

§ 59-70. Rules for distribution.

In settling accounts between the partners after dissolution, the following rules shall be observed, subject to any agreement to the contrary:

- (1) The assets of the partnership are
 - a. The partnership property,
 - b. The contributions of the partners necessary for the payment of all the liabilities specified in subdivision (2) of this section.
- (2) The liabilities of the partnership shall rank in order of payment, as follows:
 - a. Those owing to creditors other than partners,
 - b. Those owing to partners other than for capital and profits,
 - c. Those owing to partners in respect of capital,
 - d. Those owing to partners in respect of profits.
- (3) The assets shall be applied in the order of their declaration in subdivision (1) of this section to the satisfaction of the liabilities.
- (4) The partners shall contribute, as provided by G.S. 59-48, subdivision (1) the amount necessary to satisfy the liabilities; but if any, but not all, of the partners are insolvent, or, not being subject to process, refuse to contribute, the other partners shall contribute their share of the liabilities, and, in the relative proportions in which they share the profits, the additional amount necessary to pay the liabilities.
- (5) An assignee for the benefit of creditors or any person appointed by the court shall have the right to enforce the contributions specified in subdivision (4) of this section.
- (6) Any partner or his legal representative shall have the right to enforce the contributions specified in subdivision (4) of this section, to the extent of the amount which he has paid in excess of his share of the liability.
- (7) The individual property of a deceased partner shall be liable for the contributions specified in subdivision (4) of this section.
- (8) When partnership property and the individual properties of the partners are in possession of a court for distribution, partnership creditors shall have priority on partnership property and separate creditors on individual property, saving the rights of lien or secured creditors as heretofore.
- (9) Where a partner has become bankrupt or his estate is insolvent the claims against the separate property shall rank in the following order:
 - a. Those owing to separate creditors,
 - b. Those owing to partnership creditors,
 - c. Those owing to partners by way of contribution. (1941, c. 374, s. 40.)