

ASSEMBLY BILL

No. 651

Introduced by Assembly Member Anderson

February 25, 2009

An act to amend Section 6330 of the Corporations Code, relating to corporations.

LEGISLATIVE COUNSEL'S DIGEST

AB 651, as introduced, Anderson. Corporate records: rights of inspection.

Existing law entitles a member of a corporation to inspect, or obtain a copy of, the record of the names, addresses, and voting rights of those members entitled to vote for the election of directors.

This bill would make nonsubstantive changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 6330 of the Corporations Code is
- 2 amended to read:
- 3 6330. (a) Subject to Sections 6331 and 6332, and unless the
- 4 corporation provides a reasonable alternative pursuant to
- 5 subdivision (c), a member may do either or both of the following
- 6 as permitted by subdivision (b):
- 7 (1) Inspect and copy the record of all the members' names,
- 8 addresses, and voting rights, at reasonable times, upon five business
- 9 days' prior written demand upon the corporation, which demand

1 shall state the purpose for which the inspection rights are requested;
2 or.

3 (2) Obtain from the secretary of the corporation, upon written
4 demand and tender of a reasonable charge, an alphabetized list of
5 the names, addresses, and voting rights of those members entitled
6 to vote for the election of directors, as of the most recent record
7 date for which it has been compiled or as of a date specified by
8 the member subsequent to the date of demand. The demand shall
9 state the purpose for which the list is requested. The membership
10 list shall be made available on or before the later of 10 business
11 days after the demand is received or after the date specified therein
12 as the date as of which the list is to be compiled.

13 (b) The rights set forth in subdivision (a) may be exercised by
14 *the following*:

15 (1) Any member, for a purpose reasonably related to the person's
16 interest as a member. Where the corporation reasonably believes
17 that the information will be used for another purpose, or where it
18 provides a reasonable alternative pursuant to subdivision (c), it
19 may deny the member access to the list. In any subsequent action
20 brought by the member under Section 6336, the court shall enforce
21 the rights set forth in subdivision (a) unless the corporation proves
22 that the member will allow use of the information for purposes
23 unrelated to the person's interest as a member or that the alternative
24 method offered reasonably achieves the proper purpose set forth
25 in the demand.

26 (2) The authorized number of members for a purpose reasonably
27 related to the members' interest as members.

28 (c) The corporation may, within 10 business days after receiving
29 a demand under subdivision (a), deliver to the person or persons
30 making the demand a written offer of an alternative method of
31 achieving the purpose identified in the demand without providing
32 access to or a copy of the membership list. An alternative method
33 ~~which~~ *that* reasonably and in a timely manner accomplishes the
34 proper purpose set forth in a demand made under subdivision (a)
35 shall be deemed a reasonable alternative, unless within a reasonable
36 time after acceptance of the offer the corporation fails to do those
37 things ~~which~~ *that* it offered to do. Any rejection of the offer shall
38 be in writing and shall indicate the reasons the alternative proposed

- 1 by the corporation does not meet the proper purpose of the demand
- 2 made pursuant to subdivision (a).

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