

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

§ 40161. Events Causing Dissolution and Winding Up of Partnership Business.

A partnership is dissolved, and its business must be wound up, only upon the occurrence of any of the following events:

(a) In a partnership at will, the partnership's having notice from a partner, other than a partner who is disassociated under 4 CMC § 40151(b) though (j), of that partner's express will to withdraw as a partner, or on a later date specified by the partner;

(b) In a partnership for a definite term or particular undertaking:

(1) within 90 days after a partner's dissociation by death or otherwise under 4 CMC § 40151(f) through (j) or wrongful dissociation under 4 CMC § 40152(b), the express will of at least half of the remaining partners to wind up the partnership business, for which purpose a partner's rightful dissociation pursuant to 4 CMC § 40152(b)(2)(i) constitutes the expression of that partner's will to wind up the partnership business;

(2) the express will of all of the partners to wind up the partnership business; or

(3) the expiration of the term or the completion of the undertaking;

(c) An event agreed to in the partnership agreement resulting in the winding up of the partnership business;

(d) An event that makes it unlawful for all or substantially all of the business of the partnership to be continued, but a cure of illegality within 90 days after notice to the partnership of the event is effective retroactively to the date of the event for purposes of this section;

(e) On application by a partner, a judicial determination that:

(1) the economic purpose of the partnership is likely to be unreasonably frustrated;

(2) another partner has engaged in conduct relating to the partnership business which makes it not reasonably practicable to carry on the business in partnership with that partner; or

(3) it is not otherwise reasonably practicable to carry on the partnership business in conformity with the partnership agreement; or

(f) on application by a transferee of a partner's transferable interest, a judicial determination that it is equitable to wind up the partnership business:

(1) after the expiration of the term or completion of the undertaking, if the partnership was for a definite term or particular undertaking at the time of the transfer or entry of the charging order that gave rise to the transfer; or

(2) at any time, if the partnership was a partnership at will at the time of the transfer or entry of the charging order that gave rise to the transfer.

Source: PL 15-88, § 2(801), 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).