

POLICY STATEMENT ON CANCELLATION OF A LIMITED PARTNERSHIP

The following policy shall be in effect as of February 4, 1992 and remain in effect unless rescinded or modified by the Bureau Director.

Section 203(a) of the Michigan Uniform Limited Partnership Act provides, in part, that "A certificate of limited partnership shall be canceled upon the dissolution and the commencement of winding up of the partnership or at any other time there are no limited partners." In addition, Section 203(a) lists the information required in the certificate of cancellation which shall be filed with the administrator and the reason for filing the certificate of cancellation.

Section 801 of the Act provides that a limited partnership shall be dissolved and its affairs wound up upon the happening of specific events.

A certificate of cancellation shall be considered to substantially comply with the requirement, in Section 203(a)(3) of the Act, to state "the reason for filing the certificate of cancellation" if the certificate describes a dissolution under the terms stated in Section 801 of the Act. Except for a dissolution pursuant to section 801 (1), (3) or (4) the written consent of all partners is required, although the written consent need not be filed with the administrator. It is insufficient to state as the reason for filing the certificate of cancellation that the limited partnership is dissolved.

This policy is necessary to clarify that the general partner, or partners when there is more than one, cannot dissolve a limited partnership on their own action without the consent of the limited partners. A limited partnership may be dissolved in accordance with Section 801(1), (3) or (4) without consent of the limited partners, however.

Approved by Carl L. Tyson, Director
Corporation and Securities Bureau
on February 4, 1992