
February 27, 2026

Delaware Supreme Court Upholds DGCL 144 Amendments

Earlier today, in *Rutledge v. Clearway Energy Group LLC*, the Delaware Supreme Court upheld the constitutionality of the 2025 amendments to Section 144 of the Delaware General Corporation Law in a unanimous *en banc* [decision](#) authored by Justice Traynor. The amendments established safe harbor protections from liability for controlling stockholder and other interested transactions that satisfy specified protections, namely approval by a special committee and/or majority-of-the-minority stockholder vote. These amendments provided much needed certainty and a clear roadmap for deal parties to follow. The Delaware Supreme Court’s ruling brings to a close a period of unpredictability surrounding these types of transactions and reflects the ability of the State to respond quickly and in a balanced manner to settle corporate governance and business disputes.

In the opinion, the court stated that legislative acts “should not be declared invalid unless [the legislative enactment’s] invalidity is beyond doubt.” Specifically, the court addressed two questions of law: whether the amendments violated Delaware’s Constitution by (i) divesting the Delaware Court of Chancery of its equitable jurisdiction by eliminating its ability to award equitable relief or damages when the safe harbor provisions are satisfied and (ii) by applying the safe harbors retroactively to fiduciary claims arising from acts and transactions occurring before the amendments’ enactment other than those commenced in any court action or proceeding on or before February 17, 2025. The Supreme Court’s answer to both questions was no. More specifically, it held that the amendments did not eliminate the Court of Chancery’s equitable jurisdiction or extinguish any vested rights unconstitutionally, but rather established a new legal framework for the courts to follow in the future. For our prior memoranda discussing the DGCL Section 144 amendments, please see [here](#) and [here](#).

* * *

This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

Scott A. Barshay
+1-212-373-3040
sbarshay@paulweiss.com

Andre G. Bouchard
+1-302-655-4413
abouchard@paulweiss.com

Legal consultant Cara G. Fay contributed to this Client Memorandum.