

do something that subjects our partnership to liability, his entire investment and he as well is subject to that liability, they can go after him. Now in return for that we get tax treatment, it's only taxed once. He and I split the proceeds and the profits and we're taxed as individuals and our income flows through and is divided among us, based on what our agreement is. A variation of that occurred some years ago, called limited partnerships. And limited partnership said, well, since Senator Dierks knows the most about raising these products, and I'm just an investor, I don't want to be subject to all that liability, I want to put my money in, I want him to run it, and so he forms a limited partnership with him being the general partner. The general partner runs the operation. The general partner is paid a wage from the business. And the limited partners can't run it, they can't manage it, all they do is stick their money in there. And if they get some return on it, fine, but in return for no say on management the limited partners are only liable to the amount of their investment. So if I stuck in \$10,000 into Senator Dierks' and "I's" operation and he goes belly under, the most that they're going to get from me as a limited partner is my initial investment. Along came limited liability companies that this Legislature did a few years ago, and provided some better flexibility, gave us some limited liability, much like a corporation, but allowed for the tax treatment of a partnership. But in return for that, that corporation had to have a limited life, it could only go on for so many years. Its management had to be more defined, we had to limit who could get the shares, that you couldn't freely transfer it, and there were some problems with that, well not really problems but it was...it's a little more cumbersome to get involved in, it works fine, but that's what brought along limited liability partnerships. And this is the final piece of business entities. Limited liability partnerships go back to a more informal beginning and structure where you will have two people, or three people, or how many, who want to join in a partnership. They will register this limited liability partnership. And what this is all about is to limit the liability when Senator Dierks and I are in business and he's off and does some wrong that I don't know about, or mismanages in some way and subjects us to liability, I'm not responsible for the mistakes he makes. If I assisted in that business judgment, or if I was his supervisor and he was one of my underlings, as a supervisor I'm still going to be responsible for that liability. And so this is a much easier business entity to be involved