

US Corporate Law News: Delaware amends LLC and corporation laws

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On July 24, 2018, the Delaware Limited Liability Company Act and the Delaware General Corporation Act were amended. The amendments provide for a number of significant changes which are designed to keep the laws current and allow Delaware to remain a national leader of corporate law. One change allows an LLC to divide into two or more newly formed LLCs while the original LLC may choose to either continue operating or terminate. Another change applies the “market out” exception to appraisal rights under certain short-form mergers. The amendments also create a new type of series of LLC known as the “registered series.” The registered series allows the LLC to obtain a good standing certificate, merge with other series of the same LLC, and has the attributes of a “registered organization” for the purposes of the Uniform Commercial Code. The amendments also specifically authorize the use of blockchains or distributed ledgers by LLCs and LPs in order to maintain records. Corporations were already authorized under previous amendment. The amendments also provide new procedures for the ratification of defective corporate acts. For more information see <http://delcode.delaware.gov/title6/c018/index.shtml> and <http://delcode.delaware.gov/title8/c001/>.


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