

twenty-first century type of arrangements is in the area of limited liability partnerships, the LLPs. That's what this bill is. This...LLP's, in general, have been adopted in 35 states. So, again, it's a concept, while it is relative new, it is generally accepted around the country as a newer form of entity. The prime... And this bill has been crafted to Nebraska law, so it works hand in glove with Nebraska law. The...there is a handout, which Senator Kristensen's staff has passed around the floor, that gives an overview of the different business entities and the primary thrusts of the different types of entities. This particular entity, LLP, the primary purpose of it is a liability shield. Under general partnership law, partners are liable for the acts of other partners. And that...the down side of that is small businesses, when they try to form, don't necessarily have the capital or the cash to be able to form what larger or better financed organizations would be able to do, and that is the LLC. And LLP, basically, allows what is formerly a partnership to be formed, but does allow some limited liability. And that limited liability is primarily for the acts of another partner. An example, a couple of CPAs form an LLP, the CPAs would be liable, if one CPA does a malpractice, that CPA...that CPA's partner would not be liable for that malpractice, however it does not take away or does not protect that CPA from his or her own malpractice, their own negligence or errors and omissions. So what it does is it gives that limited liability, it's not a total immunity from liability, it's simply protecting from each other's partners. And that is it also extends that liability or allows for that extension of liability to people who are supervised or controlled by one of the partners. So the primary benefit of the LLP is that shield between partners. Debts in the ongoing and ordinary course of business, those legitimate partnership debts would continue to be debts of the individual partners. What it, as I mentioned, it's more for those larger things that are outside the control of one of the partners and preventing that partner from being held liable for the others. In the handout that Senator Kristensen passed around it talks about the different characteristics of different business entities. Those business entities or those characteristics include the limitation on liability, which I just talked about, and there are other types of entities with different kinds of limitations on liability. For example, a corporation is going to give a complete shield against liability, a limited liability company is going to do likewise. A partnership is going to give no shield whatsoever,