

**LDIR#219
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ART. VI

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ARTICLE VI
ADMINISTRATION OF PARTNERSHIP INTERESTS

GENERAL COMMENT

Though legal theorists are not entirely united on the theory of partnership association, it is clear that under any theory a partnership represents a highly delicate form of business relationship. The delicacy arises from the power of any one partner to bind the entire partnership jointly as well as his copartners severally. Kadota Fig Ass'n of Producers v. Case-Swayne Co., 73 Cal. App. (2d) 796, 167 P.(2d) 518 (1946); Southgate & Linton, 181 Tenn. 540, 181 s.w. (2d)(1944). To insure that partners are not associated with those whom they do not choose, or bound by a relationship not originally contemplated, if a partner ceases because of death or some other reason to be a member of the partnership there occurs a legal terminology a "dissolution." Trecker v. Trecker, 334 Ill. App. 263, 73 N.E. (2d) 843 (1948); Heiden v. Benttler, 11 F. Supp. 290 (N.D. Iowa 1934); Uniform Partnership Act, Sec. 29. Absent an agreement between the partners, dissolution normally requires a "winding up" of partnership affairs resulting ultimately in "termination." Charleston First Nat. Bank v. White, 268 Ill. App. 414 (1932); Webber v. Rosenberg, 318 Mass. 768, 64 N.E. (2d) 98 (1945); Uniform Partnership Act, Sec. 30. These terms are distinct. "Dissolution" designates the point in time when the partners cease to carry on the business together while "termination" is the point in time when all partnership affairs after dissolution are wound up. "Winding up" is the process of settling partnership affairs.