

48-1d-603 Transfer of transferable interest.

- (1) A transfer, in whole or in part, of a transferable interest:
 - (a) is permissible;
 - (b) does not by itself cause a person's dissociation or a dissolution and winding up of the partnership's activities and affairs; and
 - (c) subject to Section 48-1d-605, does not entitle the transferee to:
 - (i) participate in the management or conduct of the partnership's activities and affairs; or
 - (ii) except as otherwise provided in Subsection (3), have access to records or other information concerning the partnership's activities and affairs.
- (2) A transferee has the right to:
 - (a) receive, in accordance with the transfer, distributions to which the transferor would otherwise be entitled; and
 - (b) seek under Subsection 48-1d-901(5) a judicial determination that it is equitable to wind up the partnership's activities and affairs.
- (3) In a dissolution and winding up of a partnership, a transferee is entitled to an account of the partnership's transactions only from the date of the last account agreed to by the partners.
- (4) A partnership need not give effect to a transferee's rights under this section until the partnership knows or has notice of the transfer.
- (5) A transfer of a transferable interest in violation of a restriction on transfer contained in the partnership agreement is ineffective as to a person having knowledge or notice of the restriction at the time of transfer.
- (6) Except as otherwise provided in Subsection 48-1d-701(4)(b), if a partner transfers a transferable interest, the transferor retains the rights of a partner other than the transferable interest transferred and retains all duties and obligations of a partner.
- (7) If a partner transfers a transferable interest to a person that becomes a partner with respect to the transferred interest, the transferee is liable for the transferor's obligations under Sections 48-1d-502 and 48-1d-505 known to the transferee when the transferee becomes a partner.

Enacted by Chapter 412, 2013 General Session