
Proposed Amendments to Delaware General Corporation Law Could Streamline Process for Acquiring Public Companies Incorporated in Delaware

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The Delaware State Bar Association recently proposed amendments to the Delaware General Corporation Law (“DCGL”) that, if adopted by the state legislature, could significantly alter the way acquisitions of Delaware public companies are effected. If adopted, the new provision would take effect for merger agreements signed on or after August 1, 2013. Proposed new Section 251(h) provides that, unless required by its certificate of incorporation, a public company incorporated in Delaware is not required to obtain a shareholder vote to effect a merger if an acquirer obtains in a tender offer that percentage of shares that would have been needed to adopt the merger agreement.

Attorneys

- Helene R. Banks
- John J. Schuster