

An. Code, 1924, sec. 13. 1912, sec. 13. 1918, ch. 280, sec. 13.

13. (Loans and Other Business Transactions With Limited Partner.)

(1) A limited partner also may loan money to and transact other business with the partnership, and, unless he is also a general partner, receive on account of resulting claims against the partnership, with general creditors, a *pro rata* share of the assets. No limited partner shall in respect to any such claim

(a) Receive or hold as collateral security any partnership property, or

(b) Receive from a general partner or the partnership any payment, conveyance, or release from liability, if at the time the assets of the partnership are not sufficient to discharge partnership liabilities to persons not claiming as general or limited partners.

(2) The receiving of collateral security, or a payment, conveyance, or release in violation of the provisions of paragraph (1) is a fraud on the creditors of the partnership.¹

This section prevents special partner from withdrawing his capital before expiration of period limited in certificate, and while there are debts outstanding. *Safe Deposit Co. v. Cahn*, 102 Md. 549.

This section referred to in construing sec. 2, *et seq.* *Lineweaver v. Slagle*, 64 Md. 485.

An. Code, 1924, sec. 14. 1912, sec. 14. 1918, ch. 280, sec. 14.

14. (Relation of Limited Partners *Inter Se.*) Where there are several limited partners the members may agree that one or more of the limited partners shall have a priority over other limited partners as to the return of their contributions, as to their compensation by way of income, or as to any other matter. If such an agreement is made it shall be stated in the certificate, and in the absence of such a statement all the limited partners shall stand upon equal footing.

This section referred to in construing sec. 2, *et seq.* *Lineweaver v. Slagle*, 64 Md. 485.

An. Code, 1924, sec. 15. 1912, sec. 15. 1918, ch. 280, sec. 15.

15. (Compensation of Limited Partner.) A limited partner may receive from the partnership the share of the profits or the compensation by way of income stipulated for in the certificate; provided, that after such payment is made, whether from the property of the partnership or that of a general partner, the partnership assets are in excess of all liabilities of the partnership except liabilities to limited partners on account of their contributions and to general partners.

Where a firm which is knowingly insolvent transfers property to one of its creditors, thereby paying latter in full, law conclusively presumes intention to prefer; hence special partner is liable as a general partner under sec. 17. *Lineweaver v. Slagle*, 64 Md. 487.

See art. 39B, sec. 8.

An. Code, 1924, sec. 16. 1912, sec. 16. 1918, ch. 280, sec. 16.

16. (Withdrawal or Reduction of Limited Partner's Contribution.)

(1) A limited partner shall not receive from a general partner or out of partnership property any part of his contribution until

(a) All liabilities of the partnership, except liabilities to general partners and to limited partners on account of their contributions, have been paid or there remains property of the partnership sufficient to pay them,

¹ The entire "Limited Partnerships" article was repealed and re-enacted by the act of 1918, ch. 280. The annotations in vol. 2 of the Code of 1912 refer to the sections of this article as they stood prior to the act of 1918, but are reproduced under the correspondingly numbered sections of the new article in the hope that they may be of some use.