the statement of renewal.

(3) A statement of authority affects only the power of a person to bind a partnership to persons that are not partners.

(4) Subject to sub. (3) and s. 178.0103 (4) (a), and except as otherwise provided in subs. (6) to (8), a limitation on the authority of a person or a position contained in an effective statement of authority is not by itself evidence of any person's knowledge or notice of the limitation.

(5) Subject to sub. (3), a grant of authority not pertaining to transfers of real property and contained in an effective statement of authority is conclusive in favor of

a person that gives value in reliance on the grant, except to the extent that when the person gives value any of the following applies:

(a) The person has knowledge to the contrary.

(b) The statement has been canceled or restrictively amended under sub. (2).

(c) A limitation on the grant is contained in another statement of authority that became effective after the statement containing the grant became effective.

(6) Subject to sub. (3), an effective statement of authority that grants authority to transfer real property held in the name of the partnership, a certified copy of which statement is recorded in the office of the register of deeds for the county in which the property is located, is conclusive in favor of a person that gives value in reliance on the grant without knowledge to the contrary, except to the extent that when the person gives value any of the following applies:

(a) The statement has been canceled or restrictively amended under sub. (2), and a certified copy of the cancellation or restrictive amendment has been recorded in the office of the register of deeds for the county in which the property is located.

(b) A limitation on the grant is contained in another statement of authority that became effective after the statement containing the grant became effective, and a certified copy of the later-effective statement is recorded in the office of the register of deeds for the county in which the property is located.

(7) Subject to sub. (3), if a certified copy of an effective statement containing a limitation on the authority to transfer real property held in the name of a partnership is recorded in the office of the register of deeds for the county in which the property is located, all persons are deemed to know of the limitation.

(8) Subject to sub. (9), an effective statement of dissolution is a cancellation of any filed statement of authority for the purposes of sub. (6) and is a limitation on authority for purposes of sub. (7).

(9) After a statement of dissolution becomes effective, a partnership may deliver to the department for filing and, if appropriate, may record a statement of authority that is designated as a postdissolution statement of authority. The statement operates as provided in subs. (6) and (7).

(10) Unless canceled earlier, an effective statement of authority is canceled by operation of law 5 years after the date on which the statement, or its most recent amendment or renewal, was filed. The cancellation is effective without recording under sub. (6) or (7).

(11) An effective statement of denial operates as a restrictive amendment under this section and may be recorded by certified copy for purposes of sub. (6) (a).

(11m) Certified copies to be recorded in the office of the register of deeds are to be sent by the person desiring the copies to be recorded and the department is not obli-

gated to send the copies to the office of the register of deeds unless it chooses to undertake this responsibility.

**178.0304 Statement of denial.** A person named in a filed statement of authority granting that person authority may deliver to the department for filing a statement of denial that does all of the following:

(1) Provides the name of the partnership and the caption of the statement of authority to which the statement of denial pertains.

(2) Denies the grant of authority.

**178.0305 Partnership liable for partner's actionable conduct.** (1) A partnership is liable for loss or injury caused to a person, or for a penalty incurred, as a result of a wrongful act or omission, or other actionable conduct, of a partner acting in the ordinary course of business of the partnership or with the actual or apparent authority of the partnership.

(2) If, in the course of the partnership's business or while acting with actual or apparent authority of the partnership, a partner receives or causes the partnership to receive money or property of a person not a partner, and the money or property is misapplied by a partner, the partnership is liable for the loss.

**178.0306 Partner's liability.** (1) Except as otherwise provided in subs. (2) to (3m), all partners are liable jointly and severally for all debts, obligations, and other liabilities of the partnership unless otherwise agreed by the claimant or provided by law.

(2) A person that becomes a partner is not personally liable for a debt, obligation, or other liability of the partnership incurred before the person became a partner.

(3) (a) Except as provided in sub. (3m), a debt, obligation, or other liability of a partnership incurred while the partnership is a limited liability partnership is solely the debt, obligation, or other liability of the limited liability partnership. A partner is not personally liable, directly or indirectly, by way of contribution or otherwise, for such a debt, obligation, or other liability of the limited liability partnership solely by reason of being or acting as a partner.

(b) This subsection applies despite anything inconsistent in the partnership agreement that existed immediately before the vote or consent required to become a limited liability partnership under s. 178.0901 (2).

(c) This subsection applies regardless of the dissolution of the limited liability partnership.

(3m) (a) To the extent a partnership has or is deemed to have elected under par. (b) to have this par. (a) apply, sub. (3) does not affect the liability of a partner in a limited liability partnership for any of the following that occurs while the partnership is subject to this subsection:

1. The partner's own omissions, negligence, wrongful acts, misconduct, or malpractice.

2. The omissions, negligence, wrongful acts, misconduct, or malpractice of any person acting under the partner's actual supervision and control in the specific activ-

ity in which the omissions, negligence, wrongful acts, misconduct, or malpractice occurred.

(b) 1. Except as provided in subd. 3., a limited liability partnership that became a limited liability partnership before January 1, 2018, is deemed to have elected to have par. (a) apply.

2. Except as provided in subd. 3, a limited liability partnership that became a limited liability partnership on or after January 1, 2018, is deemed to not have elected to have par. (a) apply.

3. A limited liability partnership may change its election under this paragraph by filing an amended statement of qualification to that effect. This amendment may be made at any time, but shall be effective prospectively only.

(4) The failure of a limited liability partnership to observe formalities relating to the exercise of its powers or management of its business is not a ground for imposing liability on a partner for a debt, obligation, or other liability of the partnership.

(5) The cancellation or administrative revocation of a limited liability partnership's statement of qualification does not affect the limitation in this section on the liability of a partner for a debt, obligation, or other liability of the partnership incurred while the statement was in effect.

**178.0307 Actions by and against partnership and partners.** (1) A partnership may sue and be sued in the name of the partnership.

(2) To the extent not inconsistent with s. 178.0306, a partner may be joined in an action against the partnership or named in a separate action.

(3) A judgment against a partnership is not by itself a judgment against a partner. A judgment against a partnership may not be satisfied from a partner's assets unless there is also a judgment against the partner.

(4) A judgment creditor of a partner may not levy execution against the assets of the partner to satisfy a judgment based on a claim against the partnership unless the partner is personally liable for the claim under s. 178.0306 and any of the following is true:

(a) A judgment based on the same claim has been obtained against the partnership and a writ of execution on the judgment has been returned unsatisfied in whole or in part.

(b) The partnership is a debtor in bankruptcy.

(c) The partner has agreed that the creditor need not exhaust partnership assets.

(d) A court grants permission to the judgment creditor to levy execution against the assets of a partner based on a finding that partnership assets subject to execution are clearly insufficient to satisfy the judgment, that exhaustion of partnership assets is excessively burdensome, or that the grant of permission is an appropriate exercise of the court's equitable powers.

(e) Liability is imposed on the partner by law or contract independent of the existence of the partnership.

(5) This section applies to any debt, liability, or other obligation of a partnership which results from a representation by a partner or purported partner under s. 178.0308.

**178.0308 Liability of purported partner.** (1) If a person, by words or conduct, purports to be a partner, or consents to being represented by another as a partner, in a partnership or with one or more persons not partners, the purported partner is liable to a person to whom the representation is made, if that person, relying on the representation, enters into a transaction with the actual or purported partnership. If the representation, either by the purported partner or by a person with the purported partner's consent, is made in a public manner, the purported partner is liable to a person who relies upon the purported partnership even if the purported partner is not aware of being held out as a partner to the claimant. If partnership liability results, the purported partner is liable with respect to that liability as if the purported partner were a partner. If no partnership liability results, the purported partner is liable with respect to that liability jointly and severally with any other person consenting to the representation.

(2) If a person is thus represented to be a partner in an existing partnership, or with one or more persons not partners, the purported partner is an agent of persons consenting to the representation to bind them to the same extent and in the same manner as if the purported partner were a partner with respect to persons who enter into transactions in reliance upon the representation. If all the partners of the existing partnership consent to the representation, a partnership act or obligation results. If fewer than all the partners of the existing partnership consent to the representation, the person acting and the partners consenting to the representation are jointly and severally liable.

(3) A person is not liable as a partner merely because the person is named by another as a partner in a statement of partnership authority.

(4) A person does not continue to be liable as a partner merely because of a failure to file a statement of dissociation or to amend a statement of partnership authority to indicate the person's dissociation as a partner.

(5) Except as otherwise provided in subs. (1) and (2) and subch. VII, persons who are not partners as to each other are not liable as partners to other persons.

#### SUBCHAPTER IV

#### RELATIONS OF PARTNERS TO EACH OTHER AND TO PARTNERSHIP

**178.0401 Partner's rights and duties.** (1) Each partner is entitled to an equal share of the partnership distributions and, except in the case of a limited liability partnership, is chargeable with a share of the partnership

losses in proportion to the partner's share of the distributions.

(2) A partnership shall reimburse a partner for any payment made by the partner in the course of the partner's activities on behalf of the partnership, if the partner complied with this section and s. 178.0409 in making the payment.

(3) A partnership shall indemnify and hold harmless a person with respect to any claim or demand against the person and any debt, obligation, or other liability incurred by the person by reason of the person's former or present capacity as a partner, if the claim, demand, debt, obligation, or other liability does not arise from the person's breach of this section or s. 178.0407 or 178.0409.

(4) In the ordinary course of its business, a partnership may advance reasonable expenses, including attorney fees and costs, incurred by a person in connection with a claim or demand against the person by reason of the person's former or present capacity as a partner, if the person promises to repay the partnership if the person ultimately is determined not to be entitled to be indemnified under sub. (3).

(5) A partnership may purchase and maintain insurance on behalf of a partner against liability asserted against or incurred by the partner in that capacity or arising from that status even if, under s. 178.0105 (3) (g), the partnership agreement could not eliminate or limit the person's liability to the partnership for the conduct giving rise to the liability.

(6) A partnership shall reimburse a partner for an advance to the partnership beyond the amount of capital the partner agreed to contribute.

(7) A payment or advance made by a partner which gives rise to a partnership obligation under sub. (2) or (6) constitutes a loan to the partnership which accrues interest from the date of the payment or advance.

(8) Each partner has equal rights in the management and conduct of the partnership's business.

(9) A partner may use or possess partnership property only on behalf of the partnership.

(10) Unless authorized by the partnership agreement or otherwise in accordance with this chapter, a partner is not entitled to remuneration for services performed for the partnership, except for reasonable compensation for services rendered in winding up the business of the partnership.

(11) A difference arising as to a matter in the ordinary course of business of a partnership may be decided by a majority of the partners. An act outside the ordinary course of business of a partnership, an amendment to the partnership agreement, or a merger, interest exchange, conversion, or domestication by the partnership under subch. IX may be undertaken only with the affirmative vote or consent of all the partners.

**178.0402 Becoming partner.** (1) Upon formation of a partnership, a person becomes a partner under s. 178.0202 (1).

(2) After formation of a partnership, a person becomes a partner in any of the following ways:

- (a) As provided in the partnership agreement.
- (b) As a result of a transaction effective under subch. XI.

(c) With the affirmative vote or consent of all the partners.

(3) A person may become a partner without doing any of the following:

- (a) Acquiring a transferable interest.
- (b) Making or being obligated to make a contribution to the partnership.

**178.0403 Form of contribution.** A contribution may consist of money or other property transferred to, services performed for, or another benefit provided to the partnership or an agreement to transfer money or property to, perform services for, or provide another benefit to the partnership.

**178.0404 Liability for contribution.** (1) A person's obligation to make a contribution to a partnership is not excused by the person's death, disability, termination, or other inability to perform personally.

(2) If a person does not fulfill an obligation to make a contribution other than money, the person is obligated at the option of the partnership to contribute money equal to the value of the part of the contribution which has not been made.

(3) The obligation of a person to make a contribution may be compromised only by the affirmative vote or consent of all the partners. If a creditor of a limited liability partnership extends credit or otherwise acts in reliance on an obligation described in sub. (1) without knowledge or notice of a compromise under this subsection, the creditor may enforce the obligation.

**178.0405 Sharing of and right to distributions before dissolution.** (1) Any distribution made by a partnership before its dissolution and winding up must be in equal shares among partners, except to the extent necessary to comply with a transfer effective under s. 178.0503 or charging order in effect under s. 178.0504.

(2) Subject to s. 178.0701, a person has a right to a distribution before the dissolution and winding up of a partnership only if the partnership decides to make an interim distribution.

(3) A person does not have a right to demand or receive a distribution from a partnership in any form other than money. Except as otherwise provided in s. 178.0806, a partnership may distribute an asset in kind only if each part of the asset is fungible with each other part and each person receives a percentage of the asset equal in value to the person's share of distributions.

(4) If a partner or transferee becomes entitled to receive a distribution, the partner or transferee has the

status of, and is entitled to all remedies available to, a creditor of the partnership with respect to the distribution. However, the partnership's obligation to make a distribution is subject to offset for any amount owed to the partnership by the partner or a person dissociated as partner on whose account the distribution is made.

**178.0406 Limitations on distributions by limited liability partnership.** (1) A limited liability partnership may not make a distribution, including a distribution under s. 178.0806, if after the distribution any of the following applies:

(a) The partnership would not be able to pay its debts as they become due in the ordinary course of the partnership's business.

(b) The partnership's total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the partnership were to be dissolved and wound up at the time of the distribution, to satisfy the preferential rights upon dissolution and winding up of partners and transferees whose preferential rights are superior to the rights of persons receiving the distribution.

(2) A limited liability partnership may base a determination that a distribution is not prohibited under sub. (1) on any of the following:

(a) Financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances.

(b) A fair valuation or other method that is reasonable under the circumstances.

(3) Except as otherwise provided in sub. (5), the effect of a distribution under sub. (1) is measured as follows:

(a) In the case of a distribution described in s. 178.0102 (4) (a) 1. and 2., as of the earlier of the following:

1. The date money or other property is transferred or debt is incurred by the limited liability partnership.

2. The date the person entitled to the distribution ceases to own the interest or rights being acquired by the partnership in return for the distribution.

(b) In the case of any distribution of indebtedness other than one under par. (a), as of the date the indebtedness is distributed.

(c) In all cases other than those under par. (a) or (b), as of the following:

1. The date the distribution is authorized, if the payment occurs not later than 120 days after that date.

2. The date the payment is made, if the payment occurs more than 120 days after the distribution is authorized.

(4) A limited liability partnership's indebtedness to a partner or transferee incurred by reason of a distribution made in accordance with this section is at parity with the partnership's indebtedness to its general, unsecured creditors, except to the extent subordinated by agreement.

(5) A limited liability partnership's indebtedness, including indebtedness issued as a distribution, is not a liability for purposes of sub. (1) if the terms of the indebtedness provide that payment of principal and interest is made only if and to the extent that a payment of a distribution could then be made under this section. If the indebtedness is issued as a distribution, each payment of principal or interest is treated as a distribution, the effect of which is measured on the date the payment is made.

(6) In measuring the effect of a distribution under s. 178.0806, the liabilities of a dissolved limited liability partnership do not include any claim that has been disposed of under s. 178.0807, 178.0808, or 178.0809.

**178.0407 Liability for improper distributions by limited liability partnership.** (1) Except as otherwise provided in sub. (2), if a partner of a limited liability partnership consents to a distribution made in violation of s. 178.0406 and in consenting to the distribution fails to comply with s. 178.0409, the partner is personally liable to the partnership for the amount of the distribution which exceeds the amount that could have been distributed without the violation of s. 178.0406.

(2) To the extent the partnership agreement of a limited liability partnership expressly relieves a partner of the authority and responsibility to consent to distributions and imposes that authority and responsibility on one or more other partners, the liability stated in sub. (1) applies to the other partners and not to the partner that the partnership agreement relieves of the authority and responsibility.

(3) A person that receives a distribution knowing that the distribution violated s. 178.0406 is personally liable to the limited liability partnership but only to the extent that the distribution received by the person exceeded the amount that could have been properly paid under s. 178.0406.

(4) A person against which an action is commenced because the person is liable under sub. (1) may do any of the following:

(a) Implead any other person that is liable under sub. (1) and seek to enforce a right of contribution from the person.

(b) Implead any person that received a distribution in violation of sub. (3) and seek to enforce a right of contribution from the person in the amount the person received in violation of sub. (3).

(5) An action under this section is barred unless commenced not later than 2 years after the distribution.

**178.0408 Rights to information of partners and persons dissociated as partner.** (1) A partnership shall keep its books and records, if any, at its principal office.

(2) On reasonable notice, a partner may inspect and copy during regular business hours, at a reasonable location specified by the partnership, any record maintained by the partnership regarding the partnership's business, financial condition, and other circumstances, to the

extent the information is material to the partner's rights and duties under the partnership agreement or this chapter.

(3) The partnership shall furnish to each partner all of the following:

(a) Without demand, any information concerning the partnership's business, financial condition, and other circumstances which the partnership knows and is material to the proper exercise of the partner's rights and duties under the partnership agreement or this chapter, except to the extent the partnership can establish that it reasonably believes the partner already knows the information.

(b) On demand, any other information concerning the partnership's business, financial condition, and other circumstances, except to the extent the demand or the information demanded is unreasonable or otherwise improper under the circumstances.

(4) The duty to furnish information under sub. (3) also applies to each partner on whom a demand is made to the extent the partner knows any of the information described in sub. (3).

(5) Subject to sub. (10), on 10 days' demand made in a record received by a partnership, a person dissociated as a partner may have access to information to which the person was entitled while a partner if all of the following apply:

(a) The information pertains to the period during which the person was a partner.

(b) The person seeks the information in good faith.

(c) The person satisfies the requirements imposed on a partner by sub. (2).

(6) Not later than 10 days after receiving a demand under sub. (5), the partnership in a record shall inform the person that made the demand of all of the following:

(a) The information that the partnership will provide in response to the demand and when and where the partnership will provide the information.

(b) The partnership's reasons for declining, if the partnership declines to provide any demanded information.

(7) A partnership may charge a person that makes a demand under this section the reasonable costs of copying, limited to the costs of labor and material.

(8) A partner or person dissociated as a partner may exercise the rights under this section through an agent or, in the case of an individual under legal disability, a legal representative. Any restriction or condition imposed by the partnership agreement or under sub. (10) applies both to the agent or legal representative and to the partner or person dissociated as a partner.

(9) Subject to s. 178.0505, the rights under this section do not extend to a person as transferee.

(10) In addition to any restriction or condition stated in its partnership agreement, a partnership, as a matter within the ordinary course of its business, may impose reasonable restrictions and conditions on access to and

use of information to be furnished under this section, including designating information confidential and imposing nondisclosure and safeguarding obligations on the recipient. In a dispute concerning the reasonableness of a restriction under this subsection, the partnership has the burden of proving reasonableness.

**178.0409 Standards of conduct for partners.** (1)

A partner owes to the partnership and the other partners the duties of loyalty and care stated in subs. (2) and (3).

(2) The fiduciary duty of loyalty of a partner includes all of the following duties:

(a) The duty to account to the partnership and hold as trustee for it any property, profit, or benefit derived by the partner in or from any of the following:

1. The conduct or winding up of the partnership's business.

2. A use by the partner of the partnership's property.

3. The appropriation of a partnership opportunity.

(b) The duty to refrain from dealing with the partnership in the conduct or winding up of the partnership business as or on behalf of a person having an interest adverse to the partnership.

(c) The duty to refrain from competing with the partnership in the conduct of the partnership's business before the dissolution of the partnership.

(3) The duty of care of a partner in the conduct or winding up of the partnership business is to refrain from engaging in conduct for which relief or exoneration from liability is not permitted under s. 178.0105 (3) (h).

(4) A partner shall discharge the duties and obligations under this chapter or under the partnership agreement and exercise any rights thereunder consistently with the contractual obligation of good faith and fair dealing.

(5) A partner does not violate a duty or obligation under this chapter or under the partnership agreement solely because the partner's conduct furthers the partner's own interest.

(6) All the partners, or one or more disinterested partners with authority to act in the matter, may authorize or ratify, after full disclosure of all material facts, a specific act or transaction by a partner that otherwise would violate the duty of loyalty.

(7) It is a defense to a claim under sub. (2) (b) and any comparable claim in equity or at common law that the transaction was fair to the partnership.

(8) If, as permitted by sub. (6) or the partnership agreement, a partner enters into a transaction with the partnership which otherwise would be prohibited by sub. (2) (b), the partner's rights and obligations arising from the transaction are the same as those of a person that is not a partner.

**178.0410 Actions by partnership and partners.**

(1) A partnership may maintain an action against a partner for a breach of the partnership agreement, or for the violation of a duty to the partnership, causing harm to the partnership.

(2) A partner may maintain an action against the partnership or another partner, with or without an accounting as to partnership business, to enforce the partner's rights and protect the partner's interests, including rights and interests under the partnership agreement or this chapter or arising independently of the partnership relationship.

(3) A right to an accounting on dissolution and winding up does not revive a claim barred by law.

**178.0411 Continuation of partnership beyond definite term or particular undertaking.** (1)

If a partnership for a definite term or particular undertaking is continued, without an express agreement, after the expiration of the term or completion of the undertaking, the rights and duties of the partners remain the same as they were at the expiration or completion, so far as is consistent with a partnership at will.

(2) If the partners, or those of them who habitually acted during the term or undertaking, continue the business without any settlement or liquidation of the partnership, they are presumed to have agreed that the partnership will continue.

SUBCHAPTER V

TRANSFERABLE INTERESTS AND  
RIGHTS OF TRANSFEREES AND  
CREDITORS

**178.0501 Partner not co-owner of partnership property.** A partner is not a co-owner of partnership property and has no interest in partnership property which can be transferred, either voluntarily or involuntarily.

**178.0502 Nature of transferable interest.** A transferable interest is personal property.

**178.0503 Transfer of transferable interest.** (1) All of the following apply to a transfer, in whole or in part, of a transferable interest:

(a) It is permissible.

(b) It does not by itself cause a person's dissociation as a partner or a dissolution and winding up of the partnership business.

(c) Subject to s. 178.0505, it does not entitle the transferee to do any of the following:

1. Participate in the management or conduct of the partnership's business.

2. Except as otherwise provided in sub. (3), have access to records or other information concerning the partnership's business.

(2) A transferee has the right to all of the following:

(a) To receive, in accordance with the transfer, distributions to which the transferor would otherwise be entitled.

(b) To seek under s. 178.0801 (5) a judicial determination that it is equitable to wind up the partnership business.

(3) In a dissolution and winding up of a partnership, a transferee is entitled to an account of the partnership's transactions only from the date of dissolution.

(4) A partnership need not give effect to a transferee's rights under this section until the partnership knows or has notice of the transfer.

(5) A transfer of a transferable interest in violation of a valid restriction on transfer contained in the partnership agreement is ineffective if the intended transferee has knowledge or notice of the restriction at the time of transfer.

(6) Except as otherwise provided in s. 178.0601 (4) (b), if a partner transfers a transferable interest, the transferor retains the rights of a partner other than the transferable interest transferred and retains all the duties and obligations of a partner.

(7) If a partner transfers a transferable interest to a person that becomes a partner with respect to the transferred interest, the transferee is liable for the partner's obligations under ss. 178.0404 and 178.0407 known to the transferee when the transferee becomes a partner.

**178.0504 Charging order.** (1) On application by a judgment creditor of a partner or transferee, a court may enter a charging order against the transferable interest of the judgment debtor for the unsatisfied amount of the judgment. A charging order constitutes a lien on a judgment debtor's transferable interest and requires the partnership to pay over to the person to which the charging order was issued any distribution that otherwise would be paid to the judgment debtor.

(2) To the extent necessary to effectuate the collection of distributions pursuant to a charging order in effect under sub. (1), the court may do any of the following:

(a) Appoint a receiver of the distributions subject to the charging order, with the power to make all inquiries the judgment debtor might have made.

(b) Make all other orders necessary to give effect to the charging order.

(3) Upon a showing that distributions under a charging order will not pay the judgment debt within a reasonable time, the court may foreclose the lien and order the sale of the transferable interest. The purchaser at the foreclosure sale obtains only the transferable interest, does not thereby become a partner, and is subject to s. 178.0503.

(4) At any time before foreclosure under sub. (3), the partner or transferee whose transferable interest is subject to a charging order under sub. (1) may extinguish the charging order by satisfying the judgment and filing a certified copy of the satisfaction with the court that issued the charging order.

(5) At any time before foreclosure under sub. (3), a partnership or one or more partners whose transferable interests are not subject to the charging order may pay to the judgment creditor the full amount due under the judgment and thereby succeed to the rights of the judgment creditor, including the charging order.

(6) This chapter does not deprive any partner or transferee of the benefit of any exemption law applicable to the transferable interest of the partner or transferee.

(7) This section provides the exclusive remedy by which a person seeking, in the capacity of a judgment creditor, to enforce a judgment against a partner or transferee may satisfy the judgment from the judgment debtor's transferable interest.

**178.0505 Power of legal representative of deceased partner.** If a partner dies, the deceased partner's legal representative may exercise any of the following:

(1) The rights of a transferee provided in s. 178.0503 (3).

(2) For purposes of settling the estate, the rights the deceased partner had under s. 178.0408.

#### SUBCHAPTER VI DISSOCIATION

**178.0601 Events causing dissociation.** A person is dissociated as a partner when any of the following applies:

(1) The partnership knows or has notice of the person's express will to withdraw as a partner, but, if the person has specified a withdrawal date later than the date the partnership knew or had notice, on that later date.

(2) An event stated in the partnership agreement as causing the person's dissociation occurs.

(3) The person is expelled as a partner pursuant to the partnership agreement.

(4) The person is expelled as a partner by the affirmative vote or consent of all the other partners if any of the following applies:

(a) It is unlawful to carry on the partnership business with the person as a partner.

(b) There has been a transfer of all of the person's transferable interest in the partnership, other than a transfer for security purposes or the entry of a charging order that is in effect under s. 178.0504 and that has not been foreclosed.

(c) The person is an entity and all of the following apply:

1. The partnership notifies the person that it will be expelled as a partner because the person has filed a statement of dissolution or the equivalent, the person has been administratively dissolved, the person's charter or the equivalent has been revoked, or the person's right to conduct business has been suspended by the jurisdiction of the person's governing law.

2. The statement of dissolution or the equivalent has not been withdrawn, rescinded, or revoked, or the person's charter or the equivalent or right to conduct business has not been reinstated, within 90 days after the notification under subd. 1.

(d) The person is an unincorporated entity that has been dissolved and whose activities and affairs are being wound up.

(5) On application by the partnership or another partner, the person is expelled as a partner by judicial order because the person has done any of the following:

(a) Engaged, or is engaging, in wrongful conduct that has affected adversely and materially, or will affect adversely and materially, the partnership's business.

(b) Committed willfully or persistently, or is committing willfully or persistently, a material breach of the partnership agreement or a duty or obligation under s. 178.0409.

(c) Engaged, or is engaging, in conduct relating to the partnership's business which makes it not reasonably practicable to carry on the business with the person as a partner.

(6) Any of the following applies to the person:

(a) The person becomes a debtor in bankruptcy.

(b) The person signs an assignment for the benefit of creditors.

(c) The person seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the person or of all or substantially all the person's property.

(7) In the case of an individual, any of the following applies to the individual:

(a) The individual dies.

(b) A guardian or general conservator for the individual is appointed.

(c) A court orders that the individual has otherwise become incapable of performing the individual's duties as a partner under this chapter or the partnership agreement.

(8) In the case of a person that is a testamentary or living trust or is acting as a partner by virtue of being a trustee of such a trust, the trust's entire transferable interest in the partnership is distributed.

(9) In the case of a person that is an estate or is acting as a partner by virtue of being a personal representative of an estate, the estate's entire transferable interest in the partnership is distributed.

(10) In the case of a person that is not an individual, the existence of the person terminates.

(15) The partnership dissolves and completes winding up.

**178.0602 Power to dissociate as partner; wrongful dissociation.** (1) A person has the power to dissociate as a partner at any time, rightfully or wrongfully, by withdrawing as a partner by express will under s. 178.0601 (1).

(2) A person's dissociation as a partner is wrongful only if any of the following applies:

(a) The dissociation is in breach of an express provision of the partnership agreement.

(b) In the case of a partnership for a definite term or particular undertaking, the dissociation occurs before the

expiration of the term or the completion of the undertaking and any of the following applies:

1. The person withdraws as a partner by express will, unless the withdrawal follows not later than 90 days after another person's dissociation by death or otherwise under s. 178.0601 (6) to (10) or wrongful dissociation under this subsection.

2. The person is expelled as a partner by judicial order under s. 178.0601 (5).

3. The person is dissociated under s. 178.0601 (6).

4. In the case of a person that is not a trust other than a business trust, an estate, or an individual, the person is expelled or otherwise dissociated because it willfully dissolved or terminated.

(3) A person that wrongfully dissociates as a partner is liable to the partnership and to the other partners for damages caused by the dissociation. The liability is in addition to any debt, obligation, or other liability of the partner to the partnership or the other partners.

**178.0603 Effect of dissociation.** (1) If a person's dissociation results in a dissolution and winding up of the partnership business, subch. VIII applies; otherwise, subch. VII applies.

(2) If a person is dissociated as a partner, all of the following apply:

(a) The person's right to participate in the management and conduct of the partnership's business terminates, except as otherwise provided in s. 178.0802 (3).

(b) The person's duties and obligations under s. 178.0409 end with regard to matters arising and events occurring after the person's dissociation, except to the extent the partner participates in winding up the partnership's business pursuant to s. 178.0802.

(3) A person's dissociation does not of itself discharge the person from any debt, obligation, or other liability to the partnership or the other partners which the person incurred while a partner.

#### SUBCHAPTER VII

#### PERSON'S DISSOCIATION AS A PARTNER WHEN BUSINESS NOT WOUND UP

**178.0701 Purchase of interest of person dissociated as partner.** (1) If a person is dissociated as a partner without the dissociation resulting in a dissolution and winding up of the partnership business under s. 178.0801, the partnership shall cause the person's interest in the partnership to be purchased for a buyout price determined pursuant to sub. (2).

(2) The buyout price of the interest of a person dissociated as a partner is the amount that would have been distributable to the person under s. 178.0806 (2) if, on the date of dissociation, the assets of the partnership were sold and the partnership were wound up, with the sale price equal to the greater of the liquidation value or the value based on a sale of the entire business as a going concern without the person.

(3) Interest accrues on the buyout price from the date of dissociation to the date of payment, but damages for wrongful dissociation under s. 178.0602 (2), and, at the option of the partnership, some or all other amounts owing, whether or not presently due, from the person dissociated as a partner to the partnership, must be offset against the buyout price.

(4) A partnership shall defend, indemnify, and hold harmless a person dissociated as a partner whose interest is being purchased against all partnership liabilities, whether incurred before or after the dissociation, except liabilities incurred by an act of the person under s. 178.0702.

(5) If no agreement for the purchase of the interest of a person dissociated as a partner is reached within 120 days after a written demand for payment, the partnership shall pay, or cause to be paid, in money to the person the amount the partnership estimates to be the buyout price and accrued interest, reduced by any offsets and accrued interest under sub. (3).

(6) If a deferred payment is authorized under sub. (8), the partnership may tender a written offer to pay the amount it estimates to be the buyout price and accrued interest, reduced by any offsets under sub. (3), stating the time of payment, the amount and type of security for payment, and the other terms and conditions of the obligation.

(7) The payment or tender required by sub. (5) or (6) must be accompanied by the following:

(a) A statement of partnership assets and liabilities as of the date of dissociation.

(b) The latest available partnership balance sheet and income statement, if any.

(c) An explanation of how the estimated amount of the payment was calculated.

(d) Written notice that the payment is in full satisfaction of the obligation to purchase unless, not later than 120 days after the written notice, the person dissociated as a partner commences an action to determine the buyout price, any offsets under sub. (3), or other terms of the obligation to purchase.

(8) A person that wrongfully dissociates as a partner before the expiration of a definite term or the completion of a particular undertaking is not entitled to payment of any part of the buyout price until the expiration of the term or completion of the undertaking, unless the person establishes to the satisfaction of the court that earlier payment will not cause undue hardship to the business of the partnership. A deferred payment must be adequately secured and bear interest.

(9) A person dissociated as a partner may maintain an action against the partnership, pursuant to s. 178.0410 (2), to determine the buyout price of that person's interest, any offsets under sub. (3), or other terms of the obligation to purchase. The action must be commenced not later than 120 days after the partnership has tendered

payment or an offer to pay in accordance with subs. (5) to (8) to the extent applicable or within one year after written demand for payment if no payment or offer to pay is tendered. The court shall determine the buyout price of the person's interest, any offset due under sub. (3), and accrued interest, and enter judgment for any additional payment or refund. If deferred payment is authorized under sub. (8), the court shall also determine the security for payment and other terms of the obligation to purchase. The court may assess reasonable attorney fees and the fees and expenses of appraisers or other experts for a party to the action, in amounts the court finds equitable, against a party that the court finds acted arbitrarily, vexatiously, or not in good faith. The finding may be based on the partnership's failure to tender payment or an offer to pay or to comply with sub. (7).

**178.0702 Power to bind and liability of person dissociated as partner.** (1) After a person is dissociated as a partner without the dissociation resulting in a dissolution and winding up of the partnership business and before the partnership is merged out of existence or converted under subch. XI, or dissolved, the partnership is bound by an act of the person with respect to a transaction with another party only if all of the following apply:

(a) The act would have bound the partnership under s. 178.0301 before dissociation.

(b) At the time the other party enters into the transaction, less than 2 years has passed since the dissociation.

(c) At the time the other party enters into the transaction, the other party does not know or have notice of the dissociation and reasonably believes that the person is a partner.

(2) If a partnership is bound under sub. (1), the person dissociated as a partner which caused the partnership to be bound is liable to all of the following:

(a) The partnership, for any damage caused to the partnership arising from the obligation incurred under sub. (1).

(b) If a partner or another person dissociated as a partner is liable for the obligation, the partner or other person, for any damage caused to the partner or other person arising from the liability.

**178.0703 Liability of person dissociated as partner to other persons.** (1) Except as otherwise provided in sub. (2) or s. 178.0308 (1), a person dissociated as a partner is not liable for a partnership obligation incurred after dissociation.

(2) A person that is dissociated as a partner is liable to a party on a transaction entered into by the partnership after the dissociation only if all of the following apply:

(a) The person would have been liable on the transaction had the person not been dissociated.

(b) At the time the other party enters into the transaction, less than 2 years has passed since the dissociation.

(c) At the time the other party enters into the transaction, the other party does not have knowledge or notice

of the dissociation and reasonably believes that the person is a partner.

(3) By agreement with a creditor of a partnership and the partnership, a person dissociated as a partner may be released from liability for a debt, obligation, or other liability of the partnership.

(4) A person dissociated as a partner is released from liability for a debt, obligation, or other liability of the partnership if the partnership's creditor, with knowledge or notice of the person's dissociation but without the person's consent, agrees to a material alteration in the nature or time of payment of the debt, obligation, or other liability.

**178.0704 Statement of dissociation.** (1) A person dissociated as a partner or the partnership may deliver to the department for filing a statement of dissociation stating the name of the partnership and that the person has dissociated from the partnership.

(2) A statement of dissociation is a limitation on the authority of a person dissociated as a partner for the purposes of s. 178.0303.

**178.0705 Continued use of partnership name.** Continued use of a partnership name, or the name of a person dissociated as a partner as part of the partnership name, by partners continuing the business does not of itself make the person dissociated as a partner liable for an obligation of the partners or the partnership continuing the business.

#### SUBCHAPTER VIII

#### DISSOLUTION AND WINDING UP

**178.0801 Events causing dissolution.** A partnership is dissolved, and its business must be wound up, upon the occurrence of any of the following:

(1) In a partnership at will, any of the following:

(a) The partnership knows or has notice of a person's express will to withdraw as a partner, other than a partner that has dissociated under s. 178.0601 (2) to (10), but, if the person has specified a withdrawal date later than the date the partnership knew or had notice, on the later date.

(b) The affirmative vote or consent of all the partners to wind up the partnership business.

(2) In a partnership for a definite term or particular undertaking, any of the following:

(a) Within 90 days after a person's dissociation by death or otherwise under s. 178.0601 (6) to (10) or wrongful dissociation under s. 178.0602 (2), the affirmative vote or consent of at least half of the remaining partners to wind up the partnership business, for which purpose a person's rightful dissociation pursuant to s. 178.0602 (2) (b) 1. constitutes that partner's consent to wind up the partnership business.

(b) The affirmative vote or consent of all the partners to wind up the partnership business.

(c) The expiration of the term or the completion of the undertaking.

(3) An event or circumstance that the partnership agreement states causes dissolution.

(4) On application by a partner, the entry by the circuit court of an order dissolving the partnership on any of the following grounds:

(a) That the conduct of all or substantially all the partnership's business is unlawful.

(b) That the economic purpose of the partnership is likely to be unreasonably frustrated.

(c) That another partner has engaged in conduct relating to the partnership business which makes it not reasonably practicable to carry on the business in partnership with that partner.

(d) That it is otherwise not reasonably practicable to carry on the partnership business in conformity with the partnership agreement.

(5) On application by a transferee, the entry by the circuit court of an order dissolving the partnership on the ground that it is equitable to wind up the partnership business under any of the following circumstances:

(a) After the expiration of the term or completion of the undertaking, if the partnership was for a definite term or particular undertaking at the time of the transfer or entry of the charging order that gave rise to the transfer.

(b) At any time, if the partnership was a partnership at will at the time of the transfer or entry of the charging order that gave rise to the transfer.

(6) The passage of 90 consecutive days during which the partnership does not have at least 2 partners.

**178.0802 Winding up.** (1) A dissolved partnership shall wind up its business and, except as otherwise provided in s. 178.0803, the partnership continues after dissolution only for the purpose of winding up.

(2) (a) In winding up its business, the partnership shall discharge the partnership's debts, obligations, and other liabilities, settle and close the partnership's business, and marshal and distribute the assets of the partnership.

(b) In winding up its business, the partnership may do any of the following:

1. Deliver to the department for filing a statement of dissolution stating the name of the partnership and that the partnership is dissolved.

2. Preserve the partnership business and property as a going concern for a reasonable time.

3. Prosecute and defend actions and proceedings, whether civil, criminal, or administrative.

4. Transfer the partnership's property.

5. Settle disputes by mediation or arbitration.

6. Deliver to the department for filing a statement of termination stating the name of the partnership and that the partnership is terminated.

7. Perform other acts necessary or appropriate to the winding up.

(3) A person whose dissociation as a partner resulted in dissolution may participate in winding up as if still a partner, unless the dissociation was wrongful.

(4) If a dissolved partnership does not have a partner and no person has the right to participate in winding up under sub. (3), the personal or legal representative of the last person to have been a partner may wind up the partnership's business. If no person has or exercises the right to participate in winding up, a person to wind up the partnership's business may be appointed by the affirmative vote or consent of transferees owning a majority of the rights to receive distributions at the time the consent is to be effective. A person appointed under this subsection has the powers of a partner under s. 178.0804 but is not liable for the debts, obligations, and other liabilities of the partnership solely by reason of having or exercising those powers or otherwise acting to wind up the partnership's business.

(5) On the application of any partner or person entitled under sub. (3) to participate in winding up, the circuit court may order judicial supervision of the winding up of a dissolved partnership, including the appointment of a person to wind up the partnership's business, if any of the following applies:

(a) The partnership does not have a partner and within a reasonable time following the dissolution no person has been appointed under sub. (4).

(b) The applicant establishes other good cause.

**178.0803 Rescinding dissolution.** (1) A partnership may rescind its dissolution, unless a statement of termination applicable to the partnership has become effective or the circuit court has entered an order under s. 178.0801 (4) or (5) dissolving the partnership.

(2) Rescinding dissolution under this section requires all of the following:

(a) The affirmative vote or consent of each partner.

(b) If the partnership has delivered to the department for filing a statement of dissolution, delivery to the department for filing of one of the following additional statements:

1. If the statement of dissolution has not become effective, a statement of withdrawal under s. 178.0115 applicable to the statement of dissolution.

2. If the statement of dissolution has become effective, a statement of rescission stating the name of the partnership and that dissolution has been rescinded under this section.

(3) If a partnership rescinds its dissolution, all of the following apply:

(a) The partnership resumes carrying on its business as if dissolution had never occurred.

(b) Subject to par. (c), any liability incurred by the partnership after the dissolution and before the rescission has become effective is determined as if dissolution had never occurred.

(c) The rights of a third party arising out of conduct in reliance on the dissolution before the third party knew or had notice of the rescission may not be adversely affected.

**178.0804 Power to bind partnership after dissolution.** (1) A partnership is bound by a partner's act with respect to a transaction with another person after dissolution if any of the following applies:

(a) The act is appropriate for winding up the partnership business, unless the partner did not have authority to act for the partnership in the particular matter and the person with which the partner was dealing knew or had notice that the partner lacked authority.

(b) The act would have bound the partnership under s. 178.0301 before dissolution if, at the time the other party enters into the transaction, the other party does not know or have notice of the dissolution.

(2) A person dissociated as a partner binds a partnership with respect to a transaction with another party through an act occurring after dissolution if all of the following apply:

(a) At the time the other party enters into the transaction, less than 2 years has passed since the dissociation.

(b) At the time the other party enters into the transaction, the other party does not know or have notice of the dissociation and reasonably believes that the person is a partner.

(c) The act is appropriate for winding up the partnership's business or the act would have bound the partnership under s. 178.0301 before dissolution and at the time the other party enters into the transaction the other party does not know or have notice of the dissolution.

**178.0805 Liability after dissolution of partner and person dissociated as partner.** (1) If a partner having knowledge of the dissolution causes a partnership to incur an obligation under s. 178.0804 (1) by an act that is not appropriate for winding up the partnership business, the partner is liable to all of the following:

(a) The partnership, for any damage caused to the partnership arising from the obligation.

(b) If another partner or person dissociated as a partner is liable for the obligation, that other partner or person, for any damage caused to that other partner or person arising from the liability.

(2) Except as otherwise provided in sub. (3), if a person dissociated as a partner causes a partnership to incur an obligation under s. 178.0804 (2), the person is liable to all of the following:

(a) The partnership, for any damage caused to the partnership arising from the obligation.

(b) If a partner or another person dissociated as a partner is liable for the obligation, the partner or other person, for any damage caused to the partner or other person arising from the liability.

(3) A person dissociated as a partner is not liable under sub. (2) if all of the following apply:

(a) Section 178.0802 (3) permits the person to participate in winding up.

(b) The act that causes the partnership to be bound under s. 178.0804 (2) is appropriate for winding up the partnership's business.

**178.0806 Disposition of assets in winding up; when contributions required.** (1) In winding up its business, a partnership shall apply its assets, including the contributions required by this section, to discharge the partnership's obligations to creditors, including partners that are creditors.

(2) After a partnership complies with sub. (1), any surplus must be distributed in the following order, subject to any changing order in effect under s. 178.0504:

(a) To each person owning a transferable interest that reflects contributions made and not previously returned, an amount equal to the value of the unreturned contributions.

(b) Among persons owning transferable interests, in proportion to their respective rights to share in distributions immediately before the dissolution of the partnership.

(3) If a partnership's assets are insufficient to satisfy all its obligations under sub. (1), with respect to each unsatisfied obligation incurred when the partnership was not a limited liability partnership, the following rules apply:

(a) Each person that was a partner when the obligation was incurred and that has not been released from the obligation under s. 178.0703 (3) or (4) shall contribute to the partnership for the purpose of enabling the partnership to satisfy the obligation. The contribution due from each of those persons is in proportion to the right to receive distributions in the capacity of a partner in effect for each of those persons when the obligation was incurred.

(b) If a person does not contribute the full amount required under par. (a) with respect to an unsatisfied obligation of the partnership, the other persons required to contribute by par. (a) on account of the obligation shall contribute the additional amount necessary to discharge the obligation. The additional contribution due from each of those other persons is in proportion to the right to receive distributions in the capacity of a partner in effect for each of those other persons when the obligation was incurred.

(c) If a person does not make the additional contribution required by par. (b), further additional contributions are determined and due in the same manner as provided in that paragraph.

(4) A person that makes an additional contribution under sub. (3) (b) or (c) may recover from any person whose failure to contribute under sub. (3) (a) or (b) necessitated the additional contribution. A person may not

recover under this subsection more than the amount additionally contributed. A person's liability under this subsection may not exceed the amount the person failed to contribute.

(5) If a partnership does not have sufficient surplus to comply with sub. (2) (a), any surplus must be distributed among the owners of transferable interests in proportion to the value of the respective unreturned contributions.

(7) All distributions made under sub. (2) must be paid in money.

**178.0807 Known claims against dissolved limited liability partnership.** (1) Except as otherwise provided in sub. (4), a dissolved limited liability partnership may give notice of a known claim under sub. (2), which has the effect provided in sub. (3).

(2) A dissolved limited liability partnership may in a record notify its known claimants of the dissolution. The notice must do all of the following:

(a) Specify the information required to be included in a claim.

(b) State that a claim must be in writing and provide a mailing address to which the claim is to be sent.

(c) State the deadline for receipt of a claim, which may not be less than 120 days after the date the notice is received by the claimant.

(d) State that the claim will be barred if not received by the deadline.

(e) Unless the partnership has been throughout its existence a limited liability partnership, state that the barring of a claim against the partnership will also bar any corresponding claim against any partner or person dissociated as a partner which is based on s. 178.0306.

(3) A claim against a dissolved limited liability partnership is barred if the claim is a known claim and the notice requirements of sub. (2) are met with respect to the claim and any of the following applies:

(a) The claim is not received by the specified deadline.

(b) If the claim is timely received but rejected by the limited liability partnership, all of the following apply:

1. The partnership causes the claimant to receive a notice in a record stating that the claim is rejected and will be barred unless the claimant commences an action against the partnership to enforce the claim within 90 days after the claimant receives the notice.

2. The claimant does not commence the required action within 90 days after the claimant receives the notice.

(4) This section does not apply to a claim based on an event occurring after the date of dissolution or a liability that on that date is contingent.

(4r) The provisions of s. 178.0103 (6) shall apply to notices under this section.

**178.0808 Other claims against dissolved limited liability partnership.** (1) A dissolved limited liability

partnership may publish notice of its dissolution and request persons having claims against the partnership to present them in accordance with the notice.

(2) A notice under sub. (1) must satisfy all of the following:

(a) It must be published as a class 1 notice, under ch. 985, in a newspaper of general circulation in the county in this state in which the dissolved limited liability partnership's principal office is located or, if the principal office is not located in this state, in the county in which the office of the partnership's registered agent is or was last located.

(b) It must describe the information required to be contained in a claim, state that the claim must be in writing, and provide a mailing address to which the claim is to be sent.

(c) It must state that a claim against the partnership is barred unless an action to enforce the claim is commenced not later than 2 years after publication of the notice.

(d) Unless the partnership has been throughout its existence a limited liability partnership, it must state that the barring of a claim against the partnership will also bar any corresponding claim against any partner or person dissociated as a partner which is based on s. 178.0306.

(3) If a dissolved limited liability partnership publishes a notice in accordance with sub. (2), the claim of each of the following claimants is barred unless the claimant commences an action to enforce the claim against the partnership not later than 2 years after the publication date of the notice:

(a) A claimant that did not receive notice in a record under s. 178.0807.

(b) A claimant whose claim was timely sent to the partnership but not acted on.

(c) A claimant whose claim is contingent at, or based on an event occurring after, the date of dissolution.

(4) A claim not barred under this section or s. 178.0807 may be enforced against any of the following:

(a) A dissolved limited liability partnership, to the extent of its undistributed assets.

(b) Except as otherwise provided in s. 178.0809, if assets of the partnership have been distributed after dissolution, a partner or transferee to the extent of that person's proportionate share of the claim or of the partnership's assets distributed to the partner or transferee after dissolution, whichever is less, but a person's total liability for all claims under this paragraph may not exceed the total amount of assets distributed to the person after dissolution.

(c) Any person liable on the claim under s. 178.0306, 178.0703, or 178.0805.

**178.0809 Court proceedings.** (1) A dissolved limited liability partnership that has published a notice under s. 178.0808 may file an application with the circuit court in the county where the partnership's principal office is

located or, if the principal office is not located in this state, where the office of its registered agent is or was last located, for a determination of the amount and form of security to be provided for payment of claims that are contingent or are not known to the partnership or that are based on an event occurring after the effective date of dissolution but that, based on the facts known to the partnership, are reasonably expected to arise after the effective date of dissolution.

(2) Provision need not be made for any claim that is or is reasonably anticipated to be barred under s. 178.0808.

(3) Not later than 10 days after the filing of an application under sub. (1), the dissolved limited liability partnership shall give notice of the proceeding to each claimant holding a contingent claim whose contingent claim is known to the partnership.

(4) In any proceeding under this section, the court may appoint a guardian ad litem to represent all claimants whose identities are unknown. The reasonable fees and expenses of the guardian, including all reasonable expert witness fees, must be paid by the dissolved limited liability partnership.

(5) A dissolved limited liability partnership that provides security in the amount and form ordered by the court under sub. (1) satisfies the partnership's obligations with respect to claims that are contingent, are not known to the partnership, or are based on an event occurring after the effective date of dissolution, and such claims may not be enforced against a partner or transferee on account of assets received in liquidation.

**178.0810 Liability of partner and person dissociated as partner when claim against partnership barred.** If a claim against a dissolved partnership is barred under s. 178.0807, 178.0808, or 178.0809, any corresponding claim under s. 178.0306, 178.0703, or 178.0805 is also barred.

#### SUBCHAPTER IX

##### LIMITED LIABILITY PARTNERSHIP

**178.0901 Statement of qualification.** (1) A domestic partnership may become a limited liability partnership pursuant to this section.

(2) The terms and conditions on which a domestic partnership becomes a limited liability partnership must be approved by the affirmative vote or consent necessary to amend the partnership agreement except, in the case of a partnership agreement that expressly addresses obligations to contribute to the partnership, the affirmative vote or consent necessary to amend those provisions.

(3) After the approval required by sub. (2), a partnership may become a limited liability partnership by delivering to the department for filing a statement of qualification. The statement must contain all of the following:

(a) The name of the partnership, which name satisfies s. 178.0902.

(b) The street and mailing addresses of the partnership's principal office and, if different, the street address of an office in this state, if any.

(c) The street address of the partnership's registered office in this state and the name of its registered agent at that office.

(d) A statement that the partnership elects to become a limited liability partnership.

(4) The partnership's status as a limited liability partnership begins when its statement of qualification becomes effective as provided in s. 178.0114 and remains effective, regardless of changes in the partnership, until it is canceled pursuant to sub. (6) or administratively revoked pursuant to ss. 178.09031 and 178.09032.

(5) The status of a partnership as a limited liability partnership and the protection against liability of its partners for the debts, obligations, or other liabilities of the partnership while it is a limited liability partnership is not affected by errors or later changes in the information required to be contained in the statement of qualification.

(5r) A partnership that becomes, or ceases to be, a limited liability partnership is for all purposes the same partnership that existed before such change in status and continues to be a partnership under this chapter.

(6) A limited liability partnership may amend or cancel its statement of qualification by delivering to the department for filing a statement of amendment or cancellation. A statement of cancellation must be approved by the affirmative vote or consent of all the partners. A statement of amendment or cancellation shall state the name of the limited liability partnership and also state the following:

(a) In the case of an amendment, the text of the amendment.

(b) In the case of a cancellation, that the statement of qualification is canceled.

**178.0902 Permitted names.** (1) The name of a partnership that is not a limited liability partnership may not contain the phrase "Registered Limited Liability Partnership" or "Limited Liability Partnership" or the abbreviation "R.L.L.P.," "L.L.P.," "RLLP," or "LLP."

(2) The name of a limited liability partnership must contain the phrase "Registered Limited Liability Partnership" or "Limited Liability Partnership" or the abbreviation "R.L.L.P.," "L.L.P.," "RLLP," or "LLP."

(3) The name of a limited liability partnership, and the name under which a foreign limited liability partnership may register to do business in this state, must be distinguishable on the records of the department from all of the following:

(a) Any name of an existing person whose formation required the filing of a record by the department and which is not at the time administratively dissolved.

(b) Any name of a limited liability partnership whose statement of qualification is in effect.

(c) Any name under which a person is registered to do business in this state by the filing of a record by the department.

(d) Any name that is reserved under s. 178.0906 or other law of this state providing for the reservation of a name by a filing of a record by the department.

(e) Any name that is registered under s. 178.0907 or other law of this state providing for the registration of a name by a filing of a record by the department.

(4r) A limited liability partnership or foreign limited liability partnership may apply to the department for authorization to use in this state a name that is not distinguishable upon the records of the department from one or more of the names described in sub. (3). The department shall authorize use of the name applied for if any of the following occurs:

(a) The corporation, limited liability company, non-stock corporation, limited partnership, limited liability partnership, foreign limited liability partnership, general cooperative association, or limited cooperative association that has or has registered or reserved the name consents in writing to the use and submits an undertaking in a form satisfactory to the department to change its name to a name that is distinguishable upon the records of the department from the name of the applicant, or to cancel the registration or reservation.

(b) The applicant delivers to the department a certified copy of a final judgment of a court of competent jurisdiction establishing the applicant's right to use the name applied for in this state.

(5) In determining whether a name is the same as or not distinguishable on the records of the department from the name of another person, words, phrases, or abbreviations indicating a type of entity, such as "corporation," "Corp.," "incorporated," "Inc.," "Limited," "Ltd.," "limited partnership," "LP," "L.P.," "limited liability partnership," "LLP," "L.L.P.," "limited liability limited partnership," "LLL," "L.L.L.P.," "registered limited liability limited partnership," "RLLL," "R.L.L.L.P.," "limited liability company," "LLC," "L.L.C.," "cooperative association," or "cooperative" may not be taken into account.

(7) The name of a limited liability partnership or foreign limited liability partnership may not contain language stating or implying that the entity is organized for a purpose subject to regulation under another statute of this state, unless its purpose is not prohibited by, and the entity is subject to all the limitations of, the other statute.

(8r) A limited liability partnership or foreign limited liability partnership may use in this state the name, including the fictitious name, that is used in this state by a corporation, limited liability company, nonstock corporation, limited partnership, limited liability partnership, foreign limited liability partnership, general cooperative association, or limited cooperative association if the limited liability partnership or foreign limited liability part-

nership proposing to use the name has done any of the following:

- (a) Merged with the other business entity.
- (b) Been formed by reorganization of the other business entity.
- (c) Acquired all or substantially all of the assets, including the name, of the other business entity.

**178.09031 Grounds for revocation.** The department may bring a proceeding under s. 178.09032 to administratively revoke the statement of qualification of a limited liability partnership if any of the following occurs:

- (1) The partnership does not pay, within one year after they are due, any fees or penalties due the department under this chapter.
- (2) The partnership does not have on file its annual report with the department within one year after it is due.
- (3) The partnership is without a registered agent or registered office in this state for at least one year.
- (4) The partnership does not notify the department within one year that its registered agent or registered office has been changed, that its registered agent has resigned, or that its registered office has been discontinued.
- (5) The partnership violates s. 940.302 (2) or 948.051 (2).

**178.09032 Procedure for and effect of administrative revocation.** (1) If the department determines that one or more grounds exist under s. 178.09031 for revoking a limited liability partnership's statement of qualification, the department may give the partnership notice of the determination. The notice shall be in writing and addressed to the registered office of the partnership.

(2) (a) Within 60 days after the notice under sub. (1) takes effect under s. 178.0103 (6), the partnership shall, with respect to each ground for revocation, either correct it or demonstrate to the reasonable satisfaction of the department that it does not exist.

(b) If the partnership fails to satisfy par. (a), the department may revoke the partnership's statement of qualification. The department shall enter a notation in its records to reflect each ground for revocation and the effective date of revocation and shall give the partnership notice of those facts. The notice shall be in writing and addressed to the registered office of the partnership.

(3) (a) If a notice under sub. (1) or (2) (b) is returned to the department as undeliverable, the department shall again give notice to the partnership. Except as provided under par. (b), this notice shall be in writing and addressed to the principal office of the partnership.

(b) If the notice under par. (a) is returned to the department as undeliverable or if the partnership's principal office cannot be determined from the records of the department, the department shall give the notice by posting the notice on the department's Internet site.

(4) A revocation under sub. (2) (b) affects only the partnership's status as a limited liability partnership and is not an event of dissolution of the partnership.

(5) The partnership's right to the exclusive use of its partnership name terminates on the effective date of the revocation of its statement of qualification.

**178.0904 Reinstatement following administrative revocation.** (1) A partnership whose statement of qualification is administratively revoked may apply to the department for reinstatement. The application shall include all of the following:

- (a) The name of the partnership and the effective date of the revocation of its statement of qualification.
- (b) A statement that each ground for revocation either did not exist or has been cured.
- (c) A statement that the partnership's name satisfies s. 178.0902.

(2) (a) Upon application, the department shall reinstate a partnership's statement of qualification if the department determines all of the following:

- 1. That the application contains the information required by sub. (1) and the information is correct.
- 2. That all fees and penalties owed by the partnership to the department under this chapter have been paid.

(b) Upon reinstatement of a partnership's statement of qualification under par. (a), the department shall enter a notation in its records revising the notation specified in s. 178.09032 (2) (b) to reflect cancellation of the revocation and reinstatement of the partnership's statement of qualification. The notation shall state both the department's determination under par. (a) and the effective date of reinstatement. The department shall provide notice of the reinstatement to the partnership or its representative.

(4) When the reinstatement under this section is effective, all of the following shall apply:

(a) Except as provided in par. (c), the reinstatement relates back to and takes effect as of the effective date of the administrative revocation.

(b) Except as provided in par. (c), the partnership's status as a limited liability partnership continues as if the revocation had never occurred.

(c) The rights of a person arising out of an act or omission in reliance on the revocation before the person knew or had notice of the reinstatement are unaffected.

**178.0905 Appeal from denial of reinstatement.** (1) If the department denies a partnership's application for reinstatement under s. 178.0904, the department shall serve the partnership with a written notice, addressed to the registered office of the partnership, that explains each reason for denial.

(2) The partnership may appeal the denial of reinstatement to the circuit court for the county where the partnership's principal office or, if none in this state, its registered office is located, within 30 days after service of the notice of denial is perfected. To appeal, the part-

nership shall petition the court to set aside the revocation and attach to the petition copies of the department's notice of revocation under s. 178.09032 (2) (b), the partnership's application for reinstatement under s. 178.0904 (1), and the department's notice of denial under sub. (1).

(3) The court may order the department to reinstate the partnership's statement of qualification or may take other action that the court considers appropriate.

(4) The court's final decision may be appealed as in other civil proceedings.

**178.0906 Reservation of name.** (1) A person may reserve the exclusive use of a name that complies with s. 178.0902, including a fictitious name for a foreign limited liability partnership whose partnership name is not available, by delivering an application to the department for filing. The application shall include the name and address of the applicant and the name proposed to be reserved. If the department finds that the name is available, the department shall reserve the name for the applicant's exclusive use for a 120-day period, which may be renewed by the applicant or a transferee under sub. (2) from time to time.

(2) The person who has the right to exclusive use of a reserved name under sub. (1) may transfer the reservation to another person by delivering to the department a signed notice in a record of the transfer which states the name and address of the person to which the reservation is being transferred.

**178.0907 Registration of name.** (1) A foreign limited liability partnership not registered to do business in this state under subch. X may register its name, or a fictitious name adopted pursuant to s. 178.1006 (1), if the name is distinguishable on the records of the department from the names that are not available under s. 178.0902.

(2) To register its name or a fictitious name adopted pursuant to s. 178.1006 (1), a foreign limited liability partnership must deliver to the department for filing an application stating the partnership's name, the jurisdiction and date of its formation, and any fictitious name adopted pursuant to s. 178.1006 (1). If the department finds that the name applied for is available, the department shall register the name for the applicant's exclusive use.

(3) The registration of a name under this section expires annually on December 31.

(4) A foreign limited liability partnership whose name registration is effective may renew the registration by delivering to the department for filing, between October 31 and December 31 of each year that the registration is in effect, a renewal application that complies with this section. When filed, the renewal application renews the registration for the next year.

(5) A foreign limited liability partnership whose name registration is effective may register as a foreign limited liability partnership under the registered name or

consent in a signed record to the use of that name by another person that is not an individual.

**178.0908 Registered agent and registered office.**

(1) Each limited liability partnership and each registered foreign limited liability partnership shall designate and maintain a registered agent and registered office in this state. The designation of a registered agent is an affirmation of fact by the partnership or foreign partnership that the agent has consented to serve.

(1m) The registered office of a limited liability partnership or registered foreign limited liability partnership may, but need not, be the same as any of the partnership's places of business. The registered office must be an actual physical location with a street address and not solely a post office box, mailbox service, or telephone answering service. The registered agent of a limited liability partnership or registered foreign limited liability partnership shall be any of the following:

(a) A natural person who resides in this state and whose business office is identical with the registered office.

(b) A domestic corporation, nonstock corporation, limited liability company, limited partnership, or registered limited liability partnership whose business office is identical with the registered office.

(c) A foreign corporation, nonstock corporation, limited liability company, limited partnership, or registered limited liability partnership if that entity is authorized to transact business in this state and the entity's business office is identical with the registered office.

(2) A registered agent for a limited liability partnership or registered foreign limited liability partnership must have a place of business in this state.

(3) The only duties under this chapter of a registered agent that has complied with this chapter are the following:

(a) To forward to the limited liability partnership or registered foreign limited liability partnership at the address most recently supplied to the agent by the partnership or foreign partnership any process, notice, or demand pertaining to the partnership or foreign partnership which is served on or received by the agent.

(b) If the registered agent resigns, to provide the notice required by s. 178.0910 (3) to the partnership or foreign partnership at the address most recently supplied to the agent by the partnership or foreign partnership.

(c) To keep current the information with respect to the agent in the statement of qualification or foreign registration statement.

**178.0909 Change of registered agent or registered office by limited liability partnership.**

(1) A limited liability partnership or registered foreign limited liability partnership may change its registered agent or registered office as provided in s. 178.0913 (5) or by delivering to

the department for filing a statement of change that states all of the following:

(a) The name of the partnership or foreign partnership.

(b) The information that is to be in effect as a result of the filing of the statement of change.

(2) The partners of a limited liability partnership need not approve the filing of any of the following:

(a) A statement of change under this section.

(b) A similar filing changing the registered agent or registered office, if any, of the partnership in any other jurisdiction.

(3) A statement of change under this section designating a new registered agent is an affirmation of fact by the limited liability partnership or registered foreign limited liability partnership that the agent has consented to serve.

(4) As an alternative to using the procedure in this section, a limited liability partnership may amend its statement of qualification.

**178.0910 Resignation of registered agent.** (1) A registered agent may resign as an agent for a limited liability partnership or registered foreign limited liability partnership by delivering to the department for filing a statement of resignation that states all of the following:

(a) The name of the partnership or foreign partnership.

(b) The name of the agent.

(c) That the agent resigns from serving as registered agent for the partnership or foreign partnership.

(d) The address of the partnership or foreign partnership to which the agent will send the notice required by sub. (3).

(2) The resignation under sub. (1) is effective and, if applicable, the registered office is discontinued on the earlier of the following:

(a) Sixty days after the department receives the statement of resignation for filing.

(b) The date on which the appointment of a successor registered agent is effective.

(3) A registered agent promptly shall furnish to the limited liability partnership or registered foreign limited liability partnership notice in a record of the date on which a statement of resignation was filed.

(4) When a statement of resignation takes effect, the registered agent ceases to have responsibility under this chapter for any matter thereafter tendered to it as agent for the limited liability partnership or registered foreign limited liability partnership. The resignation does not affect any contractual rights the partnership or foreign partnership has against the agent or that the agent has against the partnership or foreign partnership.

(5) A registered agent may resign with respect to a limited liability partnership or registered foreign limited liability partnership whether or not the partnership or foreign partnership is in good standing.

**178.0911 Change of name or address by registered agent.** (1) If the name of a registered agent changes or if the street address of a registered agent's office changes, the registered agent may change the name of the registered agent or street address of the registered office of any limited liability partnership or foreign limited liability partnership for which he, she, or it is the registered agent. To make the change under this subsection, the registered agent shall notify the partnership or foreign partnership in writing of the change and deliver to the department for filing a statement of change that recites that the partnership or foreign partnership has been notified of the change and states all of the following:

(a) The name of the partnership or foreign partnership represented by the registered agent.

(b) The name and address of the agent as currently shown in the records of the department for the partnership or foreign partnership.

(c) The new name, new address, or both, of the agent.

(2) A registered agent promptly shall furnish notice to the represented limited liability partnership or registered foreign limited liability partnership of the filing by the department of the statement of change and the changes made by the statement.

**178.0912 Service of process, notice, or demand.**

(1) A limited liability partnership or registered foreign limited liability partnership may be served with any process, notice, or demand required or permitted by law by serving its registered agent.

(2) Except as provided in sub. (3), if a limited liability partnership or registered foreign limited liability partnership has no registered agent, or its registered agent cannot with reasonable diligence be served, the partnership or foreign partnership may be served by registered or certified mail, return receipt requested, or by similar commercial delivery service, addressed to the partnership or foreign partnership at its principal office, as shown on the records of the department on the date of sending. Service is perfected under this subsection at the earliest of the following:

(a) The date the partnership or foreign partnership receives the mail or delivery by the commercial delivery service.

(b) The date shown on the return receipt, if signed on the behalf of the partnership or foreign partnership.

(c) Five days after it is deposited in the U.S. mail, or with the commercial delivery service, if correctly addressed and with sufficient postage or payment.

(3) If process, notice, or demand in an action cannot be served on a limited liability partnership or registered foreign limited liability partnership pursuant to sub. (1) or (2), service may be made by handing a copy to the individual in charge of any regular place of business of the partnership or foreign partnership if the individual served is not a plaintiff in the action. If the address of the partnership's or foreign partnership's principal office cannot be

determined from the records of the department, the partnership or foreign partnership may be served by publishing a class 3 notice, under ch. 985, in the community where the partnership's or foreign partnership's principal office or registered office, as most recently designated in the records of the department, is located.

(4) Service of process, notice, or demand on a registered agent must be in a written record.

(5) Service of process, notice, or demand may be made by other means under law other than this chapter.

**178.0913 Annual report for department.** (1) A limited liability partnership or registered foreign limited liability partnership shall deliver to the department for filing an annual report that states all of the following:

(a) The name of the partnership or registered foreign partnership.

(b) The street address of its registered office in this state and the name of its registered agent at that office.

(c) The street address of its principal office.

(d) The name of at least one partner.

(e) In the case of a foreign partnership, the jurisdiction of its governing law and any fictitious name adopted under s. 178.1006 (1).

(2) Information in the annual report must be current as of the date the report is signed by the limited liability partnership or registered foreign limited liability partnership.

(3) (a) A domestic limited liability partnership shall deliver its annual report to the department in each year following the calendar year in which the domestic limited liability partnership's statement of qualification became effective, during the calendar year quarter in which the anniversary date of the statement of qualification's effective date occurs.

(b) A registered foreign limited liability partnership shall deliver its annual report to the department during the first calendar quarter of each year following the calendar year in which the foreign limited liability partnership registered to do business in this state.

(4) If an annual report does not contain the information required by this section, the department promptly shall notify the reporting limited liability partnership or registered foreign limited liability partnership in a record and return the report to it for correction. If the annual report is corrected to contain the information required by this section and delivered to the department within 30 days after the effective date of the notice under s. 178.0103 (6), the annual report is timely filed.

(5) If an annual report contains a registered office or registered agent which differs from the information shown in the records of the department immediately before the report becomes effective, the differing information is considered a statement of change under s. 178.0909.

SUBCHAPTER X  
FOREIGN LIMITED  
LIABILITY PARTNERSHIP

**178.1001 Governing law.** (1) The governing law of a foreign limited liability partnership governs all of the following:

(a) The internal affairs of the partnership.

(b) The liability of a partner as partner for a debt, obligation, or other liability of the foreign partnership.

(2) A foreign limited liability partnership is not precluded from registering to do business in this state because of any difference between its governing law and the law of this state.

(3) Registration of a foreign limited liability partnership to do business in this state does not authorize the foreign partnership to engage in any business or exercise any power that a limited liability partnership may not engage in or exercise in this state.

**178.1002 Registration to do business in this state.**

(1) A foreign limited liability partnership may not do business in this state until it registers with the department under this chapter.

(2) A foreign limited liability partnership doing business in this state may not maintain an action or proceeding in this state unless it has registered to do business in this state.

(3) The failure of a foreign limited liability partnership to register to do business in this state does not impair the validity of a contract or act of the foreign partnership or its title to property in this state or preclude it from defending an action or proceeding in this state.

(4) A limitation on the liability of a partner of a foreign limited liability partnership is not waived solely because the foreign partnership does business in this state without registering to do business in this state.

(5) Section 178.1001 (1) and (2) applies even if a foreign limited liability partnership fails to register under this subchapter.

**(5m)** (a) A foreign limited liability partnership that does business in this state without registering to do business in this state is liable to this state, for each year or any part of a year during which it did business in this state without registration, in an amount equal to all of the following:

1. All fees and other charges that would have been imposed by this chapter on the foreign limited liability partnership had it properly filed a foreign registration statement as required by this section and thereafter filed all reports required by this chapter.

2. Fifty percent of the amount owed under subd. 1 or \$5,000, whichever is less.

(b) The foreign limited liability partnership shall pay the amount owed under par. (a) to the department, and the department may not file a foreign registration statement

for the foreign limited liability partnership until the amount owed is paid. The attorney general may enforce a foreign limited liability partnership's obligation to pay to the department any amount owed under this subsection.

**178.1003 Foreign registration statement.** To register to do business in this state, a foreign limited liability partnership must deliver a foreign registration statement to the department for filing. The statement must state all of the following:

(1) The name of the partnership and, if the name does not comply with s. 178.0902 (3), a fictitious name adopted pursuant to s. 178.1006 (1).

(2) That the partnership is a foreign limited liability partnership.

(3) The jurisdiction of the partnership's governing law.

(4) The street and mailing addresses of the partnership's principal office and, if the partnership's governing law requires the partnership to maintain an office in the jurisdiction of such governing law, the street and mailing addresses of the required office.

(5) The address of the partnership's registered office in this state and the name of its registered agent at that office.

**178.1004 Amendment or cancellation of foreign registration statement.** A registered foreign limited liability partnership shall deliver to the department for filing an amendment to, or cancellation of, as appropriate, its foreign registration statement if there is a change in any of the following:

(1) The name of the partnership.

(1r) The cessation of the partnership's status as a foreign limited liability partnership.

(2) The jurisdiction of the partnership's governing law.

(3) An address required by s. 178.1003 (4).

(4) The information required by s. 178.1003 (5), unless such information has previously been changed pursuant to s. 178.0909 or 178.0913 (5).

**178.1005 Activities not constituting doing business.** (1) Activities of a foreign limited liability partnership which do not constitute doing business in this state under this subchapter include all of the following:

(a) Maintaining, defending, mediating, arbitrating, or settling an action or proceeding.

(b) Carrying on any activity concerning its internal affairs, including holding meetings of its partners.

(c) Maintaining accounts in financial institutions.

(d) Maintaining offices or agencies for the transfer, exchange, and registration of securities of the partnership or maintaining trustees or depositaries with respect to those securities.

(e) Selling through independent contractors.

(f) Soliciting or obtaining orders by any means if the orders require acceptance outside this state before they become contracts.

(g) Creating or acquiring indebtedness, mortgages, or security interests in property.

(h) Securing or collecting debts or enforcing mortgages or security interests in property securing the debts and holding, protecting, or maintaining property.

(i) Conducting an isolated transaction that is not in the course of similar transactions.

(j) Owning, without more, property.

(k) Doing business in interstate commerce.

(2) A person does not do business in this state solely by being a partner of a foreign limited liability partnership that does business in this state.

(3) This section does not apply in determining the contacts or activities that may subject a foreign limited liability partnership to service of process, taxation, or regulation under law of this state other than this chapter.

**178.1006 Noncomplying name of foreign limited liability partnership.** (1) A foreign limited liability partnership whose name does not comply with s. 178.0902 (3) may not register to do business in this state until it adopts, for the purpose of doing business in this state, a fictitious name that complies with s. 178.0902 (3). After registering to do business in this state with a fictitious name, the partnership shall only do business in this state under the fictitious name.

(2) If a registered foreign limited liability partnership changes its name to one that does not comply with s. 178.0902 (3), it may not do business in this state until it complies with sub. (1) by amending its registration to adopt a fictitious name that complies with s. 178.0902 (3).

**178.1007 Withdrawal deemed on conversion to or merger into domestic filing entity or domestic limited liability partnership.** A registered foreign limited liability partnership that converts to, or merges into, a domestic limited liability partnership or to or into a domestic entity whose formation requires the delivery of a record to the department for filing is deemed to have withdrawn its registration on the effective date of the conversion or merger, unless the registration is transferred to such partnership pursuant to s. 178.1009.

**178.1008 Withdrawal on dissolution or conversion to nonfiling entity other than limited liability partnership.** (1) (a) A registered foreign limited liability partnership that has dissolved and completed winding up or has converted to, or merged into, a domestic or foreign entity whose formation does not require the delivery of a record for filing by the department, other than a limited liability partnership, shall deliver a statement of withdrawal to the department for filing, as provided in s. 178.1011.

(b) In the case of a merger or conversion, the statement under par. (a) must also state the name and type of entity to which or into which the partnership has converted or merged and the jurisdiction of its governing law.

(2) After a withdrawal under this section is effective, service of process in any action or proceeding based on a cause of action arising during the time the foreign limited liability partnership was registered to do business in this state may be made pursuant to s. 178.0912, as provided in s. 178.1011 (2).

**178.1009 Transfer of registration.** (1) When a registered foreign limited liability partnership has merged into a foreign entity that is not registered to do business in this state or has converted to a foreign entity required to register with the department to do business in this state, the foreign entity shall deliver to the department for filing an application for transfer of registration. The application must state all of the following:

(a) The name of the registered foreign limited partnership before the merger or conversion.

(b) That before the merger or conversion the registration pertained to a foreign limited liability partnership.

(c) The name of the applicant foreign entity into which the foreign limited liability partnership has merged or to which it has been converted and, if the name does not comply with s. 178.0902 (3), a fictitious name adopted pursuant to s. 178.1006 (1).

(d) The type of entity of the applicant foreign entity and the jurisdiction of its governing law.

(e) The street and mailing addresses of the principal office of the applicant foreign entity and, if the partnership's governing law requires the entity to maintain an office in the jurisdiction of that governing law, the street and mailing addresses of that office.

(f) The street address of the applicant foreign entity's registered office in this state and the name of its registered agent at that address.

(2) When an application for transfer of registration takes effect, the registration of the foreign limited liability partnership to do business in this state is transferred without interruption to the foreign entity into which the partnership has merged or to which it has been converted.

**178.10101 Grounds for revocation.** (1) Except as provided in sub. (2), the department may bring a proceeding under s. 178.10102 to revoke the statement of foreign registration of a foreign limited liability partnership authorized to do business in this state if any of the following applies:

(a) The foreign limited liability partnership fails to file its annual report with the department within 4 months after it is due.

(b) The foreign limited liability partnership does not pay, within 4 months after they are due, any fees or penalties due the department under this chapter.

(c) The foreign limited liability partnership is without a registered agent or registered office in this state for at least 6 months.

(d) The foreign limited liability partnership does not inform the department under s. 178.0909 or 178.0910 that its registered agent or registered office has changed, that its registered agent has resigned, or that its registered office has been discontinued, within 6 months of the change, resignation, or discontinuance.

(e) The foreign limited liability partnership's statement of foreign registration contains fraudulent or materially false information.

(f) The department receives a duly authenticated certificate from the secretary of state or other official having custody of partnership records in the jurisdiction of the foreign limited liability partnership's governing law stating that it has been dissolved or disappeared as the result of a merger or other event.

(g) The foreign limited liability partnership violates s. 940.302 (2) or 948.051 (2).

(2) If the department receives a certificate under sub. (1) (f) and a statement by the foreign limited liability partnership that the certificate is submitted to terminate its authority to do business in this state, the department shall revoke the foreign limited liability partnership's foreign registration statement under s. 178.10102 (2) (b).

(3) A court may revoke under s. 946.87 the statement of foreign registration of a foreign limited liability partnership authorized to transact business in this state. The court shall notify the department of the action, and the department shall revoke the foreign limited liability partnership's statement of foreign registration under s. 178.10102.

**178.10102 Procedure for and effect of revocation.**

(1) If the department determines that one or more grounds exist under s. 178.10101 for revocation of a statement of foreign registration, the department may give the foreign limited liability partnership notice of the determination. The notice shall be in writing and addressed to the registered office of the foreign limited liability partnership.

(2) (a) Within 60 days after the notice under sub. (1) takes effect under s. 178.0103 (6), the foreign limited liability partnership shall, with respect to each ground for revocation, either correct it or demonstrate to the reasonable satisfaction of the department that it does not exist.

(b) If the foreign limited liability partnership fails to satisfy par. (a), the department may revoke the foreign limited liability partnership's statement of foreign registration by entering a notation in the department's records to reflect each ground for revocation and the effective date of the revocation. The department shall give the foreign limited liability partnership notice of each ground for revocation and the effective date of the revocation.

The notice shall be in writing and addressed to the registered office of the foreign limited liability partnership.

(c) 1. The department shall reinstate the statement of foreign registration if the foreign limited liability partnership does all of the following within 6 months after the effective date of the revocation:

a. Corrects each ground for revocation.

b. Pays any fees or penalties due the department under this chapter or \$5,000, whichever is less.

2. A reinstatement under this paragraph shall relate back to and take effect as of the effective date of the revocation, and the foreign limited liability partnership may resume carrying on its business as if the revocation never occurred.

(3) (a) If a notice under sub. (1) or (2) (b) is returned to the department as undeliverable, the department shall again give notice to the foreign limited liability partnership. Except as provided under par. (b), the notice shall be in writing and addressed to the principal office of the foreign limited liability partnership.

(b) If the notice under par. (a) is returned to the department as undeliverable or if the foreign limited liability partnership's principal office cannot be determined from the records of the department, the department shall give notice by posting the notice on the department's Internet site.

(4) The authority of a foreign limited liability partnership to transact business in this state, other than as provided in s. 178.1005 (1) and (2), ends on the effective date of the revocation of its statement of foreign registration.

(5) If the department or a court revokes a foreign limited liability partnership's statement of foreign registration, the foreign limited liability partnership may be served under 178.0912 (2) or (3) or the foreign limited liability partnership's registered agent may be served until the registered agent's authority is terminated, in any civil, criminal, administrative, or investigatory proceeding based on a cause of action which arose while the foreign limited liability partnership was authorized to do business in this state.

(6) Revocation of a foreign limited liability partnership's statement of foreign registration does not terminate the authority of its registered agent.

**178.10103 Appeal from revocation.** (1) A foreign limited liability partnership may appeal the department's revocation of its statement of foreign registration under s. 178.10102 to the circuit court for the county where the foreign limited liability partnership's principal office or, if none in this state, its registered office is located, within 30 days after the notice of revocation takes effect under s. 178.0103 (6). The foreign limited liability partnership shall appeal by petitioning the court to set aside the revocation and attaching to the petition copies of its statement of foreign registration and the department's notice of revocation.

(2) The court may order the department to reinstate the statement of foreign registration or may take any other action that the court considers appropriate.

(3) The court's final decision may be appealed as in other civil proceedings.

**178.1011 Withdrawal of registration of registered foreign limited liability partnership.** (1) A registered foreign limited liability partnership may withdraw its registration by delivering a statement of withdrawal to the department for filing. The statement of withdrawal must state all of the following:

(a) The name of the partnership and the jurisdiction of its governing law.

(b) That the partnership is not doing business in this state and that it withdraws its registration to do business in this state.

(c) That the partnership revokes the authority of its registered agent to accept service on its behalf and that it consents to service of process under sub. (2) in any civil, criminal, administrative, or investigatory proceeding based on a cause of action arising during the time the partnership was registered to do business in this state.

(d) The mailing address of its principal office or, if it has no principal office, an address to which service of process may be made under sub. (2), and a commitment to notify the department in the future of any change in such address.

(2) After the withdrawal of the registration of a foreign limited liability partnership, service of process in any action or proceeding based on a cause of action arising during the time the partnership was registered to do business in this state may be made pursuant to s. 178.0912.

**178.1012 Action by attorney general.** The attorney general may maintain an action to enjoin a foreign limited liability partnership from doing business in this state in violation of this subchapter.

#### SUBCHAPTER XI

#### MERGER, INTEREST EXCHANGE, CONVERSION, AND DOMESTICATION

**178.1101 Definitions.** In this subchapter:

(1) "Acquired entity" means the entity all of one or more classes or series of interests of which are acquired in an interest exchange.

(2) "Acquiring entity" means the entity that acquires all of one or more classes or series of interests of the acquired entity in an interest exchange.

(2m) "Constituent entity" means a merging entity or a surviving entity in a merger.

(3) "Conversion" means a transaction authorized by ss. 178.1141 to 178.1145.

(4) "Converted entity" means the converting entity as it continues in existence after a conversion.

(5) "Converting entity" means an entity that engages in a conversion.

(8) “Domesticated entity” means the domesticating entity as it continues in existence after a domestication.

(9) “Domesticating entity” means either a non–United States entity or a Wisconsin partnership that engages in a domestication.

(10) “Domestication” means a transaction authorized by ss. 178.1151 to 178.1155.

(16) “Interest” means any of the following:

- (a) A share in a business corporation.
- (b) A membership in a nonprofit corporation.
- (c) A partnership interest in a general partnership.
- (d) A partnership interest in a limited partnership.
- (e) A membership interest in a limited liability company.
- (f) A membership interest or stock in a general cooperative association.
- (g) A membership interest in a limited cooperative association.
- (h) A membership in an unincorporated nonprofit association.
- (i) A beneficial interest in a statutory trust, business trust, or common–law business trust.
- (j) A comparable interest in any other type of unincorporated entity.

(17) “Interest exchange” means a transaction authorized by ss. 178.1131 to 178.1135.

(18) “Interest holder” means any of the following:

- (a) A shareholder of a business corporation.
- (b) A member of a nonprofit corporation.
- (c) A general partner of a general partnership.
- (d) A general partner of a limited partnership.
- (e) A limited partner of a limited partnership.
- (f) A member of a limited liability company.
- (g) A member or stockholder of a general cooperative association.
- (h) A member of a limited cooperative association.
- (i) A member of an unincorporated nonprofit association.
- (j) A beneficiary or beneficial owner of a statutory trust, business trust, or common–law business trust.

(k) Any other direct holder of an interest.

(19) “Interest holder liability” means any of the following:

(a) Personal liability for a debt, obligation, or other liability of an entity which is imposed on a person under any of the following circumstances:

1. Solely by reason of the status of the person as an interest holder of the entity under its governing law.
2. Under the organizational documents of the entity in accordance with its governing law which make one or more specified interest holders or categories of interest holders liable in their capacity as interest holders for all or specified liabilities of the entity.

(b) An obligation of an interest holder of an entity under its organizational documents to contribute to the entity.

(20) “Merger” means a transaction authorized by ss. 178.1121 to 178.1125.

(21) “Merging entity” means an entity that is a party to a merger and exists immediately before the merger becomes effective.

(22m) “Non–United States entity” means an entity whose governing law is the law of any jurisdiction other than the United States or any state, but does not include an entity that has domesticated under the law of any other state.

(23m) “Organizational documents” means, with respect to an entity, whether in a record or, to the extent permitted under the entity’s governing law, other than in a record, the following or its equivalent under the entity’s governing law:

(a) For a domestic or foreign corporation, whether or not for profit, its articles of incorporation and bylaws.

(b) For a domestic or foreign partnership, its partnership agreement and, in the case of a domestic or foreign limited liability partnership, its statement of qualification as a limited liability partnership or foreign limited liability partnership.

(c) For a domestic or foreign limited partnership, its certificate of limited partnership and partnership agreement.

(d) For a domestic or foreign limited liability company, its certificate or articles of organization and operating agreement.

(e) For a business trust, its agreement of trust and declaration of trust.

(f) For any other entity, the basic records, agreements, or other items that create the entity and control its internal governance and the relations among its interest holders.

(24) “Plan” means a plan of merger under s. 178.1122, a plan of interest exchange under s. 178.1132, a plan of conversion under s. 178.1142, or a plan of domestication under s. 178.1152.

(37) “Surviving entity” means the entity that continues in existence after or is created by a merger.

(38) “Type of entity” means a generic form of entity that is any of the following:

(a) Recognized at common law.

(b) Recognized under a governing law.

**178.1102 Relationship of subchapter to other laws.** (1) This subchapter does not authorize an act prohibited by, and does not affect the application or requirements of, law other than this subchapter.

(2) A transaction effected under this chapter may not create or impair a right, duty, or obligation of a person under the law of this state, other than this subchapter, relating to a change in control, takeover, business combination, control–share acquisition, or similar transaction involving a domestic constituent, acquired, or converting entity.

**178.1103 Existing purpose.**

(2) Property held for a charitable purpose under the law of this state by a domestic or foreign entity immediately before a transaction under this subchapter becomes effective may not, as a result of the transaction, be diverted from the objects for which it was donated, granted, devised, or otherwise transferred. An entity that is or plans to be engaged in a transaction covered by this subchapter may apply to the circuit court for a determination regarding the transaction's compliance with cy pres or other law dealing with nondiversion of charitable assets.

(3) A bequest, devise, gift, grant, or promise contained in a will or other instrument of donation, subscription, or conveyance that is made to a merging entity which is not the surviving entity and that takes effect or remains payable after the merger inures to the surviving entity.

(4) A trust obligation that would govern property if transferred to a nonsurviving entity applies to property that is transferred to the surviving entity under this section.

**178.1104 Nonexclusivity.** The fact that a transaction under this subchapter produces a certain result does not preclude the same result from being accomplished in any other manner permitted by law other than this subchapter.

**178.1105 Reference to external facts.** A plan may refer to facts ascertainable outside the plan if the manner in which the facts will operate upon the plan is specified in the plan. The facts may include the occurrence of an event or a determination or action by a person, whether or not the event, determination, or action is within the control of a party to the transaction.

**178.1121 Merger authorized.** (1) One or more domestic partnerships may merge with or into one or more other constituent entities pursuant to ss. 178.1121 to 178.1125 and a plan of merger if the merger is permitted under the governing law of each constituent entity and each constituent entity approves the plan of merger in the manner required by its governing law.

(2) One or more other domestic or foreign entities may merge with or into a domestic partnership pursuant to ss. 178.1121 to 178.1125 and a plan of merger if the merger is permitted under the governing law of each constituent entity and each constituent entity approves the plan of merger in the manner required by its governing law.

**178.1122 Plan of merger.** (1) A plan of merger must be in a record and contain all of the following:

- (a) As to each constituent entity, its name, type of entity, and governing law.
- (b) The terms and conditions of the merger.
- (c) The manner and basis of converting the interests in each constituent entity into interests, securities, or obligations of the surviving entity, rights to acquire such

interests or securities, money, other property, or any combination of the foregoing.

(d) If the surviving entity preexists the merger, any proposed amendments to its organizational documents that are to be in a record immediately after the merger becomes effective.

(e) If the surviving entity is to be created in the merger, any of its organizational documents that are to be in a record immediately after the merger becomes effective.

(f) Any other matters required under the governing law of any constituent entity.

(2) In addition to the requirements of sub. (1), a plan of merger may contain any other provision relating to the merger and not prohibited by law.

**178.1123 Approval of merger; amendment; abandonment.** (1) Subject to s. 178.1161, a plan of merger must be approved by a vote or consent of all the partners of each domestic partnership that is a constituent entity.

(2) Subject to s. 178.1161, after a plan of merger is approved, and at any time before a merger becomes effective, the constituent entities may amend the plan of merger or abandon the merger as provided in the plan of merger or, except as otherwise provided in the plan of merger, with the same vote or consent as was required to approve the plan of merger.

(3) If, after articles of merger have been delivered to the department for filing and before the merger becomes effective, the plan of merger is amended in a manner that requires an amendment to the articles of merger or if the merger is abandoned, a statement of amendment or abandonment, signed by a constituent entity, must be delivered to the department for filing before the merger becomes effective. When the statement of abandonment becomes effective, the merger is abandoned and does not become effective. The statement of amendment or abandonment must contain all of the following:

- (a) The name of each constituent entity.
- (b) The date on which the articles of merger were filed by the department.
- (c) The amendment to or the abandonment of the articles of merger.
- (d) A statement that the amendment or abandonment was approved in accordance with this section.

(4) In addition to approval under sub. (1), a plan of merger must be approved by each constituent entity that is not a domestic partnership in accordance with any requirements of its governing law.

**178.1124 Filings required for merger; effective date.** (1) After a merger has been approved with respect to each constituent entity in accordance with its governing law, the constituent entities shall deliver, or cause to be delivered, to the department for filing articles of merger setting forth all of the following:

(a) The name, type of entity, and governing law of each constituent entity.

(b) The name, type of entity, and governing law of the surviving entity and, if the surviving entity is created by the merger, a statement to that effect.

(c) A statement that the plan of merger has been approved and adopted by each constituent entity in accordance with its governing law.

(d) 1. If the surviving entity preexists the merger, any amendments to its organizational documents under s. 178.1122 (1) (d) that are to be in a public record under its governing law or, if there are no such amendments, a statement to that effect.

2. If the surviving entity is to be created in the merger, any of its organizational documents under s. 178.1122 (1) (e) that are to be in a public record under its governing law, including, if the surviving entity is a domestic limited liability partnership, its statement of qualification.

(e) A statement that the plan of merger is on file at the principal office of the surviving entity.

(f) A statement that upon request the surviving entity will provide a copy of the plan of merger to any person that was an interest holder of a constituent entity.

(2) In addition to the requirements of sub. (1), the articles of merger may contain any other provisions relating to the merger, as determined by the constituent entities in accordance with the plan of merger.

(3) If the surviving entity is a foreign entity that will be required to register to do business in this state immediately after the merger and it has not previously registered to do so or been assigned a registration to do so under s. 178.1009, it shall so register.

(4) A merger takes effect at the effective date and time of the articles of merger.

**178.1125 Effect of merger.** (1) When a merger becomes effective, all of the following apply:

(a) Each merging entity merges into the surviving entity, and the separate existence of every constituent entity that is a party to the merger, except the surviving entity, ceases.

(am) 1. Except as provided in this paragraph, no interest holder shall have interest holder liability with respect to any of the constituent entities.

2. If, under the governing law of a constituent entity, one or more of the interest holders thereof had interest holder liability prior to the merger with respect to the entity, such interest holder or holders shall continue to have such liability and any associated contribution or other rights to the extent provided in such governing law with respect to debts, obligations, and other liabilities of the entity that accrued during the period or periods in which such interest holder or holders had such interest holder liability.

3. If, under the governing law of the surviving entity, one or more of the interest holders thereof will have interest holder liability after the merger with respect to the sur-

ving entity, such interest holder or holders will have such liability and any associated contribution and other rights to the extent provided in such governing law with respect to the debts, obligations, and other liabilities of the surviving entity that accrue on or after the merger.

4. This paragraph does not affect liability under any taxation laws.

(b) The title to all property owned by each constituent entity is vested in the surviving entity without transfer, reversion, or impairment.

(c) The surviving entity has all debts, obligations, and other liabilities of each constituent entity.

(d) A civil, criminal, or administrative proceeding pending by or against any constituent entity may be continued as if the merger did not occur, or the surviving entity may be substituted in the proceeding for a constituent entity whose existence ceased.

(e) 1. If the surviving entity preexists the merger, its organizational documents are amended to the extent, if any, provided in the plan of merger and, to the extent such amendments are to be reflected in a public record, as provided in the articles of merger.

2. If the surviving entity is created in the merger, its organizational documents are as provided in the plan of merger and, to the extent such organizational documents are to be reflected in a public record, as provided in the articles of merger.

(f) The interests of each constituent entity that are to be converted into interests, securities, or obligations of the surviving entity, rights to acquire such interests or securities, money, other property, or any combination of the foregoing, are converted as provided in the plan of merger, and the former interest holders of the interests are entitled only to the rights provided to them in the plan of merger or to their rights, if any, under ss. 178.1161, 179.77, 180.1301 to 180.1331, or otherwise under the governing law of the constituent entity. All other terms and conditions of the merger also take effect.

(g) Except as prohibited by other law or as otherwise provided in the articles and plan of merger, all of the rights, privileges, immunities, powers, and purposes of each constituent entity vest in the surviving entity.

(h) Except as otherwise provided in the articles and plan of merger, if a merging entity is a partnership, limited liability company, or other entity subject to dissolution under its governing law, the merger does not dissolve the merging entity for the purposes of its governing law.

(2) (a) When a merger takes effect, the department is the agent of any foreign surviving entity for service of process in a proceeding to enforce any obligation or the rights of dissenting shareholders or other interest holders of each domestic constituent entity.

(b) When a merger takes effect, any foreign surviving entity shall promptly pay to the dissenting or dissociating interest holders of each domestic constituent entity the amount, if any, to which they are entitled under ss.

178.1161, 179.77, or 180.1301 to 180.1331 or the corresponding provisions of the entity's other governing law.

**178.1131 Interest exchange authorized.** (1) A domestic partnership may acquire all of one or more classes or series of interests of another domestic or foreign entity pursuant to ss. 178.1131 to 178.1135 and a plan of interest exchange if the interest exchange is permitted under the governing law applicable to the partnership and the acquired entity.

(2) All of one or more classes or series of interests of a domestic partnership may be acquired by another domestic or foreign entity pursuant to ss. 178.1131 to 178.1135 and a plan of interest exchange if the interest exchange is permitted under the governing law applicable to the acquiring entity and the partnership.

**178.1132 Plan of interest exchange.** (1) A plan of interest exchange must be in a record and contain all of the following:

(a) As to both the acquiring entity and the acquired entity, its name, type of entity, and governing law.

(b) The terms and conditions of the interest exchange.

(c) The manner and basis of exchanging the interests to be acquired for interests, securities, or obligations of the surviving entity, rights to acquire such interests or securities, money, other property, or any combination of the foregoing.

(d) Any proposed amendments to the organizational documents of the acquiring or acquired entity that will take effect when the interest exchange becomes effective.

(e) Any other matters required under the governing law of the acquired or acquiring entity.

(2) In addition to the requirements of sub. (1), a plan of interest exchange may contain any other provision relating to the interest exchange and not prohibited by law.

**178.1133 Approval of interest exchange; amendment; abandonment.** (1) Subject to s. 178.1161, a plan of interest exchange must be approved by a vote or consent of all the partners of each domestic partnership that is an acquiring or acquired entity.

(2) Subject to s. 178.1161, after a plan of interest exchange is approved, and at any time before an interest exchange becomes effective, the acquiring and acquired entities may amend the plan of interest exchange or abandon the interest exchange as provided in the plan of interest exchange or, except as otherwise provided in the plan of interest exchange, with the same vote or consent as was required to approve the plan of interest exchange.

(3) If, after articles of interest exchange have been delivered to the department for filing and before the interest exchange becomes effective, the plan of interest exchange is amended in a manner that requires an amendment to the articles of interest exchange or if the interest exchange is abandoned, a statement of amendment or abandonment, signed by either the acquiring entity or the

acquired entity, must be delivered to the department for filing before the interest exchange becomes effective. When a statement of abandonment becomes effective, the interest exchange is abandoned and does not become effective. The statement of amendment or abandonment must contain all of the following:

(a) The name of the acquiring and acquired entities.

(b) The date on which the articles of interest exchange were filed by the department.

(c) The amendment to or abandonment of the articles of interest exchange.

(d) A statement that the amendment or abandonment was approved in accordance with this section.

(4) In addition to approval under sub. (1), a plan of interest exchange must be approved by any acquiring or acquired entity that is not a domestic partnership in accordance with any requirements of its governing law.

**178.1134 Filings required for interest exchange; effective date.** (1) After an interest exchange has been approved with respect to the acquiring and acquired entity in accordance with their governing laws, the acquiring entity shall deliver, or cause to be delivered, to the department for filing articles of interest exchange setting forth all of the following:

(a) The name, type of entity, and governing law of the acquired entity.

(b) The name, type of entity, and governing law of the acquiring entity.

(c) A statement that the plan of interest exchange has been approved by the acquired and acquiring entities in accordance with their respective governing laws.

(d) Any amendments to the organizational documents of the acquired or acquiring entity under s. 178.1132 (1) (d) that are to be in a public record under their respective governing laws or, if there are no such amendments, a statement to that effect.

(e) A statement that the plan of interest exchange is on file at the principal office of the acquiring entity.

(f) A statement that upon request the acquiring entity will provide a copy of the plan of interest exchange to any person that was an interest holder of the acquired entity immediately prior to the interest exchange.

(2) In addition to the requirements of sub. (1), articles of interest exchange may contain any other provisions relating to the interest exchange, as determined by the acquiring entity in accordance with the plan of interest exchange.

(3) An interest exchange takes effect at the effective date and time of the articles of interest exchange.

**178.1135 Effect of interest exchange.** (1) When an interest exchange becomes effective, all of the following apply:

(a) The interests in the acquired entity which are the subject of the interest exchange are exchanged as provided in the plan of interest exchange, and the former interest holders of those interests are entitled only to the

rights provided to them under the plan of interest exchange or to their rights, if any, under ss. 178.1161, 179.77, 180.1301 to 180.1331, or otherwise under the governing law of the acquired entity. All other terms and conditions of the interest exchange also take effect.

(b) The acquiring entity becomes the interest holder of the interests which are the subject of the interest exchange as provided in the plan of interest exchange.

(c) The provisions of the organizational documents of the acquiring and acquired entity are amended to the extent, if any, provided in the plan of interest exchange and to the extent such amendments are to be reflected in a public record, as provided in the articles of interest exchange.

(2) Except as otherwise provided in the articles and plan of interest exchange, if the acquired entity is a domestic or foreign partnership, limited liability company, or other organization subject to dissolution under its governing law, the interest exchange does not dissolve the acquired entity.

(3) (a) Except as provided in this subsection, no interest holder shall have interest holder liability with respect to either the acquiring or acquired entity.

(b) If, under the governing law of either entity, one or more of the interest holders thereof had interest holder liability prior to the interest exchange with respect to the entity, such interest holder or holders shall continue to have such liability and any associated contribution and other rights to the extent provided in such governing law with respect to debts, obligations, and other liabilities of the entity that accrued during the period or periods in which such interest holder or holders had such interest holder liability.

(c) If, under the governing law of either entity, one or more of the interest holders thereof will have interest holder liability after the interest exchange with respect to the entity, such interest holder or holders shall have such liability and any associated contribution and other rights to the extent provided in such governing law with respect to the debts, obligations, and other liabilities of the entity that accrue on or after the interest exchange.

(d) This subsection does not affect liability under any taxation laws.

(5) (a) When an interest exchange takes effect, the department is the agent of any foreign acquiring entity for service of process in a proceeding to enforce any obligation or the rights of dissenting or other owners of each domestic partnership that is a party to the interest exchange.

(b) When an interest exchange takes effect, any foreign acquiring entity shall promptly pay to any dissenting or other former owners of each acquired domestic partnership the amount, if any, to which they are entitled under ss. 178.1161 or 180.1301 to 180.1331, and otherwise comply with the obligations of the acquired domestic partnership under its governing law.

**178.1141 Conversion authorized.** (1) A domestic partnership may convert to another type of domestic entity, other than a domestic partnership, or to any type of foreign entity, pursuant to ss. 178.1141 to 178.1145 and a plan of conversion if the conversion is permitted under the governing law of the converting entity and the governing law that is to apply to the converted entity.

(2) A foreign or domestic entity, other than a domestic partnership, may convert to a domestic partnership pursuant to ss. 178.1141 to 178.1145 and a plan of conversion if the conversion is permitted under the governing law of the converting entity and the converted entity will satisfy the definition of a partnership under this chapter immediately after the conversion.

**178.1142 Plan of conversion.** (1) A plan of conversion must be in a record and contain all of the following:

(a) The name, type of entity, and governing law of the converting entity.

(b) The name, type of entity, and governing law of the converted entity.

(c) The terms and conditions of the conversion.

(d) The manner and basis of converting the interests in the converting entity into interests, securities, or obligations of the surviving entity, rights to acquire such interests or securities, money, other property, or any combination of the foregoing.

(e) The organizational documents of the converted entity that are to be in a record immediately after the conversion becomes effective.

(f) Any other matters required by the governing law of the converting entity.

(2) In addition to the requirements of sub. (1), a plan of conversion may contain any other provision relating to the conversion and not prohibited by law.

**178.1143 Approval of conversion; amendment; abandonment.** (1) Subject to s. 178.1161, a plan of conversion must be approved by all the partners of a converting domestic partnership. A plan of conversion into a converted domestic partnership must be approved pursuant to the governing law of the converting entity.

(2) Subject to s. 178.1161, after a plan of conversion is approved, and at any time before a conversion becomes effective, the converting entity may amend the plan of conversion or abandon the conversion as provided in the plan of conversion or, except as otherwise provided in the plan of conversion, with the same vote or consent as was required to approve the plan of conversion.

(3) If, after articles of conversion have been delivered to the department for filing and before the conversion becomes effective, the plan of conversion is amended in a manner that requires an amendment to the articles of conversion or if the conversion is abandoned, a statement of amendment or abandonment, signed by the converting entity, must be delivered to the department for filing before the conversion becomes effective. When a statement of abandonment becomes effective, the conversion

is abandoned and does not become effective. The statement of amendment or abandonment must contain all of the following:

- (a) The name of the converting entity and the converted entity under the plan of conversion.
- (b) The date on which the articles of conversion were filed by the department.
- (c) The amendment to or abandonment of the articles of conversion.
- (d) A statement that the amendment or abandonment was approved in accordance with this section.

**178.1144 Filings required for conversion; effective date.** (1) After the converting entity has approved a plan of conversion in accordance with its governing law, the converting entity shall deliver, or cause to be delivered, to the department for filing articles of conversion setting forth all of the following:

- (a) The name, type of entity, and governing law the converting entity.
- (b) The name, type of entity, and governing law of the converted entity.
- (c) A statement that the plan of conversion has been approved and adopted by the converting entity in accordance with its governing law.
- (d) Any organizational documents of the converted entity under s. 178.1142 (1) (e) that are to be in a public record under its governing law, including, if the converted entity is a domestic limited liability partnership, its statement of qualification.
- (e) A statement that the plan of conversion is on file at the principal office of the converted entity.
- (f) A statement that upon request the converted entity will provide a copy of the plan of conversion to any person that was an interest holder of the converting entity.

(2) In addition to the requirements of sub. (1), the articles of conversion may contain any other provisions relating to the conversion, as determined by the converting entity in accordance with the plan of conversion.

(3) If the converted entity is a foreign entity that will be required to register to do business in this state immediately after the conversion and it has not previously registered to do so or been assigned a registration to do so under s. 178.1009, it shall so register.

(4) A conversion takes effect at the effective date and time of the articles of conversion.

**178.1145 Effect of conversion.** (1) When a conversion becomes effective, all of the following apply:

- (a) The converting entity continues its existence in the form of the converted entity and is the same entity that existed before the conversion, except that the converting entity is no longer subject to the governing law that applied prior to the conversion and is subject to the governing law of the converted entity.

(am) 1. Except as provided in this paragraph, no interest holder shall have interest holder liability with respect to the converting or converted entity.

2. If, under the governing law of the converting entity, one or more of the interest holders thereof had interest holder liability prior to the conversion with respect to the converting entity, such interest holder or holders shall continue to have such liability and any associated contribution and other rights to the extent provided in such governing law with respect to the debts, obligations, and other liabilities of the converting entity that accrued during the period or periods in which such interest holder or holders had such interest holder liability.

3. If, under the governing law of the converted entity, one or more of the interest holders thereof will have interest holder liability after the conversion with respect to the converted entity, such interest holder or holders will have such liability and any associated contribution and other rights to the extent provided in such governing law with respect to the debts, obligations, and other liabilities of the converted entity that accrue after the conversion.

4. This paragraph does not affect liability under any taxation laws.

(b) The title to all property owned by the converting entity is vested in the converted entity without transfer, reversion, or impairment.

(c) The converted entity has all debts, obligations, and other liabilities of the converting entity.

(d) A civil, criminal, or administrative proceeding pending by or against the converting entity may be continued as if the conversion did not occur, or the converted entity may be substituted in the proceeding for the converting entity.

(e) The organizational documents of the converted entity are as provided in the plan of conversion and, to the extent such organizational documents are to be reflected in a public record, as provided in the articles of conversion.

(f) The interests of the converting entity that are to be converted into interests, securities, or obligations of the surviving entity, rights to acquire such interests or securities, money, other property, or any combination of the foregoing, are converted as provided in the plan of conversion, and the former interest holders of the converting entity are entitled only to the rights provided in the plan of conversion or to their rights, if any, under ss. 178.1161, 179.77, 180.0301 to 180.1331, or otherwise under the governing law of the converting entity. All other terms and conditions of the conversion also take effect.

(g) Except as prohibited by other law or as otherwise provided in the articles and plan of conversion, all of the rights, privileges, immunities, powers, and purposes of the converting entity vest in the converted entity.

(h) Except as otherwise provided in the articles and plan of conversion, if the converting entity is a partnership, limited liability company, or other entity subject to dissolution under its governing law, the conversion does not dissolve the converting entity for the purposes of its governing law.

(2) (a) When a conversion takes effect, the department is the agent of any foreign converted entity for service of process in a proceeding to enforce any obligation or the rights of dissenting shareholders or other interest holders of any domestic converting entity.

(b) When a conversion takes effect, any foreign converted entity shall promptly pay to the dissenting or dissociating interest holders of any domestic converting entity the amount, if any, to which they are entitled under s. 178.1161 or ss. 180.1301 to 180.1331 or the corresponding provisions of the entity's other governing law.

**178.1151 Domestication authorized.** A domestic partnership may domesticate as a non–United States entity subject to non–United States governing law while continuing to be a domestic partnership, and a non–United States entity may domesticate as a domestic partnership subject to this chapter while continuing to be an entity subject to its non–United States governing law pursuant to ss. 178.1151 to 178.1155 and a plan of domestication, if the domestication is permitted under the governing law of the domesticating entity and permitted under the governing law of the domesticated entity.

**178.1152 Plan of domestication.** (1) A plan of domestication must be in a record and contain all of the following:

(a) The name, type of entity, and governing law of the domesticating entity.

(b) The name, type of entity, and governing law of the domesticated entity.

(c) The terms and conditions of the domestication.

(d) The organizational documents of the domesticated entity that are to be in a record immediately after the domestication becomes effective, including any proposed amendments to the organizational documents of the domesticating entity that are to be in a record immediately after the domestication becomes effective.

(2) In addition to the requirements of sub. (1), a plan of domestication may contain any other provision relating to the domestication and not prohibited by law.

**178.1153 Approval of domestication; amendment; abandonment.** (1) Subject to s. 178.1161, a plan of domestication must be approved by all the partners of a domesticating Wisconsin partnership. A plan of domestication of a domesticating non–United States entity must be approved pursuant to the governing law of the domesticating entity.

(2) Subject to s. 178.1161, after a plan of domestication is approved, and at any time before a domestication becomes effective, the domesticating entity may amend the plan of domestication or abandon the domestication as provided in the plan of domestication or, except as otherwise provided in the plan of domestication, with the same vote or consent as was required to approve the plan of domestication.

(3) If, after articles of domestication have been delivered to the department for filing and before the domes-

tication becomes effective, the plan of domestication is amended in a manner that requires an amendment to the articles of domestication or if the domestication is abandoned, a statement of amendment or abandonment, signed by the domesticating entity, must be delivered to the department for filing before the domestication becomes effective. When a statement of abandonment becomes effective, the domestication is abandoned and does not become effective. The statement of amendment or abandonment must contain all of the following:

(a) The name of the domesticating entity and the domesticated entity under the plan of domestication.

(b) The date on which the articles of domestication were filed by the department.

(c) The amendment to or abandonment of the articles of domestication.

(d) A statement that the amendment or abandonment was approved in accordance with this section.

**178.1154 Filings required for domestication; effective date.** (1) After the domesticating entity has approved a plan of domestication in accordance with its governing law, the domesticating entity shall deliver, or cause to be delivered, to the department for filing articles of domestication setting forth all of the following:

(a) The name, type of entity, and governing law of the domesticating entity.

(b) The name, type of entity, and governing law of the domesticated entity.

(c) A statement that a plan of domestication has been approved and adopted by the domesticating entity in accordance with its governing law.

(d) Any amendments to the organizational documents of the domesticating entity and any organizational documents of the domesticated entity under s. 178.1152 (1) (d) that are to be in a public record under their respective governing laws.

(e) A statement that the plan of domestication is on file at the principal office of the domesticated entity.

(f) A statement that upon request the domesticated entity will provide a copy of the plan of domestication to any person that was an interest holder in the domesticating entity at the time of the domestication.

(2) In addition to the requirements of sub. (1), the articles of domestication may contain any other provisions relating to the domestication, as determined by the domesticating entity in accordance with the plan of domestication.

(3) A domestication takes effect at the effective date and time of the articles of domestication.

**178.1155 Effect of domestication.** (1) When a domestication becomes effective, all of the following apply:

(a) The domesticating entity becomes a domestic entity under and becomes subject to the governing law of the jurisdiction in which it has domesticated while con-

tinuing to be a domestic organization under and subject to the governing law of the domesticating entity.

(am) 1. Except as provided in this paragraph, no interest holder shall have interest holder liability with respect to the domesticating or domesticated entity.

2. If, under the governing law of the domesticating entity, one or more of the interest holders thereof has interest holder liability with respect to the domesticating entity, such interest holder or holders shall continue to have such liability and any associated contribution and other rights to the extent provided in such governing law with respect to the debts, obligations, and other liabilities of the domesticating entity.

3. If, under the governing law of the domesticated entity, one or more of the interest holders thereof will have interest holder liability after the domestication with respect to the domesticated entity, such interest holder or holders will have such liability and associated contribution and other rights to the extent provided in such governing law with respect to the debts, obligations, and other liabilities of the domesticated entity that accrue after the domestication.

4. This paragraph does not affect liability under any taxation laws.

(b) The title to all property owned by the domesticating entity is vested in the domesticated entity without transfer, reversion, or impairment.

(c) The domesticated entity has all debts, obligations, or other liabilities of the domesticating entity.

(d) A civil, criminal, or administrative proceeding pending by or against the domesticating entity may be continued as if the domestication did not occur, or the domesticated entity may be substituted in the proceeding for the domesticating entity.

(e) The non–United States organizational documents of the domesticated entity are amended to the extent, if any, provided in the plan of domestication and, to the extent such amendments are to be reflected in a public record, as provided in the articles of domestication.

(f) The United States organizational documents of the domesticated entity are as provided in the plan of domestication and, to the extent such organizational documents are to be reflected in a public record, as provided in the articles of domestication.

(g) Except as prohibited by other law or as otherwise provided in the articles and plan of domestication, all of the rights, privileges, immunities, powers, and purposes of the domesticating entity vest in the domesticated entity.

(2) Except as otherwise provided in the articles and plan of domestication, if the domesticating entity is a partnership, limited liability company, or other entity subject to dissolution under its governing law, the domestication does not dissolve the domesticating entity for the purposes of its governing law.

(3) A domesticated Wisconsin entity consents to the jurisdiction of the courts of this state to enforce any debt, obligation, or other liability owed by the domesticating or domesticated entity.

**178.1161 Restrictions on approval of mergers, interest exchanges, conversions and domestications.**

(1) Except as provided in sub. (2), a merger, interest exchange, conversion, or domestication of a domestic partnership may not do any of the following with respect to a partner:

(a) Materially increase the current or potential obligations of the partner in the constituent, acquiring, acquired, converting, or domesticating partnership, whether as a result of becoming subject to interest holder liability with respect to the obligations of the surviving, acquiring, converted, or domesticated entity as a consequence of being an owner of the entity, becoming subject to affirmative or negative obligations under the organizational documents of the entity, becoming subject to tax on the income of the entity, or otherwise.

(b) Treat the partner’s interests in the partnership in a manner different from the interests of the same class held by any other partner.

(2) Subsection (1) shall not apply with respect to a partner if any of the following is applicable:

(a) The partner consents to the merger, interest exchange, conversion, or domestication.

(b) The partnership offers to have the partner’s interest in the partnership purchased, prior to the merger, interest exchange, conversion, or domestication, in the manner provided in s. 178.0701 for a partner who has not wrongfully dissociated, without taking into account any modification of this provision under the partnership agreement.

## SUBCHAPTER XII

### MISCELLANEOUS PROVISIONS

**178.1201 Uniformity of application and construction.** In applying and construing this chapter, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact the uniform law.

**178.1202 Relation to electronic signatures in global and national commerce act.** This chapter modifies, limits, and supersedes the Electronic Signatures in Global and National Commerce Act, [15 USC 7001](#) to [7031](#), but does not modify, limit, or supersede section 101 (c) of that act, [15 USC 7001](#) (c), or authorize electronic delivery of any of the notices described in section 103 (b) of that act, [15 USC 7003](#) (b).

**SECTION 19.** 179.04 (1) (b) of the statutes is renumbered 179.04 (1) (b) (intro.) and amended to read:

179.04 (1) (b) (intro.) An agent for service of process on the limited partnership, which agent must be an any of the following:

1. An individual resident of this state,

2. A domestic corporation, nonstock corporation, limited partnership, registered limited liability partnership that has in effect a statement of qualification under s. 178.0901, or limited liability company, or a foreign corporation, nonstock corporation, limited partnership, registered limited liability partnership, or limited liability company authorized to do business in this state, whose business office is identical with the registered office.

**SECTION 20.** 179.065 (2) of the statutes is amended to read:

179.065 (2) Section ~~178.07 (2) to (5)~~ 178.0302 (1) (b) and (c) governs the authority of a general partner to transfer real property if the property is not in the name of the limited partnership or if the conveyance is not executed in the name of the limited partnership.

**SECTION 21.** 179.10 of the statutes is renumbered 179.10 (1).

**SECTION 22.** 179.10 (2) of the statutes is created to read:

179.10 (2) Except when inconsistent with the provisions of this chapter, the provisions of ch. 178 also apply to a limited partnership.

**SECTION 23.** 179.70 (2) and (3) of the statutes are amended to read:

179.70 (2) “Domestic business entity” means a corporation, as defined in s. 180.0103 (5), a limited liability company, as defined in s. 183.0102 (10), a partnership, as defined in s. 178.0102 (11), a limited partnership, or a corporation, as defined in s. 181.0103 (5).

(3) “Foreign business entity” means a foreign limited liability company, as defined in s. 183.0102 (8), a foreign partnership, as defined in s. 178.0102 (6), a foreign limited partnership, a foreign corporation, as defined in s. 180.0103 (9), or a foreign corporation, as defined in s. 181.0103 (13).

**SECTION 24.** 179.76 (5) (bm) of the statutes is repealed.

**SECTION 25.** 179.76 (5m) of the statutes is repealed.

**SECTION 26.** 179.77 (5) (bm) of the statutes is repealed.

**SECTION 27.** 179.77 (5r) of the statutes is repealed.

**SECTION 28.** 179.82 (4) of the statutes is renumbered 179.82 (4) (intro.) and amended to read:

179.82 (4) (intro.) The name and address of an agent for service of process on the foreign limited partnership, who must be an any of the following:

(a) An individual resident of this state, ~~a~~

(b) A domestic corporation, nonstock corporation, limited partnership, registered limited liability partnership that has in effect a statement of qualification under s. 178.0901, or limited liability company, or a foreign corporation, nonstock corporation, limited partnership, registered limited liability partnership, or limited liability company authorized to do business in this state, whose business office is identical with the registered office.

**SECTION 29.** 180.0121 (1) (a) 4. of the statutes is amended to read:

180.0121 (1) (a) 4. An application for a certificate of conversion under s. 180.1161 (5). ~~The form prescribed under this subdivision shall indicate that if the business entity that is to be converted has a fee simple ownership interest in Wisconsin real estate, the entity is required to file a report with the department of revenue under s. 73.14.~~

**SECTION 30.** 180.0121 (2) of the statutes is amended to read:

180.0121 (2) The department may prescribe and furnish on request forms for other documents required or permitted to be filed by this chapter, but use of these forms is not mandatory. ~~If the department prescribes a form for articles of merger under s. 180.1105, the form shall indicate that if a business entity that is acquired in the merger has a fee simple ownership interest in Wisconsin real estate, the business entity that survives the merger is required to file a report with the department of revenue under s. 73.14.~~

**SECTION 31.** 180.0501 (2) of the statutes is amended to read:

180.0501 (2) A domestic corporation, a nonstock corporation, a limited partnership, a registered limited liability partnership, or a limited liability company, incorporated, registered, or organized in this state or that has in effect a statement of qualification under s. 178.0901, whose business office is identical with the registered office.

**SECTION 32.** 180.1100 (2) and (3) of the statutes are amended to read:

180.1100 (2) “Domestic business entity” means a corporation, a limited liability company, as defined in s. 183.0102 (10), a partnership, as defined in s. 178.0102 (11), a limited partnership, as defined in s. 179.01 (7), or a corporation, as defined in s. 181.0103 (5).

(3) “Foreign business entity” means a foreign limited liability company, as defined in s. 183.0102 (8), a foreign partnership, as defined in s. 178.0102 (6), a foreign limited partnership, as defined in s. 179.01 (4), a foreign corporation, as defined in s. 180.0103 (9), or a foreign corporation, as defined in s. 181.0103 (13).

**SECTION 33.** 180.1161 (5) (bm) of the statutes is repealed.

**SECTION 34.** 180.1507 (2) of the statutes is amended to read:

180.1507 (2) A domestic corporation, a nonstock corporation, a limited partnership, a registered limited liability partnership, or a limited liability company, incorporated, registered, or organized in this state or that has in effect a statement of qualification under s. 178.0901, whose business office is identical with the registered office.

**SECTION 35.** 181.0121 (1) (a) 4. of the statutes is amended to read:

181.0121 (1) (a) 4. An application for a certificate of conversion under s. 181.1161 (5). ~~The form prescribed under this subdivision shall indicate that if the business entity that is to be converted has a fee simple ownership interest in Wisconsin real estate, the entity is required to file a report with the department of revenue under s. 73.14.~~

**SECTION 36.** 181.0121 (2) of the statutes is amended to read:

181.0121 (2) PERMISSIVE FORMS. The department may prescribe and furnish on request forms for other documents required or permitted to be filed by this chapter, but use of these forms is not mandatory. ~~If the department prescribes a form for articles of merger under s. 181.1105, the form shall indicate that if a business entity that is acquired in the merger has a fee simple ownership interest in Wisconsin real estate, the business entity that survives the merger is required to file a report with the department of revenue under s. 73.14.~~

**SECTION 37.** 181.0501 (2) of the statutes is amended to read:

181.0501 (2) DOMESTIC ENTITIES. A domestic corporation, stock corporation, limited partnership, ~~registered~~ limited liability partnership, or limited liability company, incorporated, ~~registered~~, or organized in this state or that has in effect a statement of qualification under s. 178.0901, whose business office is identical with the registered office.

**SECTION 38.** 181.1100 (2) and (3) of the statutes are amended to read:

181.1100 (2) "Domestic business entity" means a corporation, as defined in s. 180.0103 (5), a limited liability company, as defined in s. 183.0102 (10), a partnership, as defined in s. 178.0102 (11), a limited partnership, as defined in s. 179.01 (7), or a corporation, as defined in s. 181.0103 (5).

(3) "Foreign business entity" means a foreign limited liability company, as defined in s. 183.0102 (8), a foreign partnership, as defined in s. 178.0102 (6), a foreign limited partnership, as defined in s. 179.01 (4), a foreign corporation, as defined in s. 180.0103 (9), or a foreign corporation, as defined in s. 181.0103 (13).

**SECTION 39.** 181.1105 (1m) of the statutes is repealed.

**SECTION 40.** 181.1161 (5) (bm) of the statutes is repealed.

**SECTION 41.** 181.1507 (2) of the statutes is amended to read:

181.1507 (2) DOMESTIC ENTITIES. A domestic corporation, stock corporation, limited partnership, ~~registered~~ limited liability partnership, or limited liability company, incorporated, ~~registered~~, or organized in this state or that has in effect a statement of qualification under s.

178.0901, whose business office is identical with the registered office.

**SECTION 42.** 182.01 (3) (intro.) of the statutes is amended to read:

182.01 (3) (intro.) NAME OF DRAFTER ON DOCUMENTS. No articles of incorporation, articles of organization, articles of amendment, articles of merger, consolidation or share exchange, articles of dissolution, restated articles of incorporation, certificate of abandonment, or statement or articles of revocation of voluntary dissolution, provided for pursuant to ch. 180, 181, 183, 185, 187, or 193; ~~no registration statement, amendment of a registration statement, or written notice of withdrawal~~ statement of qualification or amendment or cancellation of a statement of qualification under s. ~~178.40~~ 178.0901 ~~or articles of merger, interest exchange, conversion, or domestication under ch. 178~~; and no certificate of limited partnership, certificate of amendment, restated certificate of limited partnership or certificate of cancellation, provided for pursuant to ch. 179, shall be filed by the department unless the name of the individual who, or the governmental agency which, drafted such document is printed, typewritten, stamped or written thereon in a legible manner. A document complies with this subsection if it contains a statement in the following form: "This document was drafted by... (Name)". This subsection shall not apply to a document executed prior to December 1, 1967, or to:

**SECTION 43.** 182.01 (7) of the statutes is repealed.

**SECTION 44.** 183.0105 (1) (b) of the statutes is amended to read:

183.0105 (1) (b) A domestic corporation, limited liability company, limited partnership, ~~registered~~ limited liability partnership, or corporation organized ~~or registered~~ in this state or that has in effect a statement of qualification under s. 178.0901, whose business office is identical with the registered office.

**SECTION 45.** 183.0109 (1) (a) 5. of the statutes is amended to read:

183.0109 (1) (a) 5. An application for a certificate of conversion under s. 183.1207 (5). ~~The form prescribed under this subdivision shall indicate that if the business entity that is to be converted has a fee simple ownership interest in Wisconsin real estate, the entity is required to file a report with the department of revenue under s. 73.14.~~

**SECTION 46.** 183.0109 (2) of the statutes is amended to read:

183.0109 (2) The department may prescribe, and furnish on request, forms for other documents required or permitted to be filed by this chapter, but use of these forms is not mandatory. ~~If the department prescribes a form for articles of merger under s. 183.1204, the form shall indicate that if a business entity that is acquired in the merger has a fee simple ownership interest in Wisconsin~~

sin real estate, the business entity that survives the merger is required to file a report with the department of revenue under s. 73.14.

**SECTION 47.** 183.1200 (2) and (3) of the statutes are amended to read:

183.1200 (2) “Domestic business entity” means a corporation, as defined in s. 180.0103 (5), a domestic limited liability company, a partnership, as defined in s. 178.0102 (11), a limited partnership, as defined in s. 179.01 (7), or a corporation, as defined in s. 181.0103 (5).

(3) “Foreign business entity” means a foreign limited liability company, a foreign partnership, as defined in s. 178.0102 (6), a foreign limited partnership, as defined in s. 179.01 (4), a foreign corporation, as defined in s. 180.0103 (9), or a foreign corporation, as defined in s. 181.0103 (13).

**SECTION 48.** 183.1204 (1) (cm) of the statutes is repealed.

**SECTION 49.** 183.1207 (5) (bm) of the statutes is repealed.

**SECTION 50.** 244.49 (9) of the statutes is amended to read:

244.49 (9) Join in a plan of reorganization, consolidation, conversion, interest exchange, domestication, or merger of the entity or business.

**SECTION 51.** 766.01 (9) (d) of the statutes is amended to read:

766.01 (9) (d) The property rights, as specified and described in ss. ~~178.21 and 178.22~~ 178.0401 (1),

178.0501, and 178.0502, of a partner in a general partnership are “held” by the partner.

**SECTION 52.** 815.18 (13) (e) of the statutes is amended to read:

815.18 (13) (e) Partnership property ~~exempt under s. 178.21 (3)-(e)~~, as described in ss. 178.0203 and 178.0204.

**SECTION 53. Nonstatutory provisions.**

(1) Using the procedure under section 227.24 of the statutes, the department of financial institutions may promulgate rules authorized under section 178.0120 (2) of the statutes, as created by this act, for the period before the effective date of a permanent rule promulgated under section 178.0120 (2) of the statutes, as created by this act, but not to exceed the period authorized under section 227.24 (1) (c) of the statutes, subject to extension under section 227.24 (2) of the statutes. Notwithstanding section 227.24 (1) (a), (2) (b), and (3) of the statutes, the department is not required to provide evidence that promulgating a rule under this subsection as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under this subsection.

**SECTION 54. Effective dates.** This act takes effect on the first day of the 4th month beginning after publication, except as follows:

(1) SECTION 53 (1) of this act takes effect on the day after publication.