



SPONSOR: Sen. Vaughn; Rep. Wagner  
& Rep. Valihura

DELAWARE STATE SENATE

142nd GENERAL ASSEMBLY

SENATE BILL NO. 272

AN ACT TO AMEND TITLE 8 OF THE DELAWARE CODE RELATING TO THE GENERAL CORPORATION LAW.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Two-thirds of all members elected to each house thereof concurring therein):

Section 1. Amend Section 152, Title 8, Delaware Code by deleting the text thereof in its entirety and inserting in lieu thereof, the following:

"The consideration, as determined pursuant to subsections (a) and (b) of § 153 of this title, for subscriptions to, or the purchase of, the capital stock to be issued by a corporation shall be paid in such form and in such manner as the board of directors shall determine. The board of directors may authorize capital stock to be issued for consideration consisting of cash, any tangible or intangible property or any benefit to the corporation, or any combination thereof. In the absence of actual fraud in the transaction, the judgment of the directors as to the value of such consideration shall be conclusive. The capital stock so issued shall be deemed to be fully paid and nonassessable stock upon receipt by the corporation of such consideration; provided, however, nothing contained herein shall prevent the board of directors from issuing partly paid shares under § 156 of this title."

Section 2. Amend Section 154, Title 8, Delaware Code, by deleting the word "property" in the third sentence thereof and adding the word "consideration" in lieu thereof.

Section 3. Amend Section 157(a), Title 8, Delaware Code, by deleting the word "purchase" therefrom and adding the word "acquire" in lieu thereof.

Section 4. Amend Section 157(b), Title 8, Delaware Code, by deleting the text of the first sentence thereof in its entirety and inserting in lieu thereof, the following:

"The terms upon which, including the time or times which may be limited or unlimited in duration, at or within which, and the consideration (including a formula by which such consideration may be determined) for which any such shares may be acquired from the corporation upon the exercise of any such right or

option, shall be such as shall be stated in the certificate of incorporation, or in a resolution adopted by the board of directors providing for the creation and issue of such rights or options, and, in every case, shall be set forth or incorporated by reference in the instrument or instruments evidencing such rights or options."

Section 5. Amend Section 157(d), Title 8, Delaware Code, by deleting the text of the first sentence thereof in its entirety and inserting in lieu thereof, the following:

"In case the shares of stock of the corporation to be issued upon the exercise of such rights or options shall be shares having a par value, the consideration so to be received therefore shall have a value not less than the par value thereof."

#### SYNOPSIS

Section 1. The amendment to Section 152 eliminates the requirement that the consideration paid for newly issued stock consist, either entirely or in part, of consideration in the form required by Section 3 of Article IX of the Constitution of the State of Delaware of 1897, as amended. That provision is being deleted from the Constitution of the State of Delaware of 1897, as amended, contemporaneously with the effective date of the amendment to Section 152.

Section 2. The amendment to Section 154 is consistent with the amendment to Section 152 and clarifies that the consideration paid for stock need not consist of property or cash.

Sections 3, 4 and 5. The amendments to Section 157 are consistent with the amendment to Section 152 and clarify that the consideration to be paid for stock issued upon the exercise of rights or options need not consist of property or cash.

Author: Senator Vaughn