

CHAPTER 27

AN ACT concerning the names and State filings of certain business entities and amending various parts of the statutory law.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. Section 14 of P.L.1969, c.232 (C.14A:17-14) is amended to read as follows:

C.14A:17-14 Corporate name.

14. a. Corporate name. The corporate name of a professional corporation shall contain the full or last names of one or more of the shareholders or a name descriptive of the type of professional service in which the corporation will be engaged and shall also contain the words "chartered," "professional association" or "a professional corporation," or the abbreviation "P.A.," "P.C.," "PA," or "PC". The use of the word "company," "corporation" or "incorporated," or any other word, words, abbreviations, affix or prefix indicating that it is a corporation, in the corporate name of a professional corporation, other than the words "chartered," "professional association" or "a professional corporation," or the abbreviation "P.A.," "P.C.," "PA," or "PC" is specifically prohibited. It shall be permissible, however, for the corporation and the shareholders to render professional services or to exercise its authorized powers under a name which is identical to its corporate name except that the words "chartered," "professional association" or "a professional corporation," or the abbreviation "P.A.," "P.C.," "PA," or "PC" is omitted. Nothing in this subsection shall limit the right of a professional corporation to use or register an alternate name pursuant to N.J.S.14A:2-2.1, provided that the alternate name contains the full or last name of one or more of the shareholders or adequately describes the type of professional service in which the professional corporation will be engaged.

b. Notwithstanding the provisions of subsection a. of this section, the corporate name of a professional corporation may contain the name of a deceased person only if, at the time of the person's death:

- (1) that person's name was part of the corporate name; or
- (2) that person's name was part of the name of an existing partnership and at least two-thirds of that partnership's partners become shareholders of the professional corporation.

2. Section 5 of P.L.1983, c.489 (C.42:2A-5) is amended to read as follows:

C.42:2A-5 Definitions relative to limited partnerships.

5. Definitions. As used in this chapter, unless the context otherwise requires:

a. "Certificate of limited partnership" and "partnership certificate" mean the certificate referred to in section 13 of P.L.1983, c.489 (C.42:2A-14) as it may be corrected pursuant to section 48 of P.L.1988, c.130 (C.42:2A-16.1) or amended or restated from time to time.

b. "Contribution" means any cash, property, services rendered, or a promissory note or other binding obligation to contribute cash or property or to perform services, which a partner contributes to a limited partnership in his capacity as a partner.

c. "Event of withdrawal of a general partner" means an event that causes a person to cease to be a general partner as provided in this chapter, or in the partnership agreement.

d. "Foreign limited partnership" means a partnership formed under the laws of any state other than this State and having as partners one or more general partners and one or more limited partners.

e. "General partner" means a person who has been admitted to a limited partnership as a general partner in accordance with the partnership agreement and named in the certificate of limited partnership as a general partner.

f. "Limited partner" means a person who has been admitted to a limited partnership as a limited partner in accordance with the partnership agreement.

g. "Limited partnership" and "domestic limited partnership" mean a partnership formed by two or more persons under the laws of this State and having one or more general partners and one or more limited partners.

h. "Partner" means a limited or general partner.

i. "Partnership agreement" means any valid agreement, written or oral, of the partners as to the affairs of a limited partnership and the conduct of its business.

j. "Partnership interest" means a partner's share of the profits and losses of a limited partnership and the right to receive distributions of partnership assets.

k. "Person" means a natural person, partnership, limited partnership (domestic or foreign), limited liability company or other limited liability entity, trust, estate, association, or corporation.

l. "State" means a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

m. Unless otherwise provided in the partnership certificate or in the partnership agreement, "in interest" shall mean a vote or percentage of a limited partner (in a class of limited partners) equal to the portion that partner's share in contributions to the partnership bears to the share in contributions to the partnership of all limited partners (of that class).

n. "Principal office" means the place designated in the partnership agreement or the place of business of the limited partnership where the chief or principal affairs and business of the partnership are transacted.

o. "Secretary of State" refers to the State Treasurer, based upon the transfer of the functions, powers and duties of the Division of Commercial Recording, established pursuant to section 1 of P.L.1982, c.150 (C.52:16A-35) and currently referred to as the Business Services Office, from the Department of State to the Department of the Treasury pursuant to Reorganization Plan No. 004-1998.

p. "Treasurer" means the State Treasurer of the Department of the Treasury.

3. Section 6 of P.L.1983, c.489 (C.42:2A-6) is amended to read as follows:

C.42:2A-6 Name of limited partnership.

6. Name of limited partnership. a. The name of each limited partnership as set forth in its certificate of limited partnership or the name of any foreign limited partnership applying for a certificate of authority to transact business in this State:

(1) Shall contain the words "limited partnership" or the abbreviation "L.P.," or "LP";

(2) May not contain the name of a limited partner unless it is also the name of a general partner or the corporate name of a corporate general partner, or the business of the limited partnership had been carried on under that name before the admission of that limited partner;

(3) May not contain any word or phrase indicating or implying that it is organized other than for a purpose stated in its certificate of limited partnership;

(4) Shall be such to distinguish it upon the records in the office of the State Treasurer from the names of other domestic limited partnerships, foreign limited partnerships, domestic profit corporations, foreign profit corporations, domestic nonprofit corporations, and foreign nonprofit corporations or a current name reservation or a current name registration unless

there is filed a certified copy of a final judgment of a court of competent jurisdiction establishing the prior right of the limited partnership to the use of the name in this State;

(5) Shall not contain any word or phrase, or any abbreviation or derivative thereof, the use of which is prohibited or restricted by any other statutes of this State, unless the restrictions have been complied with.

b. This section shall not require any domestic limited partnership organized prior to April 1, 1985 to change its name in accordance with this section, if the name is otherwise lawful on March 31, 1985. A limited partnership or foreign limited partnership transacting business in this State shall not change its limited partnership name on or after the effective date of P.L.1988, c.130 to a name which is not available for limited partnership use under this chapter.

c. If the name of a foreign limited partnership is not available for use in this State because of paragraphs (1) through (4) of subsection a., the limited partnership may be authorized to transact business in this State under an assumed name by filing in the office of the State Treasurer with its application for an original or amended certificate of authority a certificate of its general partner adopting the assumed name for use in transacting business in this State.

d. The limited partnership name of a domestic limited partnership whose certificate of limited partnership has been cancelled, the limited partnership name of a foreign limited partnership whose certificate of limited partnership has been cancelled or withdrawn, and the corporate name of any profit or nonprofit corporation which has been dissolved and any name confusingly similar to the name of a foreign limited partnership whose certificate of limited partnership has been cancelled or withdrawn, domestic limited partnership or profit or nonprofit corporation which has been dissolved or which has been terminated shall not be available for foreign or domestic limited partnership use for two years after the effective time of cancellation, withdrawal or termination, unless, within the two-year period, the written consent of the dissolved, withdrawn or cancelled domestic or foreign limited partnership or corporation to the adoption of its name, or a confusingly similar name, is filed in the office of the State Treasurer with the certificate of limited partnership of the new proposed domestic limited partnership or with the application of a foreign limited partnership for an original or amended certificate of authority to transact business in this State.

e. The filing in the office of the State Treasurer of the certificate of limited partnership of a domestic limited partnership or the issuance by the State Treasurer of a certificate to a foreign limited partnership authorizing it to transact business in this State shall not preclude an action by this State to enjoin a violation of this section or any action by any person adversely affected to enjoin the violation or the use of a limited partnership name in violation of the rights of that person, whether on principles of unfair competition or otherwise, and the court may grant any other appropriate relief in the action.

4. Section 2 of P.L.1993, c.210 (C.42:2B-2) is amended to read as follows:

C.42:2B-2 Definitions relative to limited liability companies.

2. As used in this act unless the context otherwise requires:

"Bankruptcy" means an event that causes a person to become dissociated from a limited liability company as provided in section 24 of this act.

"Certificate of formation" means the certificate referred to in section 11 of this act, and the certificate as amended.

"Contribution" means any cash, property, services rendered or a promissory note or other obligation to contribute cash or property or to perform services, which a person contributes to a limited liability company in his capacity as a member; provided however, that services rendered and obligations to perform services are contributions only to the extent designated as contributions in the operating agreement.

"Foreign limited liability company" means a limited liability company formed under the laws of any state or under the laws of any foreign country or other foreign jurisdiction and denominated as such under the laws of such state or foreign country or other foreign jurisdiction.

"Limited liability company" and "domestic limited liability company" means a limited liability company formed under the laws of this State and having one or more members.

"Limited liability company interest" means a member's share of the profits and losses of a limited liability company and a member's right to receive distributions of the limited liability company's assets.

"Liquidating trustee" means a person carrying out the winding up of a limited liability company.

"Manager" means a person who is named as a manager of a limited liability company in, or designated as a manager of a limited liability company pursuant to, an operating agreement or similar instrument under which the limited liability company is formed.

"Member" means a person who has been admitted to a limited liability company as a member as provided in section 21 of this act or, in the case of a foreign limited liability company, in accordance with the laws of the state or foreign country or other foreign jurisdiction under which the foreign limited liability company is organized.

"Operating agreement" means a written agreement among the members, or in the case of a limited liability company with only one member, the declaration by that one member of the terms of the operating agreement which shall be deemed an agreement between the member and the limited liability company, as to the affairs of a limited liability company and the conduct of its business.

"Person" means a natural person, partnership (whether general or limited and whether domestic or foreign), limited liability company, foreign limited liability company, trust, estate, association, corporation, custodian, nominee or any other individual or entity in its own or any representative capacity.

"Secretary of State" refers to the State Treasurer, based upon the transfer of the functions, powers and duties of the Division of Commercial Recording, established pursuant to section 1 of P.L.1982, c.150 (C.52:16A-35) and currently referred to as the Business Services Office, from the Department of State to the Department of the Treasury pursuant to Reorganization Plan No. 004-1998.

"State" means the District of Columbia or the Commonwealth of Puerto Rico or any state, territory, possession, or other jurisdiction of the United States other than this State.

"Treasurer" means the State Treasurer of the Department of the Treasury.

5. Section 3 of P.L.1993, c.210 (C.42:2B-3) is amended to read as follows:

C.42:2B-3 Name of limited liability company.

3. The name of each limited liability company as set forth in its certificate of formation:

a. Shall contain the words "Limited Liability Company" or the abbreviation "L.L.C.," or "LLC";

b. May contain the name of a member or manager;

c. Must be such as to distinguish it upon the records in the office of the State Treasurer from the name of any corporation, limited partnership, business trust or limited liability company reserved, registered, formed or organized under the laws of this State or qualified to do business or registered as a foreign corporation, foreign limited partnership or foreign limited liability company in this State; provided, however, that a limited liability company may register under any name which does not distinguish it upon the records in the office of the State Treasurer from the name of any domestic or foreign corporation, limited partnership, business trust or limited liability company reserved, registered, formed or organized under the laws of this State with the written consent of the other corporation, limited partnership, business trust or limited liability company, which written consent shall be filed with the State Treasurer; and

d. Shall not contain any word or phrase, or any abbreviation or derivative thereof, the use of which is prohibited or restricted by any other statute of this State, unless the restrictions have been complied with.

6. This act shall take effect immediately.

Approved March 1, 2011.