# Contents

## Volume 1

1. **Sole Proprietorships**  
   (2001 ed) ................................. *Stuart E. Foster*  
   (2001 ed & 2007 supp) ............... *Timothy L. Jackle*  
   (2007 supp) ............................ *Eric R. Foster*  

2. **General Partnerships**  
   (2001 ed & 2007 supp) ................... *Michael D. Walker*  
   ........................................ *Merritt S. Yoelin*  

3. **Limited Liability Partnerships**  
   (2001 ed) ................................. *Jennifer J. Johnson*  
   (2001 ed & 2007 supp) .................. *James M. Kennedy*  
   (2007 supp) ............................ *Bradley Tellam*  

4. **Limited Partnerships**  
   (2001 ed & 2007 supp) ................... *James M. Kennedy*  

5. **Partnership Taxation**  
   (2001 ed & 2007 supp) ................... *Charles S. Lewis III*  
   ........................................ *Orlando Medina*  

6. **Tenancy in Common—**  
   An Alternative to Partnerships  
   (2001 ed) ................................. *Rhonda W. Kennedy*  
   (2007 supp) ............................ *Tod A. Northman*  

7. **Limited Liability Companies**  
   (2001 ed & 2007 supp) ................... *David C. Culpepper*  

8. **Promoters and Preincorporation**  
   Agreements  
   (2001 ed & 2007 supp) ................... *Laurence E. Thorp*  
   (2007 supp) ............................ *Barry D. Smith*  

9. **Procedural Steps of Incorporation**  

---

*2007 Rev*
### Contents (continued)

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td><strong>Business Records</strong></td>
<td>Elisa L. Wilson, James A. Kuzmich, Milton R. Stewart, Jason Riley Lagesen, Emily Nyen Chang, Jacob A. Heth</td>
</tr>
<tr>
<td></td>
<td>(2001 ed)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(2001 ed &amp; 2007 supp)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(2007 supp)</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td><strong>Amendment of Articles and Bylaws</strong></td>
<td>Erich W. Merrill, Jr.</td>
</tr>
<tr>
<td></td>
<td>(2001 ed &amp; 2007 supp)</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td><strong>Income Tax Consequences of Incorporation</strong></td>
<td>Diane C. Kerns</td>
</tr>
<tr>
<td></td>
<td>(2001 ed &amp; 2007 supp)</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td><strong>Subchapter S Taxation</strong></td>
<td>Christopher K. Heuer</td>
</tr>
<tr>
<td></td>
<td>(2001 ed &amp; 2007 supp)</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td><strong>Financing in General</strong></td>
<td>Jeffrey S. Cronn, Carol Dey Hibbs, Joshua K. Simco</td>
</tr>
<tr>
<td></td>
<td>(2001 ed &amp; 2007 supp)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(2001 ed supp)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(2007 supp)</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td><strong>Definition of a Security</strong></td>
<td>Henry H. Hewitt, Robert J. Moorman, Jeffery B. Erb, Seth L. Smythe</td>
</tr>
<tr>
<td></td>
<td>(2001 ed)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(2007 supp)</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td><strong>Public Financing</strong></td>
<td>John H. Halle, Todd E. Barker, John R. Thomas, Jason A. Dalton</td>
</tr>
<tr>
<td></td>
<td>(2001 ed)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(2007 supp)</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td><strong>Private Placement of Securities</strong></td>
<td>Henry H. Hewitt, John M. Schweitzer, Jason M. Brauser, Kyle D. Wuepper, Mary P. Hull, Ian R. Crawford</td>
</tr>
<tr>
<td></td>
<td>(2001 ed)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(2007 supp)</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td><strong>Oregon Securities Law</strong></td>
<td>Robert J. McGaughey, James G. Harlan, Patricia A. Locnikar</td>
</tr>
<tr>
<td></td>
<td>(2001 ed &amp; 2007 supp)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(2001 ed)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(2007 supp)</td>
<td></td>
</tr>
</tbody>
</table>
19 Debt Financing

VOLUME 2

20 Venture Capital Financing
(2001 ed) ............................. William C. Campbell
(2007 supp) ............................ Douglas D. Morris

21 Government Financing of
the Small Business
David J. Elott

22 Shareholders’ Meetings; Voting; Proxies;
and Voting Arrangements

23 Corporate Buy-Sell Agreements
(2001 ed) .................................. Gregory W. Mallory
(2007 supp) ............................... A. Jeffery Bird

24 Redemption or Purchase of
Corporate Shares

25 Derivative Suits
(2001 ed) ................................. Whitney L. Grubbs
Kerry J. Shepherd
(2007 supp) .............................. OSB CLE Publications Attorneys

26 Inspection of Corporate Records

27 Powers, Duties, and Liabilities of
Corporate Directors and Officers

28 Ethical Guidelines for the
Business Lawyer
(2007 rev) .............................. Peter R. Jarvis

29 Dividends
(2001 ed) ................................. Lisa Carey Alan
(2007 supp) .............................. Steven H. Hull
<table>
<thead>
<tr>
<th>Page</th>
<th>Title</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td><strong>Foreign Corporations in Oregon</strong></td>
<td>Orlando Medina, Beverly C. Pearman, P.K. Runkles-Pearson</td>
</tr>
<tr>
<td></td>
<td><em>(2001 ed &amp; 2007 supp)</em></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td><strong>Assisting an Extranational Corporation in Oregon</strong></td>
<td>E. Walter Van Valkenburg, Jaime M. W. Sanders, Todd Barker, William L. Clydesdale, David L. Silverman, Eric J. Kodesch, JoAnn Lee, Nathan D. Scherer</td>
</tr>
<tr>
<td></td>
<td><em>(2001 ed)</em></td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>(2007 supp)</em></td>
<td></td>
</tr>
<tr>
<td>32</td>
<td><strong>Cooperatives</strong></td>
<td>David R. Simon</td>
</tr>
<tr>
<td></td>
<td><em>(2001 ed &amp; 2007 supp)</em></td>
<td></td>
</tr>
<tr>
<td>33</td>
<td><strong>Professional Corporations</strong></td>
<td>Donald R. Laird</td>
</tr>
<tr>
<td></td>
<td><em>(2001 ed &amp; 2007 supp)</em></td>
<td></td>
</tr>
<tr>
<td>34</td>
<td><strong>Special Problems of Closely Held Businesses</strong></td>
<td>Eva M. Kripalani, Andrew S. Glikbarg</td>
</tr>
<tr>
<td></td>
<td><em>(2001 ed &amp; 2007 supp)</em></td>
<td></td>
</tr>
<tr>
<td>35</td>
<td><strong>Stock Redemptions and Nonliquidating Distributions</strong></td>
<td>Peter L. Osborne</td>
</tr>
<tr>
<td></td>
<td><em>(2001 ed &amp; 2007 supp)</em></td>
<td></td>
</tr>
<tr>
<td>36</td>
<td><strong>Corporate Liquidations</strong></td>
<td>Joseph J. Hanna, Jr.</td>
</tr>
<tr>
<td></td>
<td><em>(2001 ed &amp; 2007 supp)</em></td>
<td></td>
</tr>
<tr>
<td>37</td>
<td><strong>Introduction to Corporate Reorganizations</strong></td>
<td>David C. Culpepper</td>
</tr>
<tr>
<td></td>
<td><em>(2001 ed &amp; 2007 supp)</em></td>
<td></td>
</tr>
<tr>
<td>38</td>
<td><strong>Acquisitive Corporate Reorganizations: Type A, B, and C Reorganizations</strong></td>
<td>David C. Culpepper, Rebecka L. Eggers</td>
</tr>
<tr>
<td></td>
<td><em>(2001 ed &amp; 2007 supp)</em></td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>(2001 ed)</em></td>
<td></td>
</tr>
<tr>
<td>39</td>
<td><strong>Corporate Separations—The D Reorganization</strong></td>
<td>Paul A. Stamnes, Peter L. Osborne</td>
</tr>
<tr>
<td></td>
<td><em>(2001 ed &amp; 2007 supp)</em></td>
<td></td>
</tr>
</tbody>
</table>
| 40 | Type E and Type F Reorganizations  
| 41 | Type G Reorganization  
     (2001 ed & 2007 supp) | Steven L. Christensen |
| 42 | Cross-Entity Conversions and Mergers  
     (2001 ed) | Robert C. Art |
|    | (2007 supp) | Ryan R. Nisle |
| 43 | [RESERVED FOR EXPANSION] |
| 44 | [RESERVED FOR EXPANSION] |

Table of Statutes and Rules
Table of Cases
Subject Index
I. INTRODUCTION
   A. ($4.1) Limited Partnership Defined
   B. ($4.2) History
   C. ($4.3) Limited Partnerships Compared to Other Types of Business Entities
   D. ($4.4) Matters Not Covered by Oregon Limited Partnership Statute
   E. ($4.5) Effect of Limited Partnership Agreement

II. FORMATION AND FILING REQUIREMENTS
   A. Formation
      1. ($4.6) Certificate of Limited Partnership
      2. ($4.7) Name of Limited Partnership
      3. ($4.8) Both a General Partner and a Limited Partner Are Required
   B. ($4.9) Certificate of Amendment
   C. ($4.10) Certification of Cancellation
   D. ($4.11) Annual Report
   E. ($4.12) Foreign Limited Partnerships
F. (§4.13) Ineligibility of Limited Partnership to Register as an LLP

G. (§4.14) Remedy for False Statements in Certificates

III. RIGHTS AND DUTIES OF PARTNERS
A. (§4.15) Rights and Liabilities of General Partner
B. (§4.16) Rights of Limited Partner
C. (§4.17) Liabilities of Limited Partner
   1. (§4.18) Liability for Failure to Comply with Statutory Provisions
   2. (§4.19) Liability for Including Limited Partner’s Name in Limited Partnership Name
   3. (§4.20) Liability for Participating in Control of Business
   4. (§4.21) Liability by Estoppel
   5. (§4.22) Liability Under Limited Partnership Agreement
   6. (§4.23) Liability for Distributions Constituting Return of Contribution

D. (§4.24) Fiduciary Duties
E. (§4.25) Enforcement of Duties and Derivative Actions

IV. CONTRIBUTIONS, ALLOCATIONS OF PROFITS AND LOSSES, AND DISTRIBUTIONS
A. (§4.26) Contributions
B. (§4.27) Allocations of Profits and Losses
C. (§4.28) Distributions

V. ADMISSION OF ADDITIONAL PARTNERS, DISSOCIATION, AND DISSOLUTION
A. (§4.29) Admission of Additional Partners; Assignment of Interest in Limited Partnership
B. (§4.30) Voluntary Withdrawal
C. (§4.31) Dissociation of Partner
D. (§4.32) Dissolution of Limited Partnership

VI. CONVERSION AND MERGER
A. (§4.33) Conversion of Limited Partnership to Another Form of Entity
I. INTRODUCTION

A. (§4.1) Limited Partnership Defined

A limited partnership is a partnership consisting of one or more general partners and one or more limited partners. ORS 70.005(15). General partners manage the limited partnership business and are personally liable for limited partnership obligations. Limited partners do not participate in the management of the limited partnership business, and their liability for limited partnership obligations is limited to their capital contributions. See §§4.15–4.25, infra.

B. (§4.2) History

Limited partnerships are a product of statute. The Uniform Limited Partnership Act was approved by the National Conference of Commissioners on Uniform State Laws in 1916. Oregon adopted a modified version of the Uniform Limited Partnership Act in 1971. In 1976, the National Conference of Commissioners on Uniform State Laws approved the Revised Uniform Limited Partnership Act, which modernized and updated the Uniform Limited Partnership Act. In 1985, Oregon enacted, with minor modifications, the Revised Uniform Limited Partnership Act, which is codified in ORS chapter 70 and known as the Oregon Uniform Limited Partnership Act (“Oregon ULPA”). ORS 70.625. In 1987, the Oregon ULPA was amended to incorporate changes to the Revised Uniform Limited Partnership Act that were approved by the National Conference of Commissioners on Uniform State Laws in 1985.

The enactment of the Oregon Revised Partnership Act in 1997 has had a significant effect on Oregon limited partnerships. See ORS 70.615, which provides that “[i]n any case governing limited
§4.3 / Limited Partnerships

partnerships that is not provided for in [the Oregon ULPA], the provisions of ORS chapter 67 govern.” The Oregon ULPA was designed to complement the antiquated Oregon Uniform Partnership Law, ORS chapter 68, which will be fully repealed on January 1, 2003. Because the Oregon Revised Partnership Act constitutes a significant departure from the Oregon Uniform Partnership Law, the Oregon Revised Partnership Act effectively changes the law governing Oregon limited partnerships through the linkage provision in ORS 70.615. See chapter 2, supra.

NOTE: For limited partnerships formed before January 1, 1998, that have not elected to be governed by ORS chapter 67, matters not provided for in the Oregon ULPA will be governed by ORS chapter 68 until January 1, 2003. See note following ORS 70.615.

In 1999, the Oregon ULPA was amended to permit another type of business entity to convert to a limited partnership and to permit a limited partnership to convert to another type of business entity. See §4.33, infra. In addition, the 1999 amendments to the Oregon ULPA permit a limited partnership to merge with one or more other types of business entities. See §4.34, infra.

C. (§4.3) Limited Partnerships Compared to Other Types of Business Entities

Historically, the popularity of limited partnerships derived from the limited liability afforded to limited partners, the management control vested in the general partners, and partnership tax treatment. In recent years, the distinctions between limited partnerships and other types of entities have begun to blur, particularly with the emergence of limited liability companies (LLCs).

Limited partnerships are more formal and hierarchical in structure than general partnerships. Limited partnerships must comply with public filing requirements, whereas general partnerships have virtually no filing requirements. In limited partnerships, management control is vested in the general partners who have unlimited liability, and the limited partners, who are usually passive investors, have limited liability and little or no control. In contrast, the partners in a general partnership have the right to participate in the management of the partnership but are subject to unlimited liability. See chapter 2, supra. In recent years, however, the distinctions between limited partnerships and general partnerships have become less pronounced. For example, many large general partnerships have developed management structures that limit
the management rights of nonmanaging partners. In addition, the
partners in a general partnership that renders professional service, as
defined in ORS 67.005(12)–(13), may escape personal liability for
certain partnership liabilities by becoming a limited liability partnership
(LLP). See chapter 3, supra.

In comparing corporations to limited partnerships, there is no
corporate counterpart to the unlimited liability of a general partner.
Moreover, a corporation cannot obtain the partnership tax treatment that
is available to limited partnerships; the pass-through tax treatment that
some corporations can achieve by making a Subchapter S election
significantly differs from partnership taxation. Compare chapter 5 and
chapter 13, infra. Furthermore, limited partnerships and corporations
differ regarding the greater entrenchment of general partners relative to
directors and the more limited rights that limited partners have in
comparison to shareholders. Some of these differences, however, may
be mitigated. For example, provisions in the limited partnership
agreement may enhance the rights of limited partners (but not subject
them to liability under ORS 70.135), such as enabling the limited
partners to remove a general partner under specified circumstances.
Similarly, corporations may have dual-class capital structures or
shareholder agreements that vest management control in certain
shareholders to the exclusion of other shareholders.

The attributes that favored limited partnerships in the past,
including partnership tax treatment, are now largely available through
LLCs. Unlike limited partnerships, LLCs provide limited liability to all
members, including those who participate in management. Consequently,
investors who would have been limited partners in a limited partnership
can, through an LLC, take part in the control of the LLC without risking
personal liability. In comparison to the structural rigidities inherent in
limited partnerships, the statutory framework for LLCs provides for
significant flexibility that enables each LLC to be tailored to the needs
of its members. See chapter 7, infra.

If the distinctions among different types of entities are blurring,
under what circumstance is the limited partnership clearly preferred over
other types of entities? In general, a limited partnership is most useful
in contexts such as real estate and venture capital, where a need exists
for partnership taxation and where the managers need to be vested with
complete managerial discretion over the investment funds provided by
passive investors.