

Is An LLC's Membership List A Trade Secret?

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Yesterday's post considered one of several matters raised on appeal in *Perry v. Stuart*, 2025 WL 1501935. The case involves a former member's demand for inspection of records of a California limited liability company. Another issue raised in the appeal was whether the trial court erred in its finding that the LLC's member list must be redacted prior to production because it is a trade secret.

The California Revised Uniform Limited Liability Company Act requires an LLC to keep, among other things, a current list of the full name and last known business or residence address of each member and of each transferee set forth in alphabetical order, together with the contribution and the share in profits and losses of each member and transferee. Cal. Corp. Code § 17701.13(d)(1). The RULLCA further provides that each member, manager, and transferee has the right, upon reasonable request, for purposes reasonably related to the interest of that person as a member, manager, or transferee, to inspect and copy during normal business hours any of the records required to be maintained pursuant to Section 17701.13. Cal. Corp. Code § 17704.10(b)(1).

The courts found that the membership list was a protectible trade secret, as defined under Section 3426.1 of the California Civil Code. Thus, the question was which code prevailed. The Court of Appeal concluded that the Civil Code took precedence as the more specific statute and thus the trial court had not erred in ordering the redaction of the membership list. The Court did not articulate why the Civil Code statute was more specific other than to note that trade secrets are a subset of business information. However, it is certainly arguable that membership list is an even smaller subset of business information and that the RULLCA provision is even more specific (*i.e.*, detailing the exact information to be maintained) than the general Civil Code definition.

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