

Sunsets 1/1/2016

48-2a-1005 Security and costs.

In any action instituted in the right of any domestic or foreign limited partnership, unless the unreturned contributions to the partnership property of or allocable to the plaintiff amount to 5% or more of the unreturned contributions of all limited partners, in their status as limited partners, or the unreturned contributions of or allocable to the plaintiff have a market value in excess of \$25,000, the limited partnership in whose right the action is brought shall be entitled, at any time before final judgment, to require the plaintiff to give security for the costs and reasonable expenses which may be directly attributable to and incurred by the limited partnership in the defense of the action or may be incurred by other parties named as defendant for which the limited partnership may become legally liable, but not including attorneys' fees. Market value shall be determined as of the date that the plaintiff institutes the action or, in the case of an intervenor, as of the date that he becomes a party to the action. The amount and nature of the security shall be determined by the court, and the amount of the security may from time to time be increased or decreased, in the discretion of the court, upon showing that the security provided has or may become inadequate or excessive. The limited partnership shall have recourse to the security in the amount as the court having jurisdiction shall determine upon the termination of such action if the court finds the action was brought without reasonable cause.