



## Delaware Fee-Shifting Legislation Postponed

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As previously discussed [here](#), a recent decision of the Delaware Supreme Court upholding a “fee-shifting” bylaw provision gave rise to proposed legislation aimed at limiting such provisions to non-stock corporations. The legislation was expected to be presented to the Delaware General Assembly prior to June 30 (the end of the current session).

Given the outcry from various sources (including the U.S. Chamber of Commerce), the Delaware legislature has postponed its consideration of such legislation until 2015. Accordingly, the match between those wanting the right to adopt such provisions (corporations) and those wanting those rights limited (some stockholders, governance advocates, etc.) will have to wait until the Delaware General Assembly reconvenes in 2015. In the meantime, there will be no shortage of discussion of the topic with each side advocating and lobbying strongly for its position. Given the current status of play, corporations should continue to be cautious when considering the adoption of fee-shifting bylaw provisions.

### Categories

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