

Effective 5/7/2025

**Part 2
Corporation and Association Offenses**

76-16-201 Definitions.

As used in this part:

- (1) "Bona fide stockholder of record" means a stockholder of record who has acquired stock in good faith and is acting for a proper purpose reasonably related to the stockholder's interests as a stockholder.
- (2) "Director" means a person having by law the direction or management of the affairs of a corporation, by whatever name the person is described in the corporation's charter or is known by law.

Renumbered and Amended by Chapter 173, 2025 General Session

76-16-202 Presumption of director's knowledge of affairs.

A director of a corporation or joint stock association is deemed to possess a knowledge of the affairs of the corporation or association so as to enable the director to determine whether an act, proceeding, or omission of the corporation's or association's directors is a violation of this part.

Renumbered and Amended by Chapter 173, 2025 General Session

76-16-203 Presumption of director's concurrence in action if present at meeting -- Exception.

- (1) Except as provided in Subsection (2), a director of a corporation or joint stock association who is present at a meeting of the directors at which an act, proceeding, or omission of the directors in violation of this part occurs is deemed to have concurred in the act, proceeding, or omission.
- (2) A director is not deemed to have concurred in an act, proceeding, or omission of the directors if, at the time of the act, proceeding, or omission, the director:
 - (a) causes, or in writing requires, the director's dissent from the act, proceeding, or omission to be entered in the minutes of the directors; or
 - (b) forwards the director's dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting.

Renumbered and Amended by Chapter 173, 2025 General Session

76-16-204 Foreign corporations subject to Utah laws.

It is no defense to a prosecution for a violation of this part that the corporation was created by the laws of another state, government, or country if the corporation is carrying on business or keeping an office within this state.

Renumbered and Amended by Chapter 173, 2025 General Session

76-16-205 Fraudulent signing of a stock subscription or agreement.

- (1) Terms defined in Sections 76-1-101.5, 76-16-101, and 76-16-201 apply to this section.
- (2) An actor commits fraudulent signing of a stock subscription or agreement if the actor:

- (a) signs the name of a fictitious person to a subscription for, or agreement to take, stock in a proposed or existing corporation; or
 - (b) signs the name of any person to a subscription for, or agreement to take, stock in a proposed or existing corporation, knowing that the person has no means or does not intend in good faith to comply with all the terms of the subscription or agreement, or under any understanding or agreement that the terms of the subscription or agreement are not to be complied with or enforced.
- (3) A violation of Subsection (2) is a class B misdemeanor.

Renumbered and Amended by Chapter 173, 2025 General Session

76-16-206 Exhibition of a fraudulent document relating to a corporation or an increase of capital stock.

- (1) Terms defined in Sections 76-1-101.5, 76-16-101, and 76-16-201 apply to this section.
- (2) An actor commits exhibition of a fraudulent document relating to a corporation or an increase of capital stock if the actor:
- (a) is:
 - (i) an officer, agent, or clerk of a corporation; or
 - (ii) a person proposing to organize a corporation or to increase the capital stock of a corporation; and
 - (b) knowingly exhibits a false, forged, or altered book, paper, voucher, security, or other instrument of evidence to a public officer or board authorized by law to examine the organization of the corporation, or to investigate the corporation's affairs, or to allow an increase of the corporation's capital, with the intent to deceive the officer or board with respect to the examination, investigation, or increase of capital.
- (3) A violation of Subsection (2) is a third degree felony.

Renumbered and Amended by Chapter 173, 2025 General Session

76-16-207 Misrepresentation of a person as an officer, agent, member, or promoter.

- (1) Terms defined in Sections 76-1-101.5, 76-16-101, and 76-16-201 apply to this section.
- (2) An actor commits misrepresentation of a person as an officer, agent, member, or promoter if the actor, without being authorized to do so, subscribes the name of another person to, or inserts the name of another person in, a prospectus, circular, or other advertisement or announcement of an existing corporation or joint stock association, existing or intended to be formed, with the intent to permit the prospectus, circular, or other advertisement or announcement to be published, and thereby to lead persons to believe that the person whose name is included in the prospectus, circular, or other advertisement or announcement is an officer, agent, member, or promoter of the corporation or association.
- (3) A violation of Subsection (2) is a class B misdemeanor.

Renumbered and Amended by Chapter 173, 2025 General Session

76-16-208 Illegal concurrence by a director in a dividend or division of capital.

- (1)
- (a) For purposes of this section, "director" does not include a director of:
 - (i) a savings and loan association; or
 - (ii) a building and loan association.

- (b) Terms defined in Sections 76-1-101.5, 76-16-101, and 76-16-201 apply to this section.
- (2) An actor commits illegal concurrence by a director in a dividend or division of capital if the actor:
 - (a) is a director of a stock corporation; and
 - (b) concurs in a vote or act of one or more directors of the corporation, which vote or act is intended to either:
 - (i) make a dividend except as permitted by Title 16, Chapter 10a, Utah Revised Business Corporation Act; or
 - (ii) divide, withdraw, or in any manner pay to one or more stockholders any part of the stated capital of the corporation except as permitted by Title 16, Chapter 10a, Utah Revised Business Corporation Act.
- (3) A violation of Subsection (2) is a class B misdemeanor.

Renumbered and Amended by Chapter 173, 2025 General Session

76-16-209 Unlawful omission or entry in a corporate or association record with the intent to defraud.

- (1) Terms defined in Sections 76-1-101.5, 76-16-101, and 76-16-201 apply to this section.
- (2) An actor commits unlawful omission or entry in a corporate or association record with the intent to defraud if the actor:
 - (a) is:
 - (i) a director, officer, or agent of a corporation or association; or
 - (ii) a person who aids or abets a person described in Subsection (2)(a)(i); and
 - (b) knowingly receives or possesses for the actor's self property of the corporation or association, otherwise than in payment of a just demand; and
 - (c) with intent to defraud, omits to make, or to cause or direct to be made, a full and true entry of the property described in Subsection (2)(b) in the books or accounts of the corporation or association.
- (3) A violation of Subsection (2) is a third degree felony.

Renumbered and Amended by Chapter 173, 2025 General Session

76-16-210 Embezzlement, abstraction, or misapplication of corporate or association funds.

- (1) Terms defined in Sections 76-1-101.5, 76-16-101, and 76-16-201 apply to this section.
- (2) An actor commits unlawful embezzlement, abstraction, or misapplication of corporate or association funds if the actor:
 - (a) is:
 - (i) a director, officer, agent, or member of a corporation or association; or
 - (ii) a person who aids or abets a person described in Subsection (2)(a)(i); and
 - (b) embezzles, abstracts, or willfully misapplies money, funds, or credits of the corporation or association.
- (3) A violation of Subsection (2) is a third degree felony.

Enacted by Chapter 173, 2025 General Session

76-16-211 Unlawful circulation of a corporate or association note.

- (1) Terms defined in Sections 76-1-101.5, 76-16-101, and 76-16-201 apply to this section.
- (2) An actor commits unlawful circulation of a corporation or association note if the actor:
 - (a) is:

- (i) a director, officer, agent, or member of a corporation or association; or
 - (ii) a person who aids or abets a person described in Subsection (2)(a)(i); and
 - (b) without the authority from a corporation's or association's directors, issues or puts in circulation a note of the corporation or association.
- (3) A violation of Subsection (2) is a third degree felony.

Enacted by Chapter 173, 2025 General Session

76-16-212 Unauthorized corporate or association action.

- (1) Terms defined in Sections 76-1-101.5, 76-16-101, and 76-16-201 apply to this section.
- (2) An actor commits unauthorized corporate or association action if the actor:
- (a) is:
 - (i) a director, officer, agent, or member of a corporation or association; or
 - (ii) a person who aids or abets a person described in Subsection (2)(a)(i); and
 - (b) without having the authority to do so:
 - (i) issues or puts forth a certificate of deposit;
 - (ii) draws an order or bill of exchange;
 - (iii) makes an acceptance; or
 - (iv) assigns a note, bond, draft, bill of exchange, mortgage, judgment, or decree.
- (3) A violation of Subsection (2) is a third degree felony.

Enacted by Chapter 173, 2025 General Session

76-16-213 False entry in a corporate or association book, report, or statement.

- (1) Terms defined in Sections 76-1-101.5, 76-16-101, and 76-16-201 apply to this section.
- (2) An actor commits false entry in a corporate or association book, report, or statement if the actor:
- (a) is:
 - (i) a director, officer, agent, or member of a corporation or association; or
 - (ii) a person who aids or abets a person described in Subsection (2)(a)(i); and
 - (b) makes a false entry in a corporate or association book, report, or statement, with the intent:
 - (i) to injure or defraud:
 - (A) the corporation or association;
 - (B) any other company;
 - (C) a body politic; or
 - (D) an individual person; or
 - (ii) to deceive:
 - (A) an officer of the corporation or association; or
 - (B) an agent appointed to examine the affairs of the corporation or association.
- (3) A violation of Subsection (2) is a third degree felony.

Enacted by Chapter 173, 2025 General Session

76-16-214 Unlawful stock issuance.

- (1) Terms defined in Sections 76-1-101.5, 76-16-101, and 76-16-201 apply to this section.
- (2) An actor commits unlawful stock issuance if the actor:
- (a) is:
 - (i) a director, officer, agent, or member of a corporation or association; or

- (ii) a person who aids or abets a person described in Subsection (2)(a)(i); and
- (b) issues fraudulent, fictitious, or illegal stock in the corporation or association, with the intent:
 - (i) to injure or defraud:
 - (A) the corporation or association;
 - (B) any other company;
 - (C) a body politic; or
 - (D) an individual person; or
 - (ii) to deceive:
 - (A) an officer of the corporation or association; or
 - (B) an agent appointed to examine the affairs of the corporation or association.
- (3) A violation of Subsection (2) is a third degree felony.

Enacted by Chapter 173, 2025 General Session

76-16-215 Making or publishing a report containing a false material statement.

- (1) Terms defined in Sections 76-1-101.5, 76-16-101, and 76-16-201 apply to this section.
- (2) An actor commits making or publishing a report containing a false material statement if the actor:
 - (a) is a director, officer, or agent of a corporation or joint stock association; and
 - (b) knowingly makes or concurs in making or publishing a written report, exhibit, or statement of the corporation's or association's affairs or pecuniary condition that contains a false material statement.
- (3) A violation of Subsection (2) is a class B misdemeanor.

Renumbered and Amended by Chapter 173, 2025 General Session

76-16-216 Prohibited refusal of inspection or copying of corporate books.

- (1) Terms defined in Sections 76-1-101.5, 76-16-101, and 76-16-201 apply to this section.
- (2) An actor commits prohibited refusal of inspection or copying of corporate books if the actor:
 - (a) is an officer or agent of a corporation having or keeping an office within this state;
 - (b) has in the actor's custody or control the books of the corporation; and
 - (c) refuses to give to a bona fide stockholder of record or member of the corporation, lawfully demanded during office hours, the right to inspect or take a copy of all or part of the corporation's books.
- (3) A violation of Subsection (2) is a class B misdemeanor.

Renumbered and Amended by Chapter 173, 2025 General Session