
Limited Partnership Basics

Christopher W. Peterson
Peterson Law Group
979-703-7014
BrazosLawyers.com

Basic elements

General partner

- Responsible for day to day operations and management
 - Personally liable for the debts of partnership
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Limited partners

- Cannot directly participate in day-to-day operations and management
 - Not personally liable for partnership debts
 - Only assets invested are at risk
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Typical Structure

- Limited liability company as 1% owner/general partner
 - Individuals as limited partners based on pro rata contributions
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Advantages

- Income could be withheld from creditors
 - Estate tax savings potential
 - Creditors could not become partners
 - Effective business continuation strategy
 - Effective estate planning strategy, while maintaining control
 - Effective means of consolidating control and management over several separate business operations
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