



LAWS OF ALASKA

1990

Source

SB 480

Chapter No.

155

AN ACT

Relating to limited partnership derivative actions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

THE ACT FOLLOWS ON PAGE 1, LINE 9

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: June 21, 1990
Actual Effective Date: September 19, 1990

AN ACT

Relating to limited partnership derivative actions.

* Section 1. AS 32.10.060 is amended by adding a new subsection to read:

(b) A limited partner does not participate in the control of the business within the meaning of (a) of this section by taking the action required or permitted by law to bring or pursue a derivative action under AS 32.10.245.

* Sec. 2. AS 32.10 is amended by adding a new section to read:

Sec. 32.10.245. DERIVATIVE ACTIONS. (a) A limited partner may bring an action in the right of a limited partnership to recover a judgment in the partnership's favor if general partners with the authority to bring the action have refused to bring the action or if an effort to cause the general partners to bring the action is not likely to succeed.

(b) In a derivative action, the plaintiff must be a partner at the time of bringing the action and

(1) must have been a partner at the time of the transaction of which the plaintiff is complaining; or

(2) the plaintiff's status as a partner must have devolved upon the plaintiff by operation of law or under the terms of the partnership agreement from a person who was a partner at the time of the transaction.

Chapter 155

1 (c) In a derivative action, the complaint must set out with
2 particularity the effort of the plaintiff to secure initiation of the
3 action by a general partner or the reasons for not making the effort.

4 (d) If a recovery is made by the plaintiff as a result of a
5 judgment, compromise, or settlement of a derivative action or claim,
6 and if the plaintiff is awarded attorney fees or costs, the court
7 shall direct the plaintiff to remit to the limited partnership the
8 portion of the recovery that remains after deduction of the attorney
9 fees and costs.

10 * Sec. 3. AS 32.10.250 is amended to read:

11 Sec. 32.10.250. PARTIES TO ACTIONS. Except as otherwise provid-
12 ed in AS 32.10.245, a [A] contributor, unless the contributor is a
13 general partner, is not a proper party to a proceeding by or against a
14 partnership, except where the object is to enforce a limited partner's
15 right against or liability to the partnership.