

TITLE 4: ECONOMIC RESOURCES
DIVISION 4: CORPORATIONS, PARTNERSHIPS AND ASSOCIATIONS

§ 40153. Effect of Partner's Dissociation.

(a) If a partner's dissociation results in a dissolution and winding up of the partnership business, article 8 applies; otherwise, article 7 applies.

(b) Upon a partner's dissociation:

(1) the partner's right to participate in the management and conduct of the partnership business terminates, except as otherwise provided in 4 CMC § 40163;

(2) the partner's duty of loyalty under 4 CMC § 40134(b)(3) terminates;
and

(3) the partner's duty of loyalty under 4 CMC § 40134(b)(1) and (2) and duty of care under 4 CMC § 40134(c) continue only with regard to matters arising and events occurring before the partner's dissociation, unless the partner participates in winding up the partnership's business pursuant to 4 CMC § 40163.

Source: PL 15-88, § 2(603), modified.

Commission Comment: The Commission changed capitalization and references to specific sections of PL 15-88 to corresponding code sections pursuant to 1 CMC § 3806(c) and (f).