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## **<i>King v. VeriFone Holdings, Inc.</i>: Demand for Corporate Records to Replead Dismissed Federal Derivative Action Not a “Proper Purpose” Under Delaware General Corporation Law § 220**

**Date:** 06/01/10

Section 220 of the Delaware General Corporation Law gives a corporation's shareholders the right to inspect the corporation's books, records and other specified financial information for any "proper purpose." The Delaware Court of Chancery is granted the "exclusive jurisdiction" to determine whether a proper purpose exists and whether the shareholder is entitled to the information sought. The question presented to the Chancery Court in *King v. VeriFone Holdings, Inc.* was whether a shareholder's desire to obtain information to remedy a complaint deemed defective in another proceeding constitutes a proper purpose under § 220. The court held that it does not.

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### **Attorney**

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