



Ohio Revised Code

Section 1776.56 Dissociated partner's liability to other persons.

Effective: August 6, 2008

Legislation: House Bill 332 - 127th General Assembly

(A) A partner's dissociation does not of itself discharge the partner's liability for a partnership obligation incurred before dissociation. A dissociated partner is not liable for a partnership obligation incurred after dissociation, except as otherwise provided in division (B) of this section.

(B) A partner who dissociates without resulting in a dissolution and winding up of the partnership business is liable as a partner to the other party in a transaction entered into by the partnership, or a surviving partnership under sections 1776.68 to 1776.79 of the Revised Code, within two years after the partner's dissociation, only if pursuant to section 1776.36 of the Revised Code the partner would have been liable for the obligation if the transaction had been entered into while the person was a partner and, at the time of entering into the transaction, all of the following were true:

(1) The other party reasonably believed that the dissociated partner was then a partner and reasonably relied on that belief in entering into the transaction.

(2) The other party did not have notice of the partner's dissociation.

(3) The other party is not deemed to have had knowledge under division (E) of section 1776.33 of the Revised Code or notice under division (C) of section 1776.57 of the Revised Code.

(C) By agreement with the partnership creditor and the partners continuing the business, a dissociated partner may be released from liability for a partnership obligation.

(D) A dissociated partner is released from liability for a partnership obligation if a partnership creditor, with notice of the partner's dissociation but without the partner's consent, agrees to a material alteration in the nature or time of payment of a partnership obligation.
