

# Memorandum

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## Delaware Supreme Court: Upholds the Validity of Senate Bill 21

February 27, 2026

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Delaware in March 2025 enacted bipartisan legislation (“SB21”) amending the Delaware General Corporation Law to statutorily enshrine common-sense protections for directors, provide clearer standards for controlling stockholder transactions and limit vexatious books and records demands. After its passage, challenges to the state law constitutionality of SB21 were raised and the issue was certified to the Delaware Supreme Court. This morning in *Rutledge v. Clearway Energy Group LLC*, No. 248, 2025 (Del. Feb. 27, 2026), the Supreme Court [upheld](#) the validity of SB21, including provisions providing for its retroactive application.

For further information about SB21, and the ongoing development of corporate law changes in Delaware and other states, please see our March 28, 2025 Memorandum, [Delaware Enacts Sweeping Corporate Law Amendments](#).

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If you have any questions, please reach out to your regular Simpson Thacher contact.

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