

MICHIGAN REVISED UNIFORM LIMITED PARTNERSHIP ACT (EXCERPT)
Act 213 of 1982
Article 10

449.2001 Limited partner; right to bring action to recover judgment.

Sec. 1001.

A limited partner may bring an action in the right of a limited partnership to recover a judgment in its favor if general partners with authority to do so have refused to bring the action or if an effort to cause those general partners to bring the action is not likely to succeed.

History: 1982, Act 213, Eff. Jan. 1, 1983

449.2002 Status of plaintiff in derivative action.

Sec. 1002.

In a derivative action, the plaintiff must be a partner at the time of bringing the action and (1) at the time of the transaction of which the plaintiff complains or (2) his or her status as a partner had devolved upon him or her by operation of law or pursuant to the terms of the partnership agreement from a person who was a partner at the time of the transaction.

History: 1982, Act 213, Eff. Jan. 1, 1983

449.2003 Complaint in derivative action; contents.

Sec. 1003.

In a derivative action, the complaint shall set forth with particularity the effort of the plaintiff to secure initiation of the action by a general partner or the reasons for not making the effort.

History: 1982, Act 213, Eff. Jan. 1, 1983

449.2004 Discontinuance, compromise, or settlement of derivative action; court approval; notice; costs.

Sec. 1004.

An action authorized by section 1001 shall not be discontinued, compromised, or settled without approval by the court having jurisdiction of the action. If the court determines that the interest of the limited partners or of any class thereof will be substantially affected by the discontinuance, compromise, or settlement, the court may direct that notice, by publication or otherwise, be given to the limited partners or any class thereof whose interests it determines will be so affected. If notice is so directed to be given, the court may determine which 1 or more of the parties to the action shall bear the expense of giving the notice, in such amount as the court determines and finds to be reasonable in the circumstances. The amount of such expense shall be awarded as special costs of the action and recoverable in the same manner as statutory taxable costs.

History: 1982, Act 213, Eff. Jan. 1, 1983

449.2005 Awarding expenses to plaintiff in successful derivative action; remittance to limited partnership of remainder of proceeds; exception; action brought without reasonable cause; payment of defendants' expenses by plaintiff.

Sec. 1005.

(a) If a derivative action is successful, in whole or in part, or if anything is received by the plaintiff as a result of a judgment, compromise, or settlement of an action or claim, the court may award the plaintiff reasonable expenses, including reasonable attorneys' fees, and shall direct the plaintiff to remit to the limited partnership the remainder of those proceeds received by him or her. This subsection does not apply to a judgment rendered for the benefit of an injured limited partner only and limited to a recovery of the loss or damage sustained by him or her.

(b) In an action brought in the right of the limited partnership by a limited partner of the limited partnership, the court having jurisdiction, upon final judgment and finding that the action was brought without reasonable cause, may require the plaintiff to pay to the parties named as defendants the reasonable expenses, including fees of attorneys, incurred by them in the defense of the action.

History: 1982, Act 213, Eff. Jan. 1, 1983