

Amendments to Delaware General Corporation Law Signed Into Law

Skadden

06/17/16

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On June 16, 2016, Delaware Gov. Jack Markell signed into law amendments to the Delaware General Corporation Law (DGCL) described in our March 16, 2016, client alert (available [here](#)). Among the amendments are changes to Section 262 to impose certain limits on the right of stockholders to bring appraisal proceedings and to address concerns over “appraisal arbitrage” by permitting corporations to cut off the accrual of interest under certain circumstances. The amendments also modify Section 251(h), which permits a short-form merger following a first-step tender or exchange offer in certain circumstances. The jurisdiction of the Court of Chancery of the state of Delaware will be expanded by the amendments to include disputes arising out of certain stock or asset purchase agreements.

The amendments will become effective August 1, 2016, except the amendments to Sections 262 and 251(h), which will be effective only for merger and other transaction agreements entered into (or, for short-form mergers, board resolutions adopted) after August 1, 2016.