



## Ohio Revised Code

### Section 1776.51 Events causing partner's dissociation.

Effective: August 6, 2008

Legislation: House Bill 332 - 127th General Assembly

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A partner is dissociated from a partnership upon the occurrence of any of the following events:

(A) The partnership has notice of the partner's express will to withdraw as a partner, on the date of the notice or on a later date the partner specifies;

(B) The happening of an event agreed to in the partnership agreement as causing the partner's dissociation;

(C) The partner's expulsion pursuant to the partnership agreement;

(D) The partner's expulsion by the unanimous vote of the other partners because of any of the following:

(1) It is unlawful to carry on the partnership business with that partner.

(2) A transfer of all or substantially all of that partner's economic interest in the partnership, other than a transfer for security purposes, or a court order charging the partner's interest, which has not been foreclosed;

(3) A certificate of dissolution is not revoked or the charter or a right to conduct business is not reinstated within ninety days after the partnership notifies a corporate partner of its expulsion because the corporate partner filed a certificate of dissolution or the equivalent, had its charter revoked, or had its right to conduct business suspended by the jurisdiction of its incorporation.

(4) The partner is a partnership that has dissolved and is winding up its business.

(E) On application by the partnership or another partner, a tribunal determines any of the following is cause for expulsion:



- (1) The partner engaged in wrongful conduct that adversely and materially affects the partnership business.
  - (2) The partner willfully or persistently committed a material breach of the partnership agreement or a duty owed to the partnership or the other partners under section 1776.44 of the Revised Code.
  - (3) The partner engaged in conduct relating to the partnership business that makes it not reasonably practicable to carry on the business in partnership with the partner.
- (F) The partner's doing any of the following:
- (1) Becoming a debtor in bankruptcy;
  - (2) Executing an assignment for the benefit of creditors;
  - (3) Seeking, consenting to, or acquiescing in the appointment of a trustee, receiver, or liquidator of that partner or of all or substantially all of that partner's property;
  - (4) Failing, within ninety days after the appointment, to have vacated or stayed the appointment of a trustee, receiver, or liquidator of either the partner or all or substantially all of the partner's property that was obtained without the partner's consent or acquiescence, or failing within ninety days after the expiration of a stay to have the appointment vacated.
- (G) Any of the following, in the case of a partner who is an individual:
- (1) The partner's death;
  - (2) The appointment of a guardian or general conservator for the partner;
  - (3) A determination by a tribunal that the partner has otherwise become incapable of performing the partner's duties under the partnership agreement.



(H) In the case of a partner that is a trust or is acting as a partner by virtue of being a trustee of a trust, distribution of the trust's entire economic interest in the partnership, but not merely by reason of the substitution of a successor trustee;

(I) In the case of a partner that is an estate or is acting as a partner by virtue of being a personal representative of an estate, distribution of the estate's entire economic interest in the partnership, but not merely by reason of the substitution of a successor personal representative;

(J) Termination of a partner that is not an individual, partnership, corporation, trust, or estate.