

§1442. Power of general partners and persons dissociated as general partners to bind organization after conversion or merger

1. Act of general partner before conversion or merger. 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:

A. Before the conversion or merger became effective, the act would have bound the converting or constituent limited partnership under section 1352; and [PL 2005, c. 543, Pt. C, §2 (NEW).]

B. At the time the 3rd party enters into the transaction, the 3rd party:

(1) Does not have notice of the conversion or merger; and

(2) 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. [PL 2005, c. 543, Pt. C, §2 (NEW).]

[PL 2005, c. 543, Pt. C, §2 (NEW).]

2. Act of dissociated general partner before conversion or merger. 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:

A. Before the conversion or merger became effective, the act would have bound the converting or constituent limited partnership under section 1352 if the person had been a general partner; and [PL 2005, c. 543, Pt. C, §2 (NEW).]

B. At the time the 3rd party enters into the transaction, less than 2 years have passed since the person dissociated as a general partner and the 3rd party:

(1) Does not have notice of the dissociation;

(2) Does not have notice of the conversion or merger; and

(3) 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. [PL 2005, c. 543, Pt. C, §2 (NEW).]

[PL 2005, c. 543, Pt. C, §2 (NEW).]

3. Liable for damage. 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:

A. To the converted or surviving organization for any damage caused to the organization arising from the obligation; and [PL 2005, c. 543, Pt. C, §2 (NEW).]

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. [PL 2005, c. 543, Pt. C, §2 (NEW).]

[PL 2005, c. 543, Pt. C, §2 (NEW).]

SECTION HISTORY

PL 2005, c. 543, §C2 (NEW).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the First Regular and First Special Session of the 131st Maine Legislature and is current through November

1. 2023. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.