

362.2-1112 Power of general partners and persons dissociated as general partners to bind organization after conversion or merger.

- (1) An act of a person who 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 KRS 362.2-402; and
 - (b) At the time the third party enters into the transaction, the third 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.
- (2) An act of a person who 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 KRS 362.2-402 if the person had been a general partner; and
 - (b) At the time the third party enters into the transaction, less than two (2) years have passed since the person dissociated as a general partner and the third 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.
- (3) 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) of this section, then the person is liable:
 - (a) To the converted or surviving organization for any damage caused to the organization arising from the obligation; and
 - (b) If another person is liable for the obligation, to that other person for any damage caused to that other person arising from that liability.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 187, effective July 12, 2006.