

2019 Kansas Statutes

17-7690. Access to and confidentiality of information; records; action to enforce rights; restriction of rights. (a) Each member of a limited liability company, in person or by attorney or other agent, has the right, subject to such reasonable standards, including standards governing what information and documents are to be furnished at what time and location and at whose expense, as may be set forth in an operating agreement or otherwise established by the manager or, if there is no manager, then by the members, to obtain from the limited liability company from time to time upon reasonable demand for any purpose reasonably related to the member's interest as a member of the limited liability company:

(1) True and full information regarding the status of the business and financial condition of the limited liability company;

(2) promptly after becoming available, a copy of the limited liability company's federal, state and local income tax returns for each year;

(3) a current list of the name and last known business, residence or mailing address of each member and manager;

(4) a copy of any written operating agreement and articles of organization and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which the operating agreement and any certificate and all amendments thereto have been executed;

(5) true and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each member and which each member has agreed to contribute in the future, and the date on which each became a member; and

(6) other information regarding the affairs of the limited liability company as is just and reasonable.

(b) Each manager shall have the right to examine all of the information described in subsection (a) for a purpose reasonably related to the position of manager.

(c) The manager of a limited liability company shall have the right to keep confidential from the members, for such period of time as the manager deems reasonable, any information which the manager reasonably believes to be in the nature of trade secrets or other information the disclosure of which the manager in good faith believes is not in the best interest of the limited liability company or could damage the limited liability company or its business or which the limited liability company is required by law or by agreement with a third party to keep confidential.

(d) A limited liability company may maintain its records in other than a written form, including on, by means of, or in the form of any information storage device, method, or one or more electronic networks or databases, including one or more distributed electronic networks or databases, if such form is capable of conversion into written form within a reasonable time.

(e) Any demand under this section shall be in writing and shall state the purpose of such demand. In every instance where an attorney or other agent is the person who seeks the right to obtain the information described in subsection (a), the demand shall be accompanied by a power of attorney or such other writing that authorizes the attorney or other agent to so act on behalf of the member.

(f) Any action to enforce any right arising under this section shall be brought in the district court. If the limited liability company refuses to permit a member, or attorney or other agent acting for the member, to obtain or a manager to examine the information described in subsection (a) or does not reply to the demand that has been made within five business days, or such shorter or longer period of time as is provided for in an operating agreement, but not longer than 30 business days, after the demand has been made, the demanding member or manager may apply to the district court for an order to compel such disclosure. The district court may summarily order the limited liability company to permit the demanding member to obtain or manager to examine the information described in subsection (a) and to make copies or abstracts therefrom, or the district court may summarily order the limited liability company to furnish to the demanding member or manager the information described in subsection (a) on the condition that the demanding member or manager first pay to the limited liability company the reasonable cost of obtaining and furnishing such information and on such other conditions as the district court deems appropriate. When a demanding member seeks to obtain or a manager seeks to examine the information described in subsection (a), the demanding member or manager shall first establish: (1) That the demanding member or manager has complied with the provisions of this section respecting the form and manner of making demand for obtaining or examining of such information; and (2) that the information the demanding member or manager seeks is reasonably related to the member's interest as a member or the manager's position as a manager, as the case may be. The district court may, in its discretion, prescribe any limitations or conditions with reference to the obtaining or examining of information, or award such other or further relief as the district court may deem just and proper. The district court may order books, documents and records, pertinent extracts therefrom, or duly authenticated copies thereof, to be brought within the state of Kansas and kept in the state of Kansas upon such terms and conditions as the order may prescribe.

(g) The rights of a member or manager to obtain information as provided in this section may be restricted in an original operating agreement or in any subsequent amendment consented to, approved or adopted by all of the members or in compliance with any applicable requirements of the operating agreement. The provisions of this subsection shall not be construed to limit the ability to impose restrictions on the rights of a member or manager to obtain information by any other means permitted under the Kansas revised limited liability company act.

(h) A limited liability company shall maintain a current record that identifies the name and last known business, residence, or mailing address of each member and manager.

History: L. 1999, ch. 119, § 29; L. 2014, ch. 40, § 24; L. 2019, ch. 47, § 25; July 1.