

between the partners, is not subject to the equity risks of the enterprise. On the other hand, since partners entitled to distributions have creditor status, there did not seem to be a need for the extraordinary remedy of § 10-115(d) of the previous Limited Partnership Act which granted a limited partner the right to seek dissolution of the partnership if he was unsuccessful in demanding the return of his contribution. It is more appropriate for the partner to simply sue as an ordinary creditor and obtain a judgment.

#### 10-607. LIMITATIONS ON RETURN OF CONTRIBUTIONS.

A PARTNER MAY NOT RECEIVE A RETURN OF HIS CONTRIBUTION TO A LIMITED PARTNERSHIP TO THE EXTENT THAT, AFTER GIVING EFFECT TO THE RETURN OF HIS CONTRIBUTION, ALL LIABILITIES OF THE LIMITED PARTNERSHIP, OTHER THAN LIABILITIES TO PARTNERS FOR THE RETURN OF THEIR CONTRIBUTIONS, EXCEED THE FAIR VALUE OF THE PARTNERSHIP ASSETS.

#### COMMENT

This section is derived from § 10-115(a)(1) of the previous Limited Partnership Act (§ 16(1) of the prior uniform law).

#### 10-608. LIABILITY UPON RETURN OF CONTRIBUTION.

(A) RETURN OF CONTRIBUTION. (1) IF A PARTNER HAS RECEIVED THE RETURN OF ANY PART OF HIS CONTRIBUTION WITHOUT VIOLATION OF THE CERTIFICATE, PARTNERSHIP AGREEMENT, OR THIS TITLE, HE IS LIABLE TO THE LIMITED PARTNERSHIP FOR A PERIOD OF 1 YEAR THEREAFTER FOR THE AMOUNT OF THE RETURNED CONTRIBUTION, BUT ONLY TO THE EXTENT NECESSARY TO DISCHARGE THE LIMITED PARTNERSHIP'S LIABILITIES TO CREDITORS WHO EXTENDED CREDIT TO THE LIMITED PARTNERSHIP DURING THE PERIOD THE CONTRIBUTION WAS HELD BY THE PARTNERSHIP.

(2) IF A PARTNER HAS RECEIVED THE RETURN OF ANY PART OF HIS CONTRIBUTION IN VIOLATION OF THE CERTIFICATE, PARTNERSHIP AGREEMENT, OR THIS TITLE, HE IS LIABLE TO THE LIMITED PARTNERSHIP FOR A PERIOD OF 6 YEARS THEREAFTER FOR THE AMOUNT OF THE CONTRIBUTION WRONGFULLY RETURNED.

(B) DEFINITION OF RETURN. A PARTNER RECEIVES A RETURN OF HIS CONTRIBUTION TO THE EXTENT THAT, AFTER A DISTRIBUTION TO HIM, HIS SHARE OF THE FAIR VALUE OF THE NET ASSETS OF THE LIMITED PARTNERSHIP IS LESS THAN THE VALUE OF HIS TOTAL CONTRIBUTION AS REFLECTED IN THE CERTIFICATE MINUS ALL DISTRIBUTIONS IN RETURN OF HIS CONTRIBUTION MADE PRIOR TO THE DISTRIBUTION.

#### COMMENT

Paragraph (a)(1) is derived from § 10-116(d) of the previous Limited Partnership Act (§ 17(4) of the prior uniform law), but the 1-year statute of limitations has been added. Paragraph (a)(2) is derived from § 10-116(b) of the