

**490.1620 Financial statements for shareholders.**

1. Upon the written request of a shareholder, a corporation shall deliver or make available to such requesting shareholder by posting on its internet site or by other generally recognized means annual financial statements for the most recent fiscal year of the corporation for which annual financial statements have been prepared for the corporation. If financial statements have been prepared for the corporation on the basis of generally accepted accounting principles for such specified period, the corporation shall deliver or make available such financial statements to the requesting shareholder. If the annual financial statements to be delivered or made available to the requesting shareholder are audited or otherwise reported upon by a public accountant, the report shall also be delivered or made available to the requesting shareholder.

2. A corporation shall deliver, or make available and provide written notice of availability of, the financial statements required under [subsection 1](#) to the requesting shareholder within five business days of delivery of such written request to the corporation.

3. A corporation may fulfill its responsibilities under [this section](#) by delivering the specified financial statements, or otherwise making them available, in any manner permitted by the applicable rules and regulations of the federal securities and exchange commission.

4. Notwithstanding the provisions of [subsections 1, 2, and 3](#), all of the following apply:

a. As a condition to delivering or making available financial statements to a requesting shareholder, the corporation may require the requesting shareholder to agree to reasonable restrictions on the confidentiality, use, and distribution of such financial statements.

b. The corporation may, if it reasonably determines that the shareholder's request is not made in good faith or for a proper purpose, decline to deliver or make available such financial statements to that shareholder.

5. If a corporation does not respond to a shareholder's request for annual financial statements pursuant to [this section](#) in accordance with [subsection 2](#) within five business days of delivery of such request to the corporation all of the following shall apply:

a. The requesting shareholder may apply to the district court of the county where the corporation's principal office, or if none in this state, its registered office is located for an order requiring delivery of or access to the requested financial statements. The court shall dispose of an application under [this subsection](#) on an expedited basis.

b. If the court orders delivery or access to the requested financial statements, it may impose reasonable restrictions on their confidentiality, use, or distribution.

c. In such proceeding, if the corporation has declined to deliver or make available such financial statements because the shareholder had been unwilling to agree to restrictions proposed by the corporation on the confidentiality, use, and distribution of such financial statements, the corporation shall have the burden of demonstrating that the restrictions proposed by the corporation were reasonable.

d. In such proceeding, if the corporation has declined to deliver or make available such financial statements pursuant to [subsection 4](#), paragraph "b", the corporation shall have the burden of demonstrating that it had reasonably determined that the shareholder's request was not made in good faith or for a proper purpose.

e. If the court orders delivery or access to the requested financial statements it shall order the corporation to pay the shareholder's expenses incurred to obtain such order unless the corporation establishes that it had refused delivery or access to the requested financial statements because the shareholder had refused to agree to reasonable restrictions on the confidentiality, use, or distribution of the financial statements or that the corporation had reasonably determined that the shareholder's request was not made in good faith or for a proper purpose.

[89 Acts, ch 288, §179; 2013 Acts, ch 31, §79, 82; 2014 Acts, ch 1024, §4; 2021 Acts, ch 165, §204, 230](#)

2021 amendment effective January 1, 2022; 2021 Acts, ch 165, §230  
Section stricken and rewritten