

488.1111 Liability of general partner after conversion or merger.

1. A conversion or merger under this article does not discharge any liability under sections 488.404 and 488.607 of a person that was a general partner in or dissociated as a general partner from a converting or constituent limited partnership, but all of the following apply:

a. The provisions of this chapter pertaining to the collection or discharge of the liability continue to apply to the liability.

b. For the purposes of applying those provisions, the converted or surviving organization is deemed to be the converting or constituent limited partnership.

c. If a person is required to pay any amount under this subsection, all of the following apply:

(1) The person has a right of contribution from each other person that was liable as a general partner under section 488.404 when the obligation was incurred and has not been released from the obligation under section 488.607.

(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.

2. In addition to any other liability provided by law, both of the following apply:

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 third party after the conversion or merger becomes effective, if, at the time the third party enters into the transaction, all of the following apply to the third party:

(1) The third party does not have notice of the conversion or merger.

(2) The third party reasonably believes all of the following:

(a) The converted or surviving business is the converting or constituent limited partnership.

(b) The converting or constituent limited partnership is not a limited liability limited partnership.

(c) The person is a general partner in the converting or constituent limited partnership.

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 third party after the conversion or merger becomes effective, if all of the following apply:

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

(2) At the time the third party enters into the transaction less than two years have passed since the person dissociated as a general partner and all of the following apply to the third party:

(a) The third party does not have notice of the dissociation.

(b) The third party does not have notice of the conversion or merger.

(c) The third party 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.

2004 Acts, ch 1021, §99, 118

Section takes effect January 1, 2005, and applies as provided in §488.1204; see §488.1207, 2004 Acts, ch 1021, §118