

488.1112 Power of general partners and persons dissociated as general partners to bind organization after conversion or merger.

1. An act of a person that immediately before a conversion or merger became effective was a general partner in a converting or constituent limited partnership binds the converted or surviving organization after the conversion or merger becomes effective, if all of the following apply:

a. Before the conversion or merger became effective, the act would have bound the converting or constituent limited partnership under section 488.402.

b. 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 that the converted or surviving business is the converting or constituent limited partnership and that the person is a general partner in the converting or constituent limited partnership.

2. An act of a person that before a conversion or merger became effective was dissociated as a general partner from a converting or constituent limited partnership binds the converted or surviving organization after the conversion or merger becomes effective, if all of the following apply:

a. Before the conversion or merger became effective, the act would have bound the converting or constituent limited partnership under section 488.402 if the person had been a general partner.

b. 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:

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

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

(3) The third party reasonably believes that the converted or surviving organization is the converting or constituent limited partnership and that the person is a general partner in the converting or constituent limited partnership.

3. If a person having knowledge of the conversion or merger causes a converted or surviving organization to incur an obligation under subsection 1 or 2, the person is liable to either or both of the following:

a. To the converted or surviving organization for any damage caused to the organization arising from the obligation.

b. If another person is liable for the obligation, to that other person for any damage caused to that other person arising from the liability.

2004 Acts, ch 1021, §100, 118

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