

# PARTNERSHIP DISSOLUTION AND WINDUP

# Events, Continuance, Liquidation, Settlement and Contribution

## A. Events Causing Dissolution

1. Dissolution will occur if at least half of the remaining partners decide
2. The partnership agreement can decide
3. Illegality
4. Judicial determination

## B. When a Partnership Continues After Dissolution

1. Partnership continues only for the purpose of winding up

## C. Liquidation Distribution Priority

1. Creditors must be paid
2. Partner's initial capital contribution must be paid
3. Leftover profits are shared equally

## D. Settlement and Contribution

1. If distribution results in the partnership being insolvent, partners may be assessed a required contribution.

