

**48-2e-702 Transfer of transferable interest.**

- (1) A transfer, in whole or in part, of a transferable interest:
  - (a) is permissible;
  - (b) does not by itself cause the person's dissociation or a dissolution and winding up of the limited partnership's activities and affairs; and
  - (c) subject to Section 48-2e-704, does not entitle the transferee to:
    - (i) participate in the management or conduct of the limited partnership's activities or affairs; or
    - (ii) except as otherwise provided in Subsection (3), have access to required information, records, or other information concerning the limited partnership's activities and affairs.
- (2) A transferee has the right to receive, in accordance with the transfer, distributions to which the transferor would otherwise be entitled.
- (3) In a dissolution and winding up of a limited partnership, a transferee is entitled to an account of the limited partnership's transactions only from the date of dissolution.
- (4) A transferable interest may be evidenced by a certificate of the interest issued by a limited partnership in a record, and, subject to this section, the interest represented by the certificate may be transferred by a transfer of the certificate.
- (5) A limited partnership need not give effect to a transferee's rights under this section until the limited partnership knows or has notice of the transfer.
- (6) A transfer of a transferable interest in violation of a restriction on transfer contained in the partnership agreement is ineffective as to a person having knowledge or notice of the restriction at the time of transfer.
- (7) Except as otherwise provided in Subsections 48-2e-601(2)(d)(ii) and 48-2e-603(4)(b), if a general or limited partner transfers a transferable interest, the transferor retains the rights of a general or limited partner other than the transferable interest transferred and retains all the duties and obligations of a general or limited partner.
- (8) If a general or limited partner transfers a transferable interest to a person that becomes a general or limited partner with respect to the transferred interest, the transferee is liable for the transferor's obligations under Sections 48-2e-502 and 48-2e-505 known to the transferee when the transferee becomes a partner.

Enacted by Chapter 412, 2013 General Session