

# LECTURE NOTES: Business Organizations

## General Partnerships.

### I. Introduction:

A Defined

B Law

C Entity?

### II. Relationship with Third Parties

A Partners as agents

B Acts requiring unanimous consent

C Public Document: Statement of Authority

D Public Document: Statement of Denial

E Partners Liability: Joint and Several

### III. The Partnership Relation

A Assets and Title to Property

B Rights in dealing with each other

1. Separate Accounts
2. Share of profits
3. reimbursement
4. participation in management
5. access to books and records
6. winding up

c Duties to each other

1. contribution to partnership losses
2. work without remuneration
3. submit to vote of majority
4. provide information
5. fiduciary obligations

IV. Advantages of Partnership Business

- A Flexible management
  - B Minimal formalities
  - C Low cost of organization
  - D Income tax benefits
  - E Diversified capital resources
- v. Disadvantages of Partnerships
- A Unlimited liability
  - B Loose management authority
  - C Difficulty in transferring interest
  - D Limited ability to raise capital
  - E Legal and organizational expenses
  - F Tax disadvantages
- VI. Organization and Management
- A Management and control

B Oral agreements

c Written partnership agreement

VII. Financial Structure

A Partnership capital

1. contributions

2. loans and advances

3. right to accounting

4. records

B profits and losses

VIII. Dissolution

A Dissociation, dissolution, winding up

1. Dissociation under the RUPA (no dissolution)

2. Dissolution: authority is limited except to wind up

3. winding up: settling all accounts

B Winding up and distribution of assets

IX. Limited Partnerships & Joint Ventures

A Traditional limited partnerships

B Limited Liability partnerships

C Joint ventures.