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To Our Clients

Takeovers - Shark Repellents

For the first time a Delaware court has held a supermajority charter amendment to be legal. In Seibert v. Gulton Industries, Inc., Civ. No. 5631 (Del. Ch. June 21, 1979) the corporation had amended its charter to provide for an 80% (rather than the normal Delaware 50%) vote to authorize a business combination between the corporation and a 5% shareholder, which business combination had not been approved by the board of directors. The court held that such a provision was valid under the Delaware Corporation Law.

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