

UNIFORM PARTNERSHIP ACT (EXCERPT)
Act 72 of 1917

449.39 Dissolution; rights of partner when partnership dissolved for fraud or misrepresentation.

Sec. 39. (Rights where partnership is dissolved for fraud or misrepresentation). Where a partnership contract is rescinded on the ground of the fraud or misrepresentation of 1 of the parties thereto, the party entitled to rescind is, without prejudice to any other right, entitled:

(a) To a lien on, or right of retention of, the surplus of the partnership property after satisfying the partnership liabilities to third persons for any sum of money paid by him for the purchase of an interest in the partnership and for any capital or advances contributed by him, and

(b) To stand, after all liabilities to third persons have been satisfied, in the place of the creditors of the partnership for any payments made by him in respect of the partnership liabilities, and

(c) To be indemnified by the person guilty of the fraud or making the representation against all debts and liabilities of the partnership.

History: 1917, Act 72, Eff. Aug. 10, 1917;—CL 1929, 9879;—CL 1948, 449.39.