

§1441. Liability of general partner after conversion or merger

1. Liability not discharged. A conversion or merger under this subchapter does not discharge any liability under sections 1354 and 1377 of a person that was a general partner in or dissociated as a general partner from a converting or constituent limited partnership, but:

A. The provisions of this chapter pertaining to the collection or discharge of the liability continue to apply to the liability; [PL 2005, c. 543, Pt. C, §2 (NEW).]

B. For the purposes of applying those provisions, the converted or surviving organization is deemed to be the converting or constituent limited partnership; and [PL 2005, c. 543, Pt. C, §2 (NEW).]

C. If a person is required to pay any amount under this subsection:

(1) The person has a right of contribution from each other person that was liable as a general partner under section 1354 when the obligation was incurred and has not been released from the obligation under section 1377; and

(2) The contribution due from each of those persons is in proportion to the right to receive distributions in the capacity of general partner in effect for each of those persons when the obligation was incurred. [PL 2005, c. 543, Pt. C, §2 (NEW).]

[PL 2005, c. 543, Pt. C, §2 (NEW).]

2. Additional liability. In addition to any other liability provided by law:

A. A person that immediately before a conversion or merger became effective was a general partner in a converting or constituent limited partnership that was not a limited liability limited partnership is personally liable for each obligation of the converted or surviving organization arising from a transaction with a 3rd party after the conversion or merger becomes effective if, at the time the 3rd party enters into the transaction, the 3rd party:

(1) Does not have notice of the conversion or merger; and

(2) Reasonably believes that:

(i) The converted or surviving business is the converting or constituent limited partnership;

(ii) The converting or constituent limited partnership is not a limited liability limited partnership; and

(iii) The person is a general partner in the converting or constituent limited partnership; and [PL 2005, c. 543, Pt. C, §2 (NEW).]

B. A person that was dissociated as a general partner from a converting or constituent limited partnership before the conversion or merger became effective is personally liable for each obligation of the converted or surviving organization arising from a transaction with a 3rd party after the conversion or merger becomes effective if:

(1) Immediately before the conversion or merger became effective the converting or surviving limited partnership was not a limited liability limited partnership; and

(2) At the time the 3rd party enters into the transaction less than 2 years have passed since the person dissociated as a general partner and the 3rd party:

(i) Does not have notice of the dissociation;

(ii) Does not have notice of the conversion or merger; and

(iii) Reasonably believes that the converted or surviving organization is the converting or constituent limited partnership, the converting or constituent limited partnership is not a

limited liability limited partnership and the person is a general partner in the converting or constituent limited partnership. [PL 2005, c. 543, Pt. C, §2 (NEW).]
[PL 2005, c. 543, Pt. C, §2 (NEW).]

SECTION HISTORY

PL 2005, c. 543, §C2 (NEW).

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