

488.603 Dissociation as general partner.

A person is dissociated from a limited partnership as a general partner upon the occurrence of any of the following events:

1. The limited partnership's having notice of the person's express will to withdraw as a general partner or on a later date specified by the person.
2. An event agreed to in the partnership agreement as causing the person's dissociation as a general partner.
3. The person's expulsion as a general partner pursuant to the partnership agreement.
4. The person's expulsion as a general partner by the unanimous consent of the other partners if any of the following apply:
 - a. It is unlawful to carry on the limited partnership's activities with the person as a general partner.
 - b. There has been a transfer of all or substantially all of the person's transferable interest in the limited partnership, other than a transfer for security purposes, or a court order charging the person's interest, which has not been foreclosed.
 - c. The person is an entity which participates in a merger and is not the surviving entity.
5. On application by the limited partnership, the person's expulsion as a general partner by judicial determination because of any of the following:
 - a. The person engaged in wrongful conduct that adversely and materially affected the limited partnership activities.
 - b. The person willfully or persistently committed a material breach of the partnership agreement or of a duty owed to the partnership or the other partners under section 488.408.
 - c. The person engaged in conduct relating to the limited partnership's activities which makes it not reasonably practicable to carry on the activities of the limited partnership with the person as a general partner.
6. The person does or is one of the following:
 - a. Becomes a debtor in bankruptcy.
 - b. Executes an assignment for the benefit of creditors.
 - c. Seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the person or of all or substantially all of the person's property.
 - d. Fails, within ninety days after the appointment, to have vacated or stayed the appointment of a trustee, receiver, or liquidator of the general partner or of all or substantially all of the person's property obtained without the person's consent or acquiescence, or failing within ninety days after the expiration of a stay to have the appointment vacated.
 - e. Is a corporation that has filed articles of dissolution or the equivalent, has had its charter revoked, or has had its right to conduct business suspended by the jurisdiction of its incorporation, and all of the following apply:

(1) There is no revocation of the articles of dissolution or no reinstatement of its charter of its right to conduct business within ninety days after such filing, revocation, or suspension.

(2) The limited partnership, or any partner, notifies the partners that such filing, revocation, or suspension has occurred, and no vote to retain the general partner occurs within ninety days of such notification.

f. Is a limited liability company or partnership that has been dissolved and whose business is being wound up, and the limited partnership, or any partner, notifies the partners that such dissolution has occurred and no vote to retain the general partner occurs within ninety days of such notification.

7. In the case of a person who is an individual, any of the following:

a. The person's death.

b. The appointment of a guardian or general conservator for the person.

c. A judicial determination that the person has otherwise become incapable of performing the person's duties as a general partner under the partnership agreement.

8. In the case of a person that is a trust or is acting as a general partner by virtue of being a trustee of a trust, distribution of the trust's entire transferable interest in the limited partnership, but not merely by reason of the substitution of a successor trustee.

9. In the case of a person that is an estate or is acting as a general partner by virtue of being a personal representative of an estate, distribution of the estate's entire transferable interest in the limited partnership, but not merely by reason of the substitution of a successor personal representative.

10. Termination of a general partner that is not an individual, partnership, limited liability company, corporation, trust, or estate.

11. The limited partnership's participation in a conversion or merger under article 11, if either of the following applies:

a. The limited partnership is not the converted or surviving entity.

b. The limited partnership is the converted or surviving entity but, as a result of the conversion or merger, the person ceases to be a general partner.

2004 Acts, ch 1021, §54, 118

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