

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

§ 40156. Dissociated Partner's Power to Bind and Liability to Partnership.

(a) For two years after a partner dissociates without resulting in a dissolution and winding up of the partnership business, the partnership, including a surviving partnership under article 9, is bound by an act of the dissociated partner which would have bound the partnership under 4 CMC § 40121 before dissociation only if at the time of entering into the transaction the other party:

- (1) reasonably believed that the dissociated partner was then a partner;
- (2) did not have notice of the partner's dissociation; and
- (3) is not deemed to have had knowledge under 4 CMC § 40123(e) or notice under 4 CMC § 40158(c).

(b) A dissociated partner is liable to the partnership for any damage caused to the partnership arising from an obligation incurred by the dissociated partner after dissociation for which the partnership is liable under subsection (a) was still a partner, did not have notice of the partner's dissociation, and is not deemed to have had knowledge of the dissociation under 4 CMC § 40123(e) or notice thereof under 4 CMC § 40158(c).

Source: PL 15-88, § 2(702), modified.

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