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## Civil Code and Related Subjects: Partnerships

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## PARTNERSHIPS

*Robert A. Pascal\**

Only one decision, *Novick v. Miller*,<sup>1</sup> presented partnership issues. Partners in commendam demanded a dissolution of the partnership because of (1) the failure of the general partners to take stock inventories in the two years preceding and (2) the general partners' having raised their salaries without the knowledge or consent of the partners in commendam. They also demanded that the general partners pay back to the partnership what they had received as salary increases. The court ruled that the omissions and actions complained of were not sufficient to warrant a dissolution of the partnership.

The court also ruled that the general partners could not without the consent of the partners in commendam take any action which would increase the total amount paid in salaries to general partners as a group beyond the sum at which it stood when the partners in commendam first entered into a partnership with the general partners. When a partnership was first formed among the parties there were three general partners, each of whom began drawing a salary under an understanding among all partners not included in the articles of partnership. When one of the three general partners died another similar partnership was formed among the survivors, but apparently there was no specific mention of salaries at that time. The formula used by the Supreme Court permitted it to allow the general partners to increase their salaries to an amount equivalent to that paid to the deceased party during the first partnership. The court must have found as a fact that when the second partnership was formed the partners in commendam in silence consented to the possibility of the two general partners raising their total salaries to a sum equal to that paid to the three during the existence of the first partnership. Otherwise the decision would have to be considered erroneous in that it permitted the two general partners to change the formula for distributing profits without the consent of the partners in commendam.

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1. 222 La. 469, 62 So. 2d 645 (1952).