

After a Co-Op Board Settles a Lawsuit, Shareholders Can Ask for More Info

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Leni Cummins was quoted in a Habitat Magazine article responding to a question regarding boards for co-ops being required to account for their use of funds. Her response was previously published in the *New York Times* "Ask Real Estate" column.

While a co-op's board of directors has a right to enter into a confidential settlement, a board cannot hide the financial impact of a lawsuit as a whole. "Shareholders can review the co-op's audited financial statements," said Leni. "These statements will reflect the cost of the legal action. There should be a footnote explaining this, but it might be vague. The auditor reviews the books and records and also requires a legal confirmation letter from the board's attorney describing all pending or threatened litigations, claims, and assessments during the audit period." Shareholders have the right to request a review the co-op's books and records, so long as they do so in good faith and for proper purposes.

To read more, [click here](#).

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