Why Michigan Should Adopt the Revised Uniform Partnership Act

By Donald A. DeLong

Introduction

The Michigan Uniform Partnership Act ("MUPA") was originally adopted in 1917[1] and was based upon the original Uniform Partnership Act ("UPA"), which was drafted and adopted by the National Conference of Commissioners on Uniform State Laws ("NCCUSL") in 1914. While it has been amended several times over the years, the basic structure of MUPA is based upon UPA. In 1994, NCCUSL unanimously adopted the Uniform Partnership Act (1994) ("RUPA"). RUPA completely changed UPA and its approach to general partnerships and their structure and organization.[2] The purpose of this article is to analyze why Michigan should adopt RUPA as an improvement over MUPA.

This article will not analyze the sections of UPA that deal with limited liability partnerships as these sections were added in 1994[3] and do not suffer from the same deficiencies as the portions of MUPA that deal with general partnerships. The remainder of this article will discuss some of the major benefits of RUPA over MUPA. A complete discussion of all the benefits of RUPA is beyond the scope of this article.

Before launching into this analysis, a brief mention of partnerships as an entity choice is in order. There is no doubt that general partnerships are no longer the entity of choice and deemed an anachronism by many. Nevertheless, partnerships, while certainly not favored, are still used today. First, it should be noted that general partnerships are the default entity of for-profit businesses. When two or more persons engage in business for profit and fail to affirmatively choose an entity, they are deemed to be a partnership.[4] Therefore, there are many "defacto" partnerships. In addition, some law firms and other professional service businesses, investment clubs, and other organizations still choose the partnership form for a variety reasons. As long as there are partnerships operating in the state of Michigan, they deserve to be organized under a statutory structure that itself is not an anachronism.

The Partnership as an Entity

One of the most fundamental changes to UPA made by RUPA, is the clarification that a partnership is an entity separate and distinct from its partners. As NCCUSL points out:

> The law of general partnerships long struggled with the question of whether a partnership is merely an aggregate of its partners or an entity distinct from its partners.
>
> The common law took the aggregate approach….
>
> Under the UPA (1914), a general partnership had both entity and aggregate characteristics, in part because the act's first reporter, who died during the lengthy drafting process, strongly favored the entity approach, while his replacement just as strongly favor the aggregate construct.[5]

This lack of focus is reflected in part II of MUPA. Specifically, section 6 of MUPA refers to a partnership as "an association of two or more persons…."[6], and section 25 of MUPA states that "[a] partner is a co-owner with his partners of specific partnership property holding as a tenant in partnership…."[7] These sections are reflective of the aggregate of partners approach. However, in section 8 of MUPA, it is stated that real property may be acquired in the partnership name and, if so acquired, can only be conveyed in the partnership name.[8] This is but one example of how MUPA straddles the fence between the aggregate and the entity theories.

RUPA resolves this issue with certainty. Section 201 of RUPA states in subsection (a) "[a] partnership is an entity distinct from its partners." Throughout RUPA the entity theory wins out, with some exceptions, making a general partnership more akin to the other types of entities recognized by Michigan. RUPA does not, however, change the fact that general partners remain jointly and severally liable for the debts of the partnership.[9]

You might be asking yourself: why does this matter? There are many reasons for resolving this seemingly semantic problem. Without going into all the nuances, there are two primary issues that should concern the practitioner. The first has to do with the fact that a partnership under the MUPA was dissolved every time a partner dissociated from the partnership. The second, which in some ways is related to the first issue, involves matters of title, both to real estate and personal property. This article will discuss each in the following sections.

Dissolution upon Partner Dissociation

Section 29 of MUPA states:

> The dissolution of a partnership is the change in the relation of the partners caused by any partner ceasing to be associated in carrying on as distinguished from the winding up of the business.[10]

Based upon the above language, a partnership is dissolved every time a partner withdraws from the partnership or assigns his or her entire interest in the management. The partnership continues after dissolution, but only for the purpose of winding up the partnership affairs.[11] However, not every purported assignment of a partnership interest causes a dissolution.

> A conveyance by a partner of his interest in the partnership does not of itself dissolve the partnership, nor as against the other partners in the absence of agreement, entitle the assignee…to interfere in the management or administration of the partnership business or affairs…but it entitles the assignee to receive in accordance with his contract the profits to which the assigning partner would otherwise be entitled….[12]

In short, absent the agreement of all the partners, a partner may convey his or her interest in the partnership, but such a conveyance only entitles the assignee of the interest the right to the profits of the assignor under the terms of the partnership agreement. If the entire interest of a partner is conveyed with the approval of the partners, the partnership is deemed dissolved. These provisions reflect the aggregate theory of partnerships, that is, that partnerships are an association of two or more people, which dissolves when one or more of them leave the organization completely.

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The aggregate aspects of MUPA create unnecessary complications. Every time a partner leaves, for whatever reason, the partnership must wind up its affairs and make distributions of its assets to its partners. If the partnership wishes to continue in business, it must start anew. This not only requires new filings with the county clerk (more about this later), but it requires a new partnership agreement, and transfers of title of the property from the "old" partnership to the partners, followed by a transfer of title to the "new" partnership.

RUPA makes clear that the partnership is "an entity distinct from its partners."[13] Section 801 of RUPA reinforces this conclusion. Section 801 specifies the events causing dissolution. There are five events that can cause a partnership to be dissolved, and this list is exhaustive. First, in a partnership at will, any partner may dissolve the partnership at any time "by express will."[14] Second, if the partnership is for a definite term or for a particular undertaking, the partnership may be dissolved by the expiration of the term or a vote of the partners.[15] Third, by the occurrence of an event or circumstance stated in the partnership agreement.[16] Fourth, on application by a partner, by the entry of an order by the appropriate court dissolving the partnership on grounds specified in RUPA.[17] Finally, on application by a transferee by the entry of an order by the appropriate court dissolving the partnership on certain equitable grounds described in RUPA.[18] RUPA provides that a partnership may expel a partner, a partner can sell his or her entire partnership interest, or a partner may withdraw without triggering a dissolution and the associated difficulties.

The durability of a partnership under RUPA does, however, create the risk that a partner may not be able to withdraw from the partnership. Under MUPA, a withdrawing partner created a dissolution that required the partnership distribute its property to the partners. A partner that was withdrawing could force the partnership to discharge its liabilities and pay the surplus in cash to the respective partners.[19] MUPA made sure that partners were not locked into the partnership, using the dissolution mechanism.

RUPA deals with this problem by creating a partnership obligation to buy out the partners who are "locked in."

> If a person is disassociated as a partner without the disassociation result-

> ing in a dissolution and winding up of the partnership business under section 801, the partnership shall cause the person's interest in the partnership to be purchased for a buyout price determined pursuant to subsection (b).[20]

In short, RUPA creates a more durable entity without sacrificing the concerns that partners are "locked into" their partnership relationship.

Title to Real Estate

Issues of real estate title arise from the interplay between three sections of MUPA: section 29 and 30, dealing with dissolution, and section 10, which specifically involves real property title issues.

Section 10(1) of MUPA attempts to clarify matters of title to real estate held by partnerships. First it states that if title is conveyed in the partnership name, "any partner may convey title to such property by a conveyance in the partnership name…." However, it goes on to state:

> …but the partnership may recover such property unless the partner's act binds the partnership under the provisions of paragraph 1 of section 9, or unless such property has been conveyed by the grantee or a person claiming through the grantee to a holder for value without knowledge that the partner, in making the conveyance, has exceeded his authority.[21]

Paragraph (1) of section 9 states that every partner is an agent of the partnership

> …and the act of every partner, including the execution in the partnership name of any instrument, for apparently carrying on in the usual way of the business of the partnership of which he is a member binds the partnership, unless the partner so acting has in fact no authority to act for the partnership in the particular matter, and the person with whom he is dealing has knowledge of the fact that he has no such authority.[22]

The Michigan Land Title Standards, 6th edition, follows the above anaylsis. A conveyance by a partnership before dissolution is binding on the partnership if (1) the deed is signed by all of the partners; (2) the deed is executed by less than all the partners, and (A) the partner executing the deed has expressed authority to convey; or (B) the deed "apparently carries on the usual way of the business of the partnership and the grantee does not have knowledge that the executing …partners are not authorized to make the conveyance;" or (3) the transfer is authorized or ratified by all of the other partners.[23]

The determination of who must be involved in conveying real estate of a partnership is even more difficult when there has been a dissolution of the partnership. Michigan Land Title Standard 11.7 describes the partners' authority to convey after a partnership dissolution:

> After dissolution, a conveyance of copartnership real property signed by less than all of the partners is binding upon the partnership if:
>
> (A) the conveyance is appropriate for:
>
> (1) completing a transaction unfinished at dissolution (except if the partnership is dissolved because it is unlawful to carry on its business); or
>
> (2) winding up partnership affairs;….[24]

Because a dissolution is caused every time a partner leaves the partnership, it appears that either all of the partners must execute the conveyance document, or the conveyance must be part of the winding up of the affairs of the partnership.

The above anlaysis is complicated and potentially creates title issues. Determining whether a sale of real estate carries on the usual business of the partnership can be a difficult question in some instances. Also, when questions of title come down to whether the grantee had knowledge of the authority of a partner to execute a deed and convey title, litigation is sure to follow. The case of *Backowski v Solecki*, 112 Mich App 401, 316 NW2d 434 (1982), illustrates the problems presented by these sections of the MUPA.

In *Backoski*, a partnership named H. S. & L. Investment Co. ("HS & L") originally had three partners, Henry Solecki ("Henry"), Lottie Solecki ("Lottie"), and Stephen Backoski ("Backoski"). Lottie's interest in the partnership was transferred to Henry. The business of HS & L was alleged to be the ownership and leasing of warehouse space. Henry executed a quitclaim deed purportedly on behalf of HS & L conveying HS & L's interest in real estate to Billmax Properties ("Billmax"). Backoski sought to recover the property from Billmax citing section 10 of MUPA.[25] A trial ensued. The primary issues at trial were

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whether the act of selling the warehouse property was binding on HS & L because this was its usual business and whether Billmax had knowledge of the lack of authority of Henry to convey the property to Billmax. *Id* at 404-408. The Michigan Court of Appeals remanded the case to the trial court, because the lower court's opinion did not specifically state the facts and law that led the trial court to its determination that title to the property should remain with Billmax. The Court of Appeals did not make a finding based upon the record because "… the credibility of the witnesses is critical to the outcome." *Id* at 409 [citations omitted].

The *Backowski* case reveals the uncertainty of title transfer when less than all of the partners of a partnership sign the deed of conveyance. The Court of Appeals made clear in this case that the testimony of the witnesses as to the authority of Henry was critical to the ultimate outcome of this case. Whenever questions of title come down to factual determinations that rely upon the testimony of human beings, clarity is sacrificed and title is potentially clouded.

…RUPA makes clear that the departure of a partner does not cause a dissolution… [and] provides a mechanism to provide a more certain outcome…

The lack of clarity is also reflected in a comment to Michigan Land Title Standard 11.7.

> The committee expresses no opinion as to who must consent to a conveyance of co-partnership real property if, before the conveyance, a partner sells his or her partnership interest to a third party (including the partner's rights and partnership property and his or her right to participate in the management and administration of partnership business and affairs), the third party is admitted as a substitute partner in the copartnership, and the business of the partnership is continued without liquidation of the partnership's affairs.

The reason the authors of the Michigan Land Title Standards cannot express an opinion is that according to MUPA,[26] the partnership is dissolved when the relation of partners is changed by any partner ceasing to be associated with the carrying on the business of the partnership. As suggested by the comments to RUPA section 201, under UPA there may even be the requirement of a deed "to convey title from the 'old' partnership to the 'new' partnership every time there is a change among partners."[27]

The above confusion is resolved under RUPA. First, RUPA makes clear that the departure of a partner does not cause a dissolution of the partnership, as described above. In addition, RUPA provides a mechanism to provide a more certain outcome, expecially when less than all of the partners sign the deed. Section 303 of RUPA allows a partnership to deliver to the appropriate authority[28] a statement that

> (2) with respect to any position that exists in or with respect to the partnership, may state the authority, or limitations on the authority, of all persons holding the position to:
>
> (A) sign an instrument transferring real property held in the name of the partnership; or
>
> (B) enter into other transactions on behalf of, or otherwise act for or bind, the partnership; and
>
> (3) may state the authority, or limitations on the authority, of a specific person to:
>
> (A) sign an instrument transferring real property held in the name of the partnership; or
>
> (B) enter into any other transactions on behalf of, or otherwise act for or bind, the partnership.

According to the comments to Section 303, the "most important goal of the statement of authority is to facilitate the transfer of real estate held in the name of the partnership."[29]

In order to eliminate doubt, subsections (f) and (g) of section 303 of RUPA, provide a mechanism by which authority to transfer real property owned by the partnership can appear in the real estate records by a filing with the appropriate register of deeds. Subsection (f) allows a buyer of property who has given value in reliance on the grant without knowledge to the contrary to rely on a statement of authority recorded with the register of deeds. Subsection (g) acts as a shield for the partnership. Subsection (g) states that all persons are deemed to know of a limitation that is contained in a certified copy recorded with the register of deeds. In other words, a buyer of real property from a partnership may rely on the statements contained in a document recorded with the register of deeds, if the buyer has given value and lacks knowledge to the contrary; and the partnership may protect itself from those claiming lack of knowledge by recording the appro-

priate statement. This is a vast improvement over MUPA.

Title to Personal Property

An additional problem with MUPA is that the mechanism for transferring title to personal property is not spelled out. Section 10 of MUPA only applies to real property. Section 8 of MUPA[30] states that a conveyance to the partnership in partnership name conveys complete title to the partnership. Therefore, personal property conveyed to the partnership becomes partnership property, but there is no statutory provision for conveying this property from the partnership. The only manner by which such partnership property could be conveyed by the partnership would be to obtain the signatures of all of the partners.

RUPA solves this problem by making section 302 applicable to both personal and real property. Section 302 is the corrolary to section 10 of MUPA. RUPA fills this gap by statutorally providing that title to personal property is transferred in the same way as real property.

Primacy of Partnership Agreement—Increased Clarity

RUPA makes clear that with a few exceptions, the partners in a partnership may organize the relationship among partners and management structure in any manner that meets the partners' needs. MUPA, on the other hand, is more restrictive. Section 18 of MUPA[31] sets forth rules governing the rights and duties of the partners, "…subject to any agreement between them…." Nowhere in MUPA does it state the provisions that are mandatory or permissive. MUPA also does not define "partnership agreement." The practitioner must read all of MUPA to try to piece to together which provisions cannot be modified in the partnership agreement, and which are the proper subjects of the partnership agreement and may modify the provisions of MUPA.

RUPA specifically states that the terms of the partnership agreement govern, except for a few mandatory provisions.[32] As stated in the Prefatory Note to RUPA, RUPA

> …gives supremacy to the partnership agreement in almost all situations. The Revised Act is, therefore, largely a series of "default rules" that govern relations among partners in situations they have not addressed in a partnership agreement. The primary focus of RUPA is the small, often informal, partnership. Larger partnerships generally have a partnership agreement addressing, and often modifying, many of the provisions of the partnership act.[33]

Sections 102(12), and 105 through 107 of RUPA spell out in detail the function of the partnership agreement. Section 102(12) defines "partnership agreement" as an oral or written agreement "…of all the partners of a partnership concerning the matters described in section 105(a). Sections 105 through 107 of RUPA are critical to understanding the function of the partnership agreement.

Section 105 provides that the partnership agreement serves five functions.

> Subsection (a) establishes the primacy of the partnership agreement in establishing *inter se* relations among the partners and partnership. Subsection (b) recognizes this act as comprising mostly default rules (i.e., gap fillers for issues as to which the partnership agreement provides no rule). Subsection (c) lists a few mandatory provisions of the act. Subsection (d) lists some provisions frequently found in partnership agreements, authorizing some unconditionally and others for so long as "not manifestly unreasonable." Subsection (e) delineates in detail both the meaning of "not manifestly unreasonable" and the information relevant to determining a claim that a provision of a partnership agreement is manifestly unreasonable.[34]

Section 106 deals with the effect of the partnership agreement on the partnership and the persons becoming partners. For example, subsection (b) provides that a person that becomes a partner is deemed to have agreed to the partnership agreement. Section 107 involves the effect of the partnership agreement on third parties. For example, subsection (d) provides that with respect to any filing with the appropriate state authority, if the filing conflicts with the partnership agreement, the partnership agreement prevails as to the partners, but the filing prevails as to third parties. Sections 105 through 107 provide a more detailed framework for structuring the partnership agreement and determining the effect of the agreement on the relations between the partners and between the partnership and third parties. MUPA has no

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such provisions leaving these matters open to interpretation.

Partner Obligations to Each Other

For the most part, RUPA follows MUPA with respect to the partner's obligations to each other. However, there is one significant improvement in how a partner may enforce the partner's obligations to another. Under MUPA, the only way a partner could enforce his or her rights was to demand a formal accounting. This result is made clear in *Gilroy v Conway*, 151 Mich App 628, 637, 391 NW2d 419 (1986):

> Neither do we see anything in the Uniform Partnership Act to suggest that an aggrieved partner is entitled to any remedy other than to be made whole economically. The act defines identically the partnership fiduciary duty and the remedy for its breach, i.e., to account….

Under the MUPA it appears that the exclusive remedy for a violation of a partner's obligations to his or her fellow partners is to render an accounting, and then, based upon the accounting to put those wronged partners in the position they would have been but for the breach. The mechanism for making the wronged partner whole is to dissolve the partnership.

Section 401 of RUPA allows a partner to, in essence, bring a derivative action on behalf of the partnership.

> (a) A partnership may maintain an action against a partner for a breach of the partnership agreement, or for a violation of a duty to the partnership, causing harm to the partnership.
>
> (b) A partner may maintain an action against the partnership or another partner, with or without an accounting as to partnership business, to enforce the partner's rights and protect the partner's interests, including rights and interests under the partnership agreement or this [act] or arising independently of the partnership relationship.
>
> (c) A right to an accounting on dissolution and winding up does not revive a claim barred by law.

This section of RUPA opens many different avenues for partners to address the wrongs committed by their partners, and it more closely aligns those remedies with those enjoyed by shareholders of corporations and members of limited liability companies. RUPA's expansion of the remedies available to partners is preferable to the only remedy available under MUPA: that is, accounting and dissolution of the partnership.

Reorganization Transactions

MUPA has no provision authorizing a general partnership to merge or convert into any other type of entity. Because of this shortcoming, if a general partnership wants to merge with, for example, a limited liability company, it must dissolve, distribute its assets to its partners, who must, in turn, contribute those assets to the "new" entity, or alternatively, "sell" its assets to the new entity. Regardless of the method chosen, the inability to merge or convert to another type of entity hobbles the general partnership organized in Michigan.

RUPA has comprehensive provisions allowing partnerships to merge,[35] exchange interests,[36] or convert into any other type of entity.[37] These comprehensive provisions bring general partnerships more in line with limited liability companies and corporations in how they can deal with changes to their organizational structure. For example, RUPA allows a partnership to provide for appraisal rights if the partnership agreement allows the vote of a reorganization by less than all the partners.[38]

These reorganization provisions are a vast improvement allowing general partnerships to engage in most of the reorganization transactions that other entities can participate in, avoiding the need to dissolve the original partnership.

Improved Public Notice and "Filing"

For the practitioner, a major drawback of MUPA is the method by which a partnership "registers" or provides public notice of its existence. MUPA has no provision that provides for such registration or public notice. The method by which a partnership provides public notice of its existence is found in 1913 PA 164, MCL 449.101-449.106, a statutory provision that even predates MUPA. According to MCL 449.101

> No 2 or more persons shall hereafter be engaged in carrying on any business as copartners unless such persons shall first make and file with the county clerk of the county in which such copartnership business is or shall

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> be located, a certificate in writing, to be signed by each, and verified by the affidavit of one of the members of said copartnership, setting forth the full name of each and every person composing the said copartnership, and the residence of each, the name and style of the firm, and the length of time for which it is to continue.

The certificate filed with the county clerk must be renewed every five years.[39] Furthermore, every time there is a change in the name, "style," or time of its existence, the partnership must file a new certificate.[40] From a practical standpoint, every time a partner joins or leaves the partnership, a new certificate must be filed. If a new certificate is not filed, "individual members of the firm, as set forth in the certificate on file, shall be held to be the actual members of the firm, and in all respects holden [sic] and liable for any obligation, debt or liability, incurred by the said copartnership."[41]

This method of registering partnerships is antiquated and inefficient. Requiring a partnership to register in every county in which it does business can result in multiple filings. For example, a partnership that owns real estate in more than one county will be required to file a certificate of copartnership in every such county, once every five years. In addition, a new certificate should be filed every time there is a change of partners in order to avoid the previously named partners from being considered liable for all the debts of the partnership. This is an unnecessary administrative burden.

RUPA provides a streamlined method of providing notice of the existence of the partnership and any other matters which the partners deem important. There is no requirement under RUPA that a partnership file a certificate or other document, as required by Michigan law. The filings are permissive. For example, according to section 303 of RUPA, a partnership "may" file a statement of "partnership authority," which statement may set forth the authority, or limitations on authority, of specific partners. There is no requirement that the names of the partners and their residential addresses be listed. In this age of heightened concerns about privacy, the elimination of this requirement is a big step forward.

RUPA also contemplates centralized filing. RUPA states that the above filings will be made with the "secretary of state," which is the department most states appoint to administer their corporations, limited liability companies, and other entities authorized by their laws. In Michigan, the Department of Licensing and Regulatory Affairs (LARA) is responsible for administering all these entities, except partnerships. If RUPA were adopted in Michigan, presumably LARA would become responsible for partnerships and any filings partnerships chose to file. Partnerships would only be required to file in one location as opposed to filing in every county in which they do business. The centralized filing of RUPA would not only make it easier for partnerships, but also for all those third parties who make public searches for information regarding the operation of businesses that happen to operate as partnerships. In short, there is no reason to have two separate governmental agencies, one at the state level and the other at the county level, responsible for administering entities based merely upon the form the entity takes.

Conclusion

MUPA is based upon a 105-year-old model act, and it shows its age. MUPA clings to an aggregate theory of an association of partners rather than the more consistent entity theory. Causing a dissolution every time a partner leaves or joins the partnership no longer makes any sense. RUPA will also help resolve some title issues related to real and personal property by embracing the entity theory. If the appropriate partnership filings are made with LARA, title companies will not be required to obtain the signatures of all the partners or run the risk of relying on the testimony or affidavits of partners who may prove to be wrong in court. Allowing partnerships to engage in reorganization transactions is an improvement especially since there are so many different types of organizations that exist today than existed in 1914. Allowing partners greater latitude to determine the rules that govern the rights and duties of partners to one another also makes sense. Finally, centralized and permissive filing with LARA will eliminate unnecessary multiple and repeated filings at the county level. For these reasons and many others, it is time for Michigan to step into the 21st century and join the 43 states that have adopted RUPA in some form.[42]

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NOTES

1. 1917 PA 72, effective August 10, 1917, and codified in MCL 449.1 et seq.

2. The history of RUPA can be found in the Prefatory Note to "Uniform Partnership Act (1997)" drafted by NCCUSL at its Annual Conference Meeting, July 6-July 12, 2013 (Hereinafter referred to as the "NCCUSL RUPA Report"). NCCUSL adopted amendments to RUPA in 1997 ("1997 RUPA"), 2011 and 2013 ("Harmonized RUPA"). For ease of reference this article will refer to RUPA, as amended by 1997 RUPA and Harmonized RUPA, simply as RUPA, unless reference to the specific amendments is required.

3. 1994 PA 323.

4. MCL 449.6(1), defines a partnership as "an association of 2 or more persons…to carry on as co-owners a business for profit…", and MCL 449.6(2) excludes any "association formed under any other statute of this state…" from the definition of partnership. MCL 449.7 specifies the rules for determining whether a partnership exists.

5. NCCUSL RUPA Report, p 60.

6. MCL 449.6(1).

7. MCL 449.25(1).

8. MCL 449.8(3).

9. Section 306(a) of RUPA

10. MCL 449.29.

11. Section 30 of MUPA, MCL 449.30

12. MCL 449.27(1).

13. Section 201 (a), RUPA.

14. Section 801(1) of RUPA.

15. Section 801(2) of RUPA

16. Section 801(3) of RUPA

17. Section 801(4) of RUPA

18. Section 801(5) of RUPA.

19. MCL 449.38(1).

20. Section 701(a) of RUPA

21. MCL 449.10(1).

22. MCL 449.9(1).

23. Michigan Land Title Standard 11.3 (Sixth Edition through Supplement No. 3)

24. Michigan Land Title Standard 11.7 also describes conveyances where the grantee extended credit to the partnership before dissolution and other circumstances.

25. MCL 449.10.

26. Section 30 of MUPA, MCL 449.30

27. See RUPA section 201 and the comments thereto. This comment cited to the case of Fairway Development Co v. Title Insurance Co., 621 F Supp 120 (ND Ohio 1985), which held that a partnership that resulted after a partner's death did not have standing to enforce title insurance issued to the previous partnership that existed prior to the partner's death.

28. The Harmonizing RUPA allows a partnership to file with the same authority that administers limited liability companies, corporations, limited partnership, and most other entities. In Michigan this would presumably to the Department of Licensing and Regulatory Affairs (LARA).

29. See comment 2 to section 303, page 45 of NCCUSL RUPA Report.

30. MCL 449.8.

31. MCL 449.18.

32. Subsections (c) and (d) of section 105 of RUPA list the mandatory provisions.

33. NCCUSL RUPA Report, p 2.

34. NCCUSL RUPA Report, Comment to section 105, p 28.

35. Sections 1121 to 1126 of RUPA.

36. Sections 1131 to 1136 of RUPA. An interest exchange is akin to a share exchange under the Michigan Business Corporation Act, MCL 450.1702.

37. Sections 1141 to 1146 of RUPA

38. Section 1106 of RUPA.

39. MCL 449.101a and 449.101b.

40. MCL 449.102.

41. *Id.*

42. 43 states have at least adopted the 1994 RUPA. See the Uniform Law Commissions web site, found at https://www.uniformlaws.org/committees/community-home?CommunityKey=52456941-7883-47a5-91b6-d2f086d0bb44.

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