

# *Hello Again!* Inadvertent Partnerships Revisited

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UTCLE – Austin, July 12-13, 2018

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## Definition of Partnership

Association of 2 or more persons

To carry on

A business

As co-owners

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# Implications in Definition

## Does *not* require:

Written or even oral agreement, although “association” implies some sort of understanding

Participants to identify themselves as partners

Business actually be conducted, only that they “associate[e] . . . to carry on a business”

## Does require:

Business be intended for profit

Associating as owners and not in some other relationship; e.g.

- employer-employee
- lender-borrower
- landlord-tenant

# Factors Indicating Partnership

Receiving or right to receive ***profits***

Expression of ***intent*** to be partners

Participating or right to participate in ***control***

Sharing or agreement to share ***losses or liabilities***

Making or agreeing to make ***contributions***

## How to Assess Factors *Ingram v. Deere* (Tex. 2009)

Factors considered as a whole

No one factor is determinative

Absence of any factor means no partnership

Presence of all factors means partnership

Only one factor typically is not enough

All other circumstances:

- Factfinder determines
- Reviewed for sufficiency of evidence

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## Factors Not Sufficient by Themselves

Receipt of or the right to receive profits in repayment of debt, as wages, as rent, in liquidation of a former partner's interest or in consideration of the sale of a business

Co-ownership of property (as opposed to operating a business on or with the property)

Sharing of or the right to share gross returns (as opposed to net profits)

Co-ownership of mineral property even if subject to a joint operating agreement

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First appeared as part of the conference materials for the  
27<sup>th</sup> Annual LLCs, LPs and Partnerships session

"Inadvertent Partnerships Revisited"