

1 **CORPORATE ELECTRONIC RECORDS AMENDMENTS**

2 2020 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Jeffrey D. Stenquist**

5 Senate Sponsor: \_\_\_\_\_

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7 **LONG TITLE**

8 **General Description:**

9 This bill amends provisions in Title 16, Chapter 10a, Utah Revised Business  
10 Corporation Act, related to corporate records.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ defines terms;
- 14 ▶ authorizes a corporation to:
  - 15 • use an electronic network to create and maintain corporate records;
  - 16 • use a data address to identify a corporation's shareholder; and
  - 17 • accept a shareholder vote if signed by a network signature that corresponds to a
- 18 data address;
  - 19 ▶ provides requirements for the use of electronic networks; and
  - 20 ▶ makes technical and conforming changes.

21 **Money Appropriated in this Bill:**

22 None

23 **Other Special Clauses:**

24 None

25 **Utah Code Sections Affected:**

26 AMENDS:

27 **16-10a-102**, as last amended by Laws of Utah 2008, Chapter 249



- 28           16-10a-720, as last amended by Laws of Utah 2010, Chapter 378
- 29           16-10a-724, as enacted by Laws of Utah 1992, Chapter 277
- 30           16-10a-730, as last amended by Laws of Utah 2010, Chapter 378
- 31           16-10a-1601, as enacted by Laws of Utah 1992, Chapter 277
- 32           16-10a-1602, as enacted by Laws of Utah 1992, Chapter 277
- 33           42-2-6.6, as last amended by Laws of Utah 2015, Chapter 240

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35 *Be it enacted by the Legislature of the state of Utah:*

36           Section 1. Section 16-10a-102 is amended to read:

37           **16-10a-102. Definitions.**

38           As used in this chapter:

39           (1) (a) "Address" means a location where mail can be delivered by the United States  
40 Postal Service.

41           (b) "Address" includes:

- 42           (i) a post office box number;
- 43           (ii) a rural free delivery route number; and
- 44           (iii) a street name and number.

45           (2) "Affiliate" means a person that directly or indirectly through one or more  
46 intermediaries controls, or is controlled by, or is under common control with, the person  
47 specified.

48           (3) "Assumed corporate name" means a name assumed for use in this state by a foreign  
49 corporation [~~pursuant to~~] under Section 16-10a-1506 because [~~its~~] the foreign corporation's  
50 corporate name is not available for use in this state.

51           (4) "Articles of incorporation" include:

- 52           (a) amended and restated articles of incorporation;
- 53           (b) articles of merger; and
- 54           (c) a document of a similar import to those described in Subsections (4)(a) and (b).

55           (5) "Authorized shares" means the shares of all classes a domestic or foreign  
56 corporation is authorized to issue.

57           (6) "Bylaws" includes amended bylaws and restated bylaws.

58           (7) "Cash" and "money" are used interchangeably in this chapter and mean:

- 59 (a) legal tender;
- 60 (b) a negotiable instrument; and
- 61 (c) a cash equivalent readily convertible into legal tender.
- 62 (8) "Conspicuous" means so written that a reasonable person against whom the writing
- 63 is to operate should have noticed ~~[it]~~ the writing, including printing or typing in:
- 64 (a) italics;
- 65 (b) boldface;
- 66 (c) contrasting color;
- 67 (d) capitals; or
- 68 (e) underlining.
- 69 (9) "Control" or a "controlling interest" means the direct or indirect possession of the
- 70 power to direct or cause the direction of the management and policies of an entity, whether
- 71 through the ownership of voting shares, by contract, or otherwise.
- 72 (10) "Corporate name" means:
- 73 (a) the name of a domestic corporation or a domestic nonprofit corporation as stated in
- 74 ~~[its]~~ the corporation's articles of incorporation; or
- 75 (b) the name of a foreign corporation or a foreign nonprofit corporation as stated in
- 76 ~~[its]~~ the corporation's articles of incorporation or document of similar import.
- 77 (11) "Corporation" or "domestic corporation" means a corporation for profit that:
- 78 (a) is not a foreign corporation; and
- 79 (b) is incorporated under or subject to this chapter.
- 80 (12) "Data address" means a string of alphanumeric characters on a distributed
- 81 electronic network or database that may be accessed to facilitate or record a transaction on the
- 82 distributed electronic network or database only by knowledge or possession of a private key.
- 83 ~~[(12)]~~ (13) "Deliver" includes delivery by mail or another means of transmission
- 84 authorized by Section [16-10a-103](#), except that delivery to the division means actual receipt by
- 85 the division.
- 86 ~~[(13)]~~ (14) (a) "Distribution" means the following by a corporation to or for the benefit
- 87 of ~~[its]~~ the corporation's shareholders in respect of any of the corporation's shares:
- 88 (i) a direct or indirect transfer of money or other property, other than a corporation's
- 89 own shares; or

90 (ii) incurrence of indebtedness by the corporation.

91 (b) A distribution may be in the form of:

92 (i) a declaration or payment of a dividend;

93 (ii) a purchase, redemption, or other acquisition of shares;

94 (iii) distribution of indebtedness; or

95 (iv) another form.

96 [~~(14)~~] (15) "Division" means the Division of Corporations and Commercial Code.

97 [~~(15)~~] (16) "Effective date," when referring to a document filed by the division, means

98 the time and date determined in accordance with Section 16-10a-123.

99 [~~(16)~~] (17) "Effective date of notice" means the date notice is effective as provided in

100 Section 16-10a-103.

101 [~~(17)~~] (18) "Electronic transmission" or "electronically transmitted" means a process of

102 communication not directly involving the physical transfer of paper, including a process of

103 communication that uses a distributed electronic network or database, that is suitable for the

104 receipt, retention, retrieval, and reproduction of information by the recipient, whether by

105 e-mail, facsimile, or otherwise.

106 [~~(18)~~] (19) "Employee" includes an officer but not a director, unless the director

107 accepts a duty that makes that director also an employee.

108 [~~(19)~~] (20) "Entity" includes:

109 (a) a domestic and foreign corporation;

110 (b) a nonprofit corporation;

111 (c) a limited liability company;

112 (d) a profit or nonprofit unincorporated association;

113 (e) a business trust;

114 (f) an estate;

115 (g) a partnership;

116 (h) a trust;

117 (i) two or more persons having a joint or common economic interest;

118 (j) a state;

119 (k) the United States; and

120 (l) a foreign government.

121           ~~[(20)]~~ (21) "Foreign corporation" means a corporation for profit incorporated under a  
122 law other than the law of this state.

123           ~~[(21)]~~ (22) "Governmental subdivision" means:

124           (a) county;

125           (b) municipality; or

126           (c) another type of governmental subdivision authorized by the laws of this state.

127           (23) "Identity" means the name of a shareholder or the data address for which the  
128 shareholder has knowledge or possession of the private key uniquely associated with the data  
129 address.

130           ~~[(22)]~~ (24) "Individual" means:

131           (a) a natural person;

132           (b) the estate of an incompetent individual; or

133           (c) the estate of a deceased individual.

134           ~~[(23)]~~ (25) "Mail," "mailed," or "mailing" means deposit, deposited, or depositing in  
135 the United States mail, properly addressed, first class postage prepaid, and includes registered  
136 or certified mail for which the proper fee is paid.

137           (26) "Network signature" means a string of alphanumeric characters that, when  
138 broadcast by a shareholder to the data address's corresponding distributed electronic network or  
139 database, provides reasonable assurances to a corporation that the shareholder has knowledge  
140 or possession of the private key uniquely associated with the data address.

141           ~~[(24)]~~ (27) "Notice" ~~[is as provided]~~ means the same as that term is defined in Section  
142 [16-10a-103](#).

143           ~~[(25)]~~ (28) "Principal office" means the office, in or out of this state, designated by a  
144 domestic or foreign corporation as ~~[its]~~ the corporation's principal office in the most recent  
145 document on file with the division providing the information, including:

146           (a) an annual report;

147           (b) an application for a certificate of authority; or

148           (c) a notice of change of principal office.

149           ~~[(26)]~~ (29) "Proceeding" includes:

150           (a) a civil suit;

151           (b) arbitration or mediation; and

152 (c) a criminal, administrative, or investigatory action.

153 ~~[(27)]~~ (30) "Qualified shares" means, with respect to a director's conflicting interest  
154 transaction ~~[pursuant to]~~ under Section [16-10a-853](#), one or more shares entitled to vote on the  
155 transaction, except a share:

156 (a) that, to the knowledge, before the vote, of the secretary, other officer, or agent of  
157 the corporation authorized to tabulate votes, is beneficially owned; or

158 (b) the voting of which is controlled, by:

159 (i) a director who has a conflicting interest respecting the transaction; or

160 (ii) a related person of that director~~[-or]~~.

161 ~~[(iii) a person referred to in Subsections (27)(b)(i) and (ii).]~~

162 ~~[(28)]~~ (31) "Receive," when used in reference to receipt of a writing or other document  
163 by a domestic or foreign corporation, means the writing or other document is actually received  
164 by:

165 (a) the corporation at ~~[its]~~ the corporation's:

166 (i) registered office in this state; or

167 (ii) principal office;

168 (b) the secretary of the corporation, wherever the secretary is found; or

169 (c) another person authorized by the bylaws or the board of directors to receive the  
170 writing or other document, wherever that person is found.

171 ~~[(29)]~~ (32) (a) "Record date" means the date established under Part 6, Shares and  
172 Distributions, or Part 7, Shareholders, on which a corporation determines the identity of ~~[its]~~  
173 the corporation's shareholders.

174 (b) The determination under Subsection ~~[(29)]~~ (32)(a) shall be made as of the close of  
175 business on the record date unless another time for doing so is specified when the record date is  
176 fixed.

177 (33) "Record of shareholders" means a record administered by or on behalf of a  
178 corporation that records the identity of:

179 (a) each of the corporation's shareholders; and

180 (b) the number and class of shares held by each shareholder in accordance with Section  
181 [16-10a-1601](#).

182 ~~[(30)]~~ (34) "Registered office" means the office within this state designated by a

183 domestic or foreign corporation as ~~[its]~~ the corporation's registered office in the most recent  
 184 document on file with the division providing that information, including:

- 185 (a) articles of incorporation;
- 186 (b) an application for a certificate of authority; or
- 187 (c) a notice of change of registered office.

188 ~~[(31)]~~ (35) "Related person" of a director means:

- 189 (a) the spouse of the director;
- 190 (b) a child, grandchild, sibling, or parent of the director;
- 191 (c) the spouse of a child, grandchild, sibling, or parent of the director;
- 192 (d) an individual having the same home as the director;
- 193 (e) a trust or estate of which the director or any other individual specified in this

194 Subsection ~~[(31)]~~ (35) is a substantial beneficiary; or

- 195 (f) a trust, estate, incompetent, conservatee, or minor of which the director is a  
 196 fiduciary.

197 ~~[(32)]~~ (36) "Secretary" means the corporate officer to whom the bylaws or the board of  
 198 directors delegates responsibility under Subsection 16-10a-830(3) for:

- 199 (a) the preparation and maintenance of:
  - 200 (i) minutes of the meetings of the board of directors and of the shareholders; and
  - 201 (ii) the other records and information required to be kept by the corporation by Section  
 202 16-10a-830; and
- 203 (b) authenticating records of the corporation.

204 ~~[(33)]~~ (37) "Share" means the unit into which the proprietary interests in a corporation  
 205 are divided.

206 ~~[(34)]~~ (38) (a) "Shareholder" means:

- 207 (i) the person in whose name a share is registered in the records of a corporation; ~~[or]~~
- 208 (ii) the beneficial owner of a share to the extent recognized ~~[pursuant to]~~ under Section  
 209 16-10a-723~~[-]; or~~

210 (iii) the owner of a private key that is uniquely associated with a data address that  
 211 facilitates or records the sending and receiving of shares.

212 (b) For purposes of this chapter:

- 213 (i) the following, identified as a shareholder in a corporation's current record of

214 shareholders, constitute one shareholder:

215 (A) (I) three or fewer coowners; or

216 (II) in the case of more than three coowners, each coowner in excess of the first three is  
217 counted as a separate shareholder;

218 (B) a corporation, limited liability company, partnership, trust, estate, or other entity;  
219 and

220 (C) the trustees, guardians, custodians, or other fiduciaries of a single trust, estate, or  
221 account;

222 (ii) shareholdings registered in substantially similar names constitute one shareholder if  
223 it is reasonable to believe that the names represent the same person; and

224 (iii) if the record of a shareholder is not maintained in accordance with accepted  
225 practice, an additional person who would be identified as an owner on that record if [it] the  
226 record had been maintained in accordance with accepted practice shall be included as a holder  
227 of record.

228 [~~35~~] (39) "Subscriber" means a person who subscribes for shares in a corporation,  
229 whether before or after incorporation.

230 [~~36~~] (40) "Tribe" means a tribe, band, nation, pueblo, or other organized group or  
231 community of Indians, including an Alaska Native village, that is legally recognized as eligible  
232 for and is consistent with a special program, service, or entitlement provided by the United  
233 States to Indians because of their status as Indians.

234 [~~37~~] (41) "Tribal corporation" means a corporation:

235 (a) incorporated under the law of a tribe; and

236 (b) that is at least 51% owned or controlled by the tribe.

237 [~~38~~] (42) (a) "Voting group" means all shares of one or more classes or series that  
238 under the articles of incorporation or this chapter are entitled to vote and be counted together  
239 collectively on a matter at a meeting of shareholders.

240 (b) All shares entitled by the articles of incorporation or this chapter to vote generally  
241 on the matter are for that purpose a single voting group.

242 Section 2. Section **16-10a-720** is amended to read:

243 **16-10a-720. Shareholders' list for meeting.**

244 (1) (a) After fixing a record date for a shareholders' meeting, a corporation shall



245 prepare ~~[a]~~ an alphabetical or numerical list of the [names] identities of all [its] the  
246 corporation's shareholders who are entitled to be given notice of the meeting. [The list shall be]

247 (b) The corporation shall ensure that the list:

248 (i) is arranged by voting group, and within each voting group by class or series of  
249 shares[. ~~The list shall be alphabetical within each class or series and shall show the address of,~~  
250 and the number of shares held by, each shareholder.]; and

251 (ii) shows the number of shares held by each shareholder.

252 (2) (a) The shareholders' list shall be available for inspection by any shareholder,  
253 beginning on the earlier of 10 days before the meeting for which the list was prepared or two  
254 business days after notice of the meeting is given and continuing through the meeting and any  
255 meeting adjournments, at the corporation's principal office or at a place identified in the  
256 meeting notice in the city where the meeting will be held.

257 (b) A shareholder or a shareholder's agent or attorney is entitled on written demand to  
258 the corporation and, subject to the requirements of Subsections 16-10a-1602(3) and (7), and the  
259 provisions of Subsections 16-10a-1603(2) and (3), to inspect and copy the list, during regular  
260 business hours and during the period ~~[it]~~ the list is available for inspection.

261 (3) The corporation shall make the shareholders' list available at the meeting, and any  
262 shareholder, or any shareholder's agent or attorney is entitled to inspect the list at any time  
263 during the meeting or any adjournment, for any purposes germane to the meeting.

264 (4) If the corporation refuses to allow a shareholder, or the shareholder's agent or  
265 attorney, to inspect the shareholders' list before or at the meeting, or to copy the list as  
266 permitted by Subsection (2), the district court of the county where a corporation's principal  
267 office is located, or, if ~~[it]~~ the corporation has none in this state, the district court for Salt Lake  
268 County, on application of the shareholder, may summarily order the inspection or copying at  
269 the corporation's expense and may postpone the meeting for which the list was prepared until  
270 the inspection or copying is complete.

271 (5) If a court orders inspection or copying of the shareholders' list ~~[pursuant to]~~ under  
272 Subsection (4), unless the corporation proves that ~~[it]~~ the corporation refused inspection or  
273 copying of the list in good faith because ~~[it]~~ the corporation had a reasonable basis for doubt  
274 about the right of the shareholder or the shareholder's agent or attorney to inspect or copy the  
275 shareholders' list:

276 (a) the court shall also order the corporation to pay the shareholder's costs, including  
277 reasonable counsel fees, incurred to obtain the order;

278 (b) the court may order the corporation to pay the shareholder for any damages  
279 incurred; and

280 (c) the court may grant the shareholder any other remedy afforded by law.

281 (6) If a court orders inspection or copying of the shareholders' list [~~pursuant to~~] under  
282 Subsection (4), the court may impose reasonable restrictions on the use or distribution of the  
283 list by the shareholder.

284 (7) Refusal or failure to prepare or make available the shareholders' list does not affect  
285 the validity of action taken at the meeting.

286 Section 3. Section **16-10a-724** is amended to read:

287 **16-10a-724. Corporation's acceptance of votes.**

288 (1) If the name or network signature signed on a vote, consent, waiver, proxy  
289 appointment, or proxy appointment revocation corresponds to the name or data address of a  
290 shareholder, the corporation, if acting in good faith, is entitled to accept the vote, consent,  
291 waiver, proxy appointment, or proxy appointment revocation and give it effect as the act of the  
292 shareholder.

293 (2) If the name or network signature signed on a vote, consent, waiver, proxy  
294 appointment, or proxy appointment revocation does not correspond to the name or data address  
295 of a shareholder, the corporation, if acting in good faith, is nevertheless entitled to accept the  
296 vote, consent, waiver, proxy appointment, or proxy appointment revocation and give it effect as  
297 the act of the shareholder if:

298 (a) the shareholder is an entity and the name or network signature signed purports to be  
299 that of an officer or agent of the entity;

300 (b) the name signed or network signature purports to be that of an administrator,  
301 executor, guardian, or conservator representing the shareholder and, if the corporation requests,  
302 evidence of fiduciary status acceptable to the corporation has been presented with respect to the  
303 vote, consent, waiver, proxy appointment, or proxy appointment revocation;

304 (c) the name or network signature signed purports to be that of a receiver or trustee in  
305 bankruptcy of the shareholder and, if the corporation requests, evidence of this status  
306 acceptable to the corporation has been presented with respect to the vote, consent, waiver,

307 proxy appointment, or proxy appointment revocation;

308 (d) the name or network signature signed purports to be that of a pledgee, beneficial  
309 owner, or attorney-in-fact of the shareholder and, if the corporation requests, evidence  
310 acceptable to the corporation of the signatory's authority to sign for the shareholder has been  
311 presented with respect to the vote, consent, waiver, proxy appointment, or proxy appointment  
312 revocation;

313 (e) two or more persons are the shareholder as cotenants or fiduciaries and the name or  
314 network signature signed purports to be the name or network signature of at least one of the  
315 cotenants or fiduciaries and the person signing appears to be acting on behalf of all cotenants or  
316 fiduciaries; or

317 (f) the acceptance of the vote, consent, waiver, proxy appointment, or proxy  
318 appointment revocation is otherwise proper under rules established by the corporation that are  
319 not inconsistent with the provisions of this section.

320 (3) If shares are registered in the names or network signature of two or more persons,  
321 whether fiduciaries, members of a partnership, cotenants, husband and wife as community  
322 property, voting trustees, persons entitled to vote under a shareholder voting agreement or  
323 otherwise, or if two or more persons, including proxyholders, have the same fiduciary  
324 relationship respecting the same shares, unless the secretary of the corporation or other officer  
325 or agent entitled to tabulate votes is given written notice to the contrary and is furnished with a  
326 copy of the instrument or order appointing them or creating the relationship wherein it is so  
327 provided, their acts with respect to voting shall have the following effect:

328 (a) if only one votes, the act binds all;

329 (b) if more than one vote, the act of the majority so voting binds all;

330 (c) if more than one vote, but the vote is evenly split on any particular matter, each  
331 faction may vote the securities in question proportionately; or

332 (d) if the instrument so filed or the registration of the shares shows that any tenancy is  
333 held in unequal interests, a majority or even split for the purpose of this section shall be a  
334 majority or even split in interest.

335 (4) The corporation is entitled to reject a vote, consent, waiver, proxy appointment, or  
336 proxy appointment revocation if the secretary or other officer or agent authorized to tabulate  
337 votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on

338 it or about the signatory's authority to sign for the shareholder.

339 (5) The corporation and ~~[its]~~ the corporation's officer or agent who accepts or rejects a  
340 vote, consent, waiver, proxy appointment, or proxy appointment revocation in good faith and in  
341 accordance with the standards of this section are not liable in damages to the shareholder for  
342 the consequences of the acceptance or rejection.

343 (6) Corporate action based on the acceptance or rejection of a vote, consent, waiver,  
344 proxy appointment, or proxy appointment revocation under this section is valid unless a court  
345 of competent jurisdiction determines otherwise.

346 Section 4. Section **16-10a-730** is amended to read:

347 **16-10a-730. Voting trusts.**

348 (1) (a) One or more shareholders may create a voting trust, conferring on a trustee the  
349 right to vote or otherwise act for ~~[them]~~ the shareholders, by:

350 (i) signing an agreement setting out the provisions of the trust~~[-];~~ and

351 (ii) transferring to the trustee the shares with respect to which the trustee is to act.

352 (b) When a voting trust agreement is signed, the trustee shall prepare a list, subject to  
353 Subsection (1)(d), of the ~~[names and addresses]~~ identities of all owners of beneficial interests  
354 in the trust, together with the number and class of shares each transferred to the trust, and  
355 promptly ~~[cause]~~ deliver to the corporation ~~[to receive]~~ copies of the list and agreement.

356 ~~[Thereafter]~~

357 (c) Upon creation of a voting trust, the trustee shall ~~[cause]~~ deliver to the corporation  
358 ~~[to receive]~~ changes to the list described in Subsection (1)(b) promptly as they occur and  
359 amendments to the agreement promptly as they are made.

360 (d) The corporation shall ensure that the list described in Subsection (1)(b) shows:

361 (i) each shareholder's physical mailing address, if the identity of a shareholder on the  
362 list consists of the shareholder's name; and

363 (ii) each shareholder's authorized means of receipt of electronic transmissions, if the  
364 identity of a shareholder on the list consists of the shareholder's data address.

365 (2) (a) A voting trust becomes effective ~~[on the date]~~ the day on which the first shares  
366 subject to the trust are registered in the trustee's name.

367 (b) A voting trust is valid for the period provided in the agreement, but not more than  
368 10 years after ~~[its effective date]~~ the day on which the trust becomes effective under Subsection

369 (2)(a), unless extended under Subsection (3).

370 (3) (a) All or some of the parties to a voting trust may extend the voting trust for  
371 additional terms of not more than 10 years each by signing an extension agreement and  
372 obtaining the trustee's written consent to the extension.

373 (b) An extension is valid for not more than 10 years from the [~~date~~] day on which the  
374 first shareholder signs the extension agreement.

375 (c) The trustee shall deliver copies of the extension agreement and list of beneficial  
376 owners to the corporation's principal office.

377 (d) An extension agreement binds only those parties signing [~~it~~] the extension  
378 agreement.

379 Section 5. Section **16-10a-1601** is amended to read:

380 **16-10a-1601. Corporate records.**

381 (1) A corporation shall keep as permanent records:

382 (a) minutes of all meetings of [~~its~~] the corporation's shareholders and board of  
383 directors[~~;~~];

384 (b) a record of all actions taken by the shareholders or board of directors without a  
385 meeting[~~, and~~];

386 (c) a record of all actions taken on behalf of the corporation by a committee of the  
387 board of directors in place of the board of directors[~~;~~]; and

388 (d) a record of all waivers of notices of:

389 (i) meetings of shareholders[~~;~~];

390 (ii) meetings of the board of directors[~~;~~]; or

391 (iii) or any meetings of committees of the board of directors.

392 (2) A corporation shall maintain appropriate accounting records.

393 (3) A corporation or [~~its~~] the corporation's agent shall maintain a record of the [~~names~~  
394 ~~and addresses of its~~] identities of the corporation's shareholders, in a form that permits  
395 preparation of a list of shareholders:

396 (a) that is arranged by voting group and within each voting group by class or series of  
397 shares;

398 (b) that is in alphabetical or numerical order within each class or series; and

399 (c) that shows the address of and the number of shares of each class and series held by

400 each shareholder.

401 (4) A corporation shall ensure that the list described in Subsection (3) shows:

402 (a) each shareholder's physical mailing address, if the identity of the shareholder on the  
403 list consists of the shareholder's name; and

404 (b) each shareholder's authorized means of receipt for electronic transmissions, if the  
405 identity of a shareholder on the list consists of the shareholder's data address.

406 [~~4~~] (5) A corporation shall maintain [its] the corporation's records in the form of any  
407 information storage device or any distributed electronic networks or databases, provided that  
408 the corporation keeps the records in written form or in any form capable of conversion into  
409 written form within a reasonable time.

410 [~~5~~] (6) A corporation shall keep a copy of the following records at [its] the  
411 corporation's principal office:

412 (a) [~~its~~] the corporation's articles of incorporation currently in effect;

413 (b) [~~its~~] the corporation's bylaws currently in effect;

414 (c) the minutes of all shareholders' meetings, and records of all action taken by  
415 shareholders without a meeting, for the past three years;

416 (d) all written communications within the past three years to shareholders as a group or  
417 to the holders of any class or series of shares as a group;

418 (e) a list of the names and business addresses of [~~its~~] the corporation's current officers  
419 and directors;

420 (f) [~~its~~] the corporation's most recent annual report delivered to the division under  
421 Section 16-10a-1607; and

422 (g) all financial statements prepared for periods ending during the last three years that a  
423 shareholder could request under Section 16-10a-1605.

424 Section 6. Section **16-10a-1602** is amended to read:

425 **16-10a-1602. Inspection of records by shareholders and directors.**

426 (1) A shareholder or director of a corporation is entitled to inspect and copy, during  
427 regular business hours at the corporation's principal office, any of the records of the corporation  
428 described in Subsection 16-10a-1601~~(5)~~(6) if [~~he~~] the shareholder or director gives the  
429 corporation written notice of the demand at least five business days before the date on which  
430 [~~he~~] the shareholder or director wishes to inspect and copy.

431 (2) In addition to the rights set forth in Subsection (1), a shareholder or director of a  
432 corporation is entitled to inspect and copy, during regular business hours at a reasonable  
433 location specified by the corporation, any of the following records of the corporation if the  
434 shareholder or director meets the requirements of Subsection (3) and gives the corporation  
435 written notice of the demand at least five business days before the date on which ~~he~~ the  
436 shareholder or director wishes to inspect and copy:

437 (a) excerpts from:

438 (i) minutes of any meeting, records of any action taken by the board of directors, or by  
439 a committee of the board of directors while acting on behalf of the corporation in place of the  
440 board of directors;

441 (ii) minutes of any meeting of the shareholders;

442 (iii) records of any action taken by the shareholders without a meeting; and

443 (iv) waivers of notices of any meeting of the shareholders, of any meeting of the board  
444 of directors, or of any meeting of a committee of the board of directors;

445 (b) accounting records of the corporation; and

446 (c) the record of shareholders described in Subsection 16-10a-1601(3).

447 (3) A shareholder or director is entitled to inspect and copy records as described in  
448 Subsection (2) only if:

449 (a) the demand is made in good faith and for a proper purpose;

450 (b) the shareholder or director describes with reasonable particularity ~~his~~ the  
451 shareholder's or director's purpose and the records ~~he~~ the shareholder or director desires to  
452 inspect; and

453 (c) the records are directly connected with ~~his~~ the shareholder's or director's purpose.

454 (4) For purposes of this section:

455 (a) "proper purpose" means a purpose reasonably related to the demanding  
456 shareholder's or director's interest as a shareholder or director; and

457 (b) "shareholder" includes a beneficial owner whose shares are held in a voting trust  
458 and any other beneficial owner who establishes beneficial ownership.

459 (5) The right of inspection granted by this section may not be abolished by a  
460 corporation's articles of incorporation or bylaws.

461 (6) This section does not affect:

462 (a) the right of a shareholder or director to inspect records under Section 16-10a-720  
463 or, if the shareholder or director is in litigation with the corporation, to the same extent as any  
464 other litigant; or

465 (b) the power of a court, independent of this chapter, to compel the production of  
466 corporate records for examination.

467 (7) A shareholder or director may not use any information obtained through the  
468 inspection or copying of records permitted by Subsection (2) for any purposes other than those  
469 set forth in a demand made under Subsection (3).

470 Section 7. Section 42-2-6.6 is amended to read:

471 **42-2-6.6. Assumed name.**

472 (1) The assumed name:

473 (a) may not contain any word or phrase that indicates or implies that the business is  
474 organized for any purpose other than one or more of the purposes contained in its application;

475 (b) shall be distinguishable from any registered name or trademark of record in the  
476 offices of the Division of Corporations and Commercial Code, as defined in Subsection  
477 16-10a-401(5), except as authorized by the Division of Corporations and Commercial Code  
478 pursuant to Subsection (2);

479 (c) without the written consent of the United States Olympic Committee, may not  
480 contain the words:

481 (i) "Olympic";

482 (ii) "Olympiad"; or

483 (iii) "Citius Altius Fortius";

484 (d) without the written consent of the Division of Consumer Protection issued in  
485 accordance with Section 13-34-114, may not contain the words:

486 (i) "university";

487 (ii) "college"; or

488 (iii) "institute" or "institution"; and

489 (e) an assumed name authorized for use in this state on or after May 1, 2000, may not  
490 contain the words:

491 (i) "incorporated";

492 (ii) "inc."; or



493 (iii) a variation of "incorporated" or "inc."

494 (2) Notwithstanding Subsection (1)(e), an assumed name may contain a word listed in  
495 Subsection (1)(e) if the Division of Corporations and Commercial Code authorizes the use of  
496 the name by a corporation as defined in:

497 (a) Subsection 16-6a-102(26);

498 (b) Subsection 16-6a-102(35);

499 (c) Subsection 16-10a-102(11); or

500 (d) Subsection 16-10a-102[(20)](21).

501 (3) The Division of Corporations and Commercial Code shall authorize the use of the  
502 name applied for if:

503 (a) the name is distinguishable from one or more of the names and trademarks that are  
504 on the division's records; or

505 (b) the applicant delivers to the division a certified copy of the final judgment of a  
506 court of competent jurisdiction establishing the applicant's right to use the name applied for in  
507 this state.

508 (4) The assumed name, for purposes of recordation, shall be either translated into  
509 English or transliterated into letters of the English alphabet if it is not in English.

510 (5) The Division of Corporations and Commercial Code may not approve an  
511 application for an assumed name to any person violating this section.

512 (6) The director of the Division of Corporations and Commercial Code shall have the  
513 power and authority reasonably necessary to interpret and efficiently administer this section  
514 and to perform the duties imposed on the division by this section.

515 (7) A name that implies by any word in the name that it is an agency of the state or of  
516 any of its political subdivisions, if it is not actually such a legally established agency, may not  
517 be approved for filing by the Division of Corporations and Commercial Code.

518 (8) Section 16-10a-403 applies to this chapter.

519 (9) (a) The requirements of Subsection (1)(d) do not apply to a person who filed a  
520 certificate of assumed and of true name with the Division of Corporations and Commercial  
521 Code on or before May 4, 1998, until December 31, 1998.

522 (b) On or after January 1, 1999, any person who carries on, conducts, or transacts  
523 business in this state under an assumed name shall comply with the requirements of Subsection

524 (1)(d).