

**PARTNERS AND JOINT DEBTORS; SETTLEMENTS OR COMPROMISES WITH CREDITORS
(EXCERPT)
Act 181 of 1859**

449.153 Settlements with creditors; rights against undischarged partners not impaired; right to set off and defense.

Sec. 3.

Such settlement or compromise with the individual member of a firm or copartnership shall not be so construed as to discharge the other copartners except as provided in the first section of this act nor shall it impair the right of the creditors to proceed in law or in equity against the members of such firm or copartnership as have not been discharged and it shall not be necessary to make such person or persons as have been discharged by such settlement or compromise parties to any suit with the other copartners who have not been discharged, and the member or members of such firm or copartnership so proceeded against shall be entitled to set off any demand against said creditor or creditors which could have been set off had such suit been brought against all the individuals comprising such firm or copartnership nor shall such settlement, compromise or discharge of an individual of a firm or copartnership prevent the other members of such firm or copartnership from availing themselves of any defense at law or equity that would have been available had not this act been passed except that they shall not set up the discharge of 1 or more partners as the discharge of the other copartners unless it shall expressly appear in the receipt or memorandum that all were intended to be discharged.

History: 1859, Act 181, Eff. May 18, 1859 ;-- CL 1871, 6201 ;-- How. 7785 ;-- CL 1897, 10451 ;-- CL 1915, 14583 ;-- CL 1929, 9937 ;-- CL 1948, 449.153