

## 1 RELATIONS OF PARTNERS TO EACH

## 2 OTHER AND TO PARTNERSHIP

3 **178.0401 Partner's rights and duties.** (1) Each partner is entitled to an  
4 equal share of the partnership distributions and, except in the case of a limited  
5 liability partnership, is chargeable with a share of the partnership losses in  
6 proportion to the partner's share of the distributions.

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

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

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

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

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

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

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

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

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

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

20           **178.0402 Becoming partner.** (1) Upon formation of a partnership, a person  
21 becomes a partner under s. 178.0202 (1).

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

24           (a) As provided in the partnership agreement.

25           (b) As a result of a transaction effective under subch. XI.

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

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

3 (a) Acquiring a transferable interest.

4 (b) Making or being obligated to make a contribution to the partnership.

5 **178.0403 Form of contribution.** A contribution may consist of money or  
6 other property transferred to, services performed for, or another benefit provided to  
7 the partnership or an agreement to transfer money or property to, perform services  
8 for, or provide another benefit to the partnership.

9 **178.0404 Liability for contribution.** (1) A person's obligation to make a  
10 contribution to a partnership is not excused by the person's death, disability,  
11 termination, or other inability to perform personally.

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

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

20 **178.0405 Sharing of and right to distributions before dissolution.** (1)  
21 Any distribution made by a partnership before its dissolution and winding up must  
22 be in equal shares among partners, except to the extent necessary to comply with a  
23 transfer effective under s. 178.0503 or charging order in effect under s. 178.0504.

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

4           (3) A person does not have a right to demand or receive a distribution from a  
5 partnership in any form other than money. Except as otherwise provided in s.  
6 178.0806, a partnership may distribute an asset in kind only if each part of the asset  
7 is fungible with each other part and each person receives a percentage of the asset  
8 equal in value to the person's share of distributions.

9           (4) If a partner or transferee becomes entitled to receive a distribution, the  
10 partner or transferee has the status of, and is entitled to all remedies available to,  
11 a creditor of the partnership with respect to the distribution. However, the  
12 partnership's obligation to make a distribution is subject to offset for any amount  
13 owed to the partnership by the partner or a person dissociated as partner on whose  
14 account the distribution is made.

15           **178.0406 Limitations on distributions by limited liability partnership.**

16           (1) A limited liability partnership may not make a distribution, including a  
17 distribution under s. 178.0806, if after the distribution any of the following applies:

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

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

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

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

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

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

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

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

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

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

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

18           1. The date the distribution is authorized, if the payment occurs not later than  
19 120 days after that date.

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

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

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

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

11           **178.0407 Liability for improper distributions by limited liability**  
12 **partnership.** **(1)** Except as otherwise provided in sub. (2), if a partner of a limited  
13 liability partnership consents to a distribution made in violation of s. 178.0406 and  
14 in consenting to the distribution fails to comply with s. 178.0409, the partner is  
15 personally liable to the partnership for the amount of the distribution which exceeds  
16 the amount that could have been distributed without the violation of s. 178.0406.

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

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

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

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

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

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

10           **178.0408 Rights to information of partners and persons dissociated as**  
11 **partner.** (1) A partnership shall keep its books and records, if any, at its principal  
12 office.

13           (2) On reasonable notice, a partner may inspect and copy during regular  
14 business hours, at a reasonable location specified by the partnership, any record  
15 maintained by the partnership regarding the partnership's business, financial  
16 condition, and other circumstances, to the extent the information is material to the  
17 partner's rights and duties under the partnership agreement or this chapter.

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

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

24           (b) On demand, any other information concerning the partnership's business,  
25 financial condition, and other circumstances, except to the extent the demand or the

1 information demanded is unreasonable or otherwise improper under the  
2 circumstances.

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

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

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

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

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

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

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

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

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

22 (8) A partner or person dissociated as a partner may exercise the rights under  
23 this section through an agent or, in the case of an individual under legal disability,  
24 a legal representative. Any restriction or condition imposed by the partnership

1 agreement or under sub. (10) applies both to the agent or legal representative and  
2 to the partner or person dissociated as a partner.

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

5 (10) In addition to any restriction or condition stated in its partnership  
6 agreement, a partnership, as a matter within the ordinary course of its business, may  
7 impose reasonable restrictions and conditions on access to and use of information to  
8 be furnished under this section, including designating information confidential and  
9 imposing nondisclosure and safeguarding obligations on the recipient. In a dispute  
10 concerning the reasonableness of a restriction under this subsection, the partnership  
11 has the burden of proving reasonableness.

12 **178.0409 Standards of conduct for partners.** (1) A partner owes to the  
13 partnership and the other partners the duties of loyalty and care stated in subs. (2)  
14 and (3).

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

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

- 18 1. The conduct or winding up of the partnership's business.
- 19 2. A use by the partner of the partnership's property.
- 20 3. The appropriation of a partnership opportunity.

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

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

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

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

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

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

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

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

20           **178.0410 Actions by partnership and partners.** (1) A partnership may  
21 maintain an action against a partner for a breach of the partnership agreement, or  
22 for the violation of a duty to the partnership, causing harm to the partnership.

23           (2) A partner may maintain an action against the partnership or another  
24 partner, with or without an accounting as to partnership business, to enforce the  
25 partner's rights and protect the partner's interests, including rights and interests

1 under the partnership agreement or this chapter or arising independently of the  
2 partnership relationship.

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

5 **178.0411 Continuation of partnership beyond definite term or**  
6 **particular undertaking.** (1) If a partnership for a definite term or particular  
7 undertaking is continued, without an express agreement, after the expiration of the  
8 term or completion of the undertaking, the rights and duties of the partners remain  
9 the same as they were at the expiration or completion, so far as is consistent with a  
10 partnership at will.

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

#### 15 SUBCHAPTER V

#### 16 TRANSFERABLE INTERESTS AND

#### 17 RIGHTS OF TRANSFEREES AND

#### 18 CREDITORS

19 **178.0501 Partner not co-owner of partnership property.** A partner is not  
20 a co-owner of partnership property and has no interest in partnership property  
21 which can be transferred, either voluntarily or involuntarily.

22 **178.0502 Nature of transferable interest.** A transferable interest is  
23 personal property.

24 **178.0503 Transfer of transferable interest.** (1) All of the following apply  
25 to a transfer, in whole or in part, of a transferable interest:

1 (a) It is permissible.

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

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

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

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

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

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

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

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

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

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

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

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

5           **178.0504 Charging order.** (1) On application by a judgment creditor of a  
6 partner or transferee, a court may enter a charging order against the transferable  
7 interest of the judgment debtor for the unsatisfied amount of the judgment. A  
8 charging order constitutes a lien on a judgment debtor's transferable interest and  
9 requires the partnership to pay over to the person to which the charging order was  
10 issued any distribution that otherwise would be paid to the judgment debtor.

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

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

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

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

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



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

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

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

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

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

14           2. The statement of dissolution or the equivalent has not been withdrawn,  
15 rescinded, or revoked, or the person's charter or the equivalent or right to conduct  
16 business has not been reinstated, within 90 days after the notification under subd.  
17 1.

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

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

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

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

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

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

8           (a) The person becomes a debtor in bankruptcy.

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

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

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

13          (a) The individual dies.

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

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

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

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

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

1           **(15)** The partnership dissolves and completes winding up.

2           **178.0602 Power to dissociate as partner; wrongful dissociation.** **(1)** A  
3 person has the power to dissociate as a partner at any time, rightfully or wrongfully,  
4 by withdrawing as a partner by express will under s. 178.0601 (1).

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

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

9           (b) In the case of a partnership for a definite term or particular undertaking,  
10 the dissociation occurs before the expiration of the term or the completion of the  
11 undertaking and any of the following applies:

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

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

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

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

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



1 were wound up, with the sale price equal to the greater of the liquidation value or  
2 the value based on a sale of the entire business as a going concern without the person.

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

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

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

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

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

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

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

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

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

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

14 (9) A person dissociated as a partner may maintain an action against the  
15 partnership, pursuant to s. 178.0410 (2), to determine the buyout price of that  
16 person's interest, any offsets under sub. (3), or other terms of the obligation to  
17 purchase. The action must be commenced not later than 120 days after the  
18 partnership has tendered payment or an offer to pay in accordance with subs. (5) to  
19 (8) to the extent applicable or within one year after written demand for payment if  
20 no payment or offer to pay is tendered. The court shall determine the buyout price  
21 of the person's interest, any offset due under sub. (3), and accrued interest, and enter  
22 judgment for any additional payment or refund. If deferred payment is authorized  
23 under sub. (8), the court shall also determine the security for payment and other  
24 terms of the obligation to purchase. The court may assess reasonable attorney fees  
25 and the fees and expenses of appraisers or other experts for a party to the action, in

1 amounts the court finds equitable, against a party that the court finds acted  
2 arbitrarily, vexatiously, or not in good faith. The finding may be based on the  
3 partnership's failure to tender payment or an offer to pay or to comply with sub. (7).

4 **178.0702 Power to bind and liability of person dissociated as partner.**

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

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

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

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

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

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

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

1           **178.0703 Liability of person dissociated as partner to other persons.**

2           (1) Except as otherwise provided in sub. (2) or s. 178.0308 (1), a person dissociated  
3 as a partner is not liable for a partnership obligation incurred after dissociation.

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

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

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

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

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

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

21           **178.0704 Statement of dissociation.** (1) A person dissociated as a partner  
22 or the partnership may deliver to the department for filing a statement of  
23 dissociation stating the name of the partnership and that the person has dissociated  
24 from the partnership.



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

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

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

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

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

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

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

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

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

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

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

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

3           **178.0802 Winding up.** (1) A dissolved partnership shall wind up its business  
4 and, except as otherwise provided in s. 178.0803, the partnership continues after  
5 dissolution only for the purpose of winding up.

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

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

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

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

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

16           4. Transfer the partnership's property.

17           5. Settle disputes by mediation or arbitration.

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

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

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

23           (4) If a dissolved partnership does not have a partner and no person has the  
24 right to participate in winding up under sub. (3), the personal or legal representative  
25 of the last person to have been a partner may wind up the partnership's business.

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

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

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

14 (b) The applicant establishes other good cause.

15 **178.0803 Rescinding dissolution.** (1) A partnership may rescind its  
16 dissolution, unless a statement of termination applicable to the partnership has  
17 become effective or the circuit court has entered an order under s. 178.0801 (4) or (5)  
18 dissolving the partnership.

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

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

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

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

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

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

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

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

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

13          **178.0804 Power to bind partnership after dissolution.** (1) A partnership  
14          is bound by a partner's act with respect to a transaction with another person after  
15          dissolution if any of the following applies:

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

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

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

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

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

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

10 **178.0805 Liability after dissolution of partner and person dissociated**  
11 **as partner.** (1) If a partner having knowledge of the dissolution causes a  
12 partnership to incur an obligation under s. 178.0804 (1) by an act that is not  
13 appropriate for winding up the partnership business, the partner is liable to all of  
14 the following:

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

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

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

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

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

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

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

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

9 **178.0806 Disposition of assets in winding up; when contributions**  
10 **required.** (1) In winding up its business, a partnership shall apply its assets,  
11 including the contributions required by this section, to discharge the partnership's  
12 obligations to creditors, including partners that are creditors.

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

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

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

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

24 (a) Each person that was a partner when the obligation was incurred and that  
25 has not been released from the obligation under s. 178.0703 (3) or (4) shall contribute

1 to the partnership for the purpose of enabling the partnership to satisfy the  
2 obligation. The contribution due from each of those persons is in proportion to the  
3 right to receive distributions in the capacity of a partner in effect for each of those  
4 persons when the obligation was incurred.

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

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

15 (4) A person that makes an additional contribution under sub. (3) (b) or (c) may  
16 recover from any person whose failure to contribute under sub. (3) (a) or (b)  
17 necessitated the additional contribution. A person may not recover under this  
18 subsection more than the amount additionally contributed. A person's liability  
19 under this subsection may not exceed the amount the person failed to contribute.

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

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

24 **178.0807 Known claims against dissolved limited liability partnership.**

25 (1) Except as otherwise provided in sub. (4), a dissolved limited liability partnership

1 may give notice of a known claim under sub. (2), which has the effect provided in sub.  
2 (3).

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

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

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

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

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

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

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

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

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

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

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

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

5           (4r) The provisions of s. 178.0103 (6) shall apply to notices under this section.

6           **178.0808 Other claims against dissolved limited liability partnership.**

7           (1) A dissolved limited liability partnership may publish notice of its dissolution and  
8 request persons having claims against the partnership to present them in  
9 accordance with the notice.

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

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

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

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

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

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

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

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

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

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

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

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

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

21          **178.0809 Court proceedings.** (1) A dissolved limited liability partnership  
22 that has published a notice under s. 178.0808 may file an application with the circuit  
23 court in the county where the partnership's principal office is located or, if the  
24 principal office is not located in this state, where the office of its registered agent is  
25 or was last located, for a determination of the amount and form of security to be

1 provided for payment of claims that are contingent or are not known to the  
2 partnership or that are based on an event occurring after the effective date of  
3 dissolution but that, based on the facts known to the partnership, are reasonably  
4 expected to arise after the effective date of dissolution.

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

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

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

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

21 **178.0810 Liability of partner and person dissociated as partner when**  
22 **claim against partnership barred.** If a claim against a dissolved partnership is  
23 barred under s. 178.0807, 178.0808, or 178.0809, any corresponding claim under s.  
24 178.0306, 178.0703, or 178.0805 is also barred.

## LIMITED LIABILITY PARTNERSHIP

1  
2       **178.0901 Statement of qualification.** (1) A domestic partnership may  
3 become a limited liability partnership pursuant to this section.

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

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

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

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

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

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

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

23       (5) The status of a partnership as a limited liability partnership and the  
24 protection against liability of its partners for the debts, obligations, or other  
25 liabilities of the partnership while it is a limited liability partnership is not affected

1 by errors or later changes in the information required to be contained in the  
2 statement of qualification.

3 (5r) A partnership that becomes, or ceases to be, a limited liability partnership  
4 is for all purposes the same partnership that existed before such change in status and  
5 continues to be a partnership under this chapter.

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

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

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

13 **178.0902 Permitted names.** (1) The name of a partnership that is not a  
14 limited liability partnership may not contain the phrase “Registered Limited  
15 Liability Partnership” or “Limited Liability Partnership” or the abbreviation  
16 “R.L.L.P.,” “L.L.P.,” “RLLP,” or “LLP.”

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

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

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

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

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

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

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

9 **(4r)** A limited liability partnership or foreign limited liability partnership may  
10 apply to the department for authorization to use in this state a name that is not  
11 distinguishable upon the records of the department from one or more of the names  
12 described in sub. (3). The department shall authorize use of the name applied for if  
13 any of the following occurs:

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

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

24 **(5)** In determining whether a name is the same as or not distinguishable on the  
25 records of the department from the name of another person, words, phrases, or

1 abbreviations indicating a type of entity, such as “corporation,” “Corp.,”  
2 “incorporated,” “Inc.,” “Limited,” “Ltd.,” “limited partnership,” “LP,” “L.P.,” “limited  
3 liability partnership,” “LLP,” “L.L.P.,” “limited liability limited partnership,” “LLLLP,”  
4 “L.L.L.P.,” “registered limited liability limited partnership,” “RLLLLP,” “R.L.L.L.P.,”  
5 “limited liability company,” “LLC,” “L.L.C.,” “cooperative association,” or  
6 “cooperative” may not be taken into account.

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

12 (8r) A limited liability partnership or foreign limited liability partnership may  
13 use in this state the name, including the fictitious name, that is used in this state by  
14 a corporation, limited liability company, nonstock corporation, limited partnership,  
15 limited liability partnership, foreign limited liability partnership, general  
16 cooperative association, or limited cooperative association if the limited liability  
17 partnership or foreign limited liability partnership proposing to use the name has  
18 done any of the following:

19 (a) Merged with the other business entity.

20 (b) Been formed by reorganization of the other business entity.

21 (c) Acquired all or substantially all of the assets, including the name, of the  
22 other business entity.

23 **178.09031 Grounds for revocation.** The department may bring a  
24 proceeding under s. 178.09032 to administratively revoke the statement of  
25 qualification of a limited liability partnership if any of the following occurs:

1           (1) The partnership does not pay, within one year after they are due, any fees  
2 or penalties due the department under this chapter.

3           (2) The partnership does not have on file its annual report with the department  
4 within one year after it is due.

5           (3) The partnership is without a registered agent or registered office in this  
6 state for at least one year.

7           (4) The partnership does not notify the department within one year that its  
8 registered agent or registered office has been changed, that its registered agent has  
9 resigned, or that its registered office has been discontinued.

10           (5) The partnership violates s. 940.302 (2) or 948.051 (2).

11           **178.09032 Procedure for and effect of administrative revocation. (1)**  
12 If the department determines that one or more grounds exist under s. 178.09031 for  
13 revoking a limited liability partnership's statement of qualification, the department  
14 may give the partnership notice of the determination. The notice shall be in writing  
15 and addressed to the registered office of the partnership.

16           (2) (a) Within 60 days after the notice under sub. (1) takes effect under s.  
17 178.0103 (6), the partnership shall, with respect to each ground for revocation, either  
18 correct it or demonstrate to the reasonable satisfaction of the department that it does  
19 not exist.

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

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

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

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

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

13           **178.0904 Reinstatement following administrative revocation.** (1) A  
14 partnership whose statement of qualification is administratively revoked may apply  
15 to the department for reinstatement. The application shall include all of the  
16 following:

17           (a) The name of the partnership and the effective date of the revocation of its  
18 statement of qualification.

19           (b) A statement that each ground for revocation either did not exist or has been  
20 cured.

21           (c) A statement that the partnership's name satisfies s. 178.0902.

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

24           1. That the application contains the information required by sub. (1) and the  
25 information is correct.

1           2. That all fees and penalties owed by the partnership to the department under  
2 this chapter have been paid.

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

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

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

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

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

18           **178.0905 Appeal from denial of reinstatement.** (1) If the department  
19 denies a partnership's application for reinstatement under s. 178.0904, the  
20 department shall serve the partnership with a written notice, addressed to the  
21 registered office of the partnership, that explains each reason for denial.

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

1 revocation and attach to the petition copies of the department's notice of revocation  
2 under s. 178.09032 (2) (b), the partnership's application for reinstatement under s.  
3 178.0904 (1), and the department's notice of denial under sub. (1).

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

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

8 **178.0906 Reservation of name.** (1) A person may reserve the exclusive use  
9 of a name that complies with s. 178.0902, including a fictitious name for a foreign  
10 limited liability partnership whose partnership name is not available, by delivering  
11 an application to the department for filing. The application shall include the name  
12 and address of the applicant and the name proposed to be reserved. If the  
13 department finds that the name is available, the department shall reserve the name  
14 for the applicant's exclusive use for a 120-day period, which may be renewed by the  
15 applicant or a transferee under sub. (2) from time to time.

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

20 **178.0907 Registration of name.** (1) A foreign limited liability partnership  
21 not registered to do business in this state under subch. X may register its name, or  
22 a fictitious name adopted pursuant to s. 178.1006 (1), if the name is distinguishable  
23 on the records of the department from the names that are not available under s.  
24 178.0902.

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

7           (3) The registration of a name under this section expires annually on December  
8 31.

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

14           (5) A foreign limited liability partnership whose name registration is effective  
15 may register as a foreign limited liability partnership under the registered name or  
16 consent in a signed record to the use of that name by another person that is not an  
17 individual.

18           **178.0908 Registered agent and registered office.** (1) Each limited  
19 liability partnership and each registered foreign limited liability partnership shall  
20 designate and maintain a registered agent and registered office in this state. The  
21 designation of a registered agent is an affirmation of fact by the partnership or  
22 foreign partnership that the agent has consented to serve.

23           (1m) The registered office of a limited liability partnership or registered  
24 foreign limited liability partnership may, but need not, be the same as any of the  
25 partnership's places of business. The registered office must be an actual physical

1 location with a street address and not solely a post office box, mailbox service, or  
2 telephone answering service. The registered agent of a limited liability partnership  
3 or registered foreign limited liability partnership shall be any of the following:

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

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

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

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

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

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

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

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