

March 18, 2025

Chair Griffith  
Vice-Chair Cyndie  
House Judiciary Committee  
411 Legislative Avenue  
Dover, DE 19901

Dear Chair Griffith, Vice-Chair Cyndie, and Members of the House Judiciary Committee:

The undersigned organizations write in strong opposition to Senate Bill 21 (SB 21). If passed, SB 21 would overhaul Delaware corporate law by severely undermining the ability of regular shareholders, like teachers and firefighters saving for retirement, to hold directors, officers, and controlling stockholders like Elon Musk and Mark Zuckerberg accountable through the Delaware Courts when they overreach and extract value from companies incorporated in Delaware.

**SB 21 would undermine retirement security.** Limiting shareholder rights would seriously weaken tools for holding corporate insiders accountable for self-dealing, putting regular shareholders like workers saving for retirement at risk. Dozens of pension funds warn that SB 21 would “encourage value-destroying behavior and place [their] beneficiaries’ investments at great risk.”<sup>1</sup> Similarly, the International Corporate Governance Network (ICGN), led by investors responsible for assets under management of over US \$90 trillion, is concerned that SB 21 may have “significant negative implications for long-term returns for investors, including people saving for their retirements, current retirees and other individuals investing their savings.”<sup>2</sup>

**SB 21 would undermine corporate accountability nationwide.** About two-thirds of S&P 500 companies are incorporated in Delaware. This means the effects of SB 21 would reverberate across the country, increasing the power of self-dealing corporate actors and decreasing the power of regular shareholders to hold them accountable.

**In 2024, there were over 280,000 new Delaware entities created, and Delaware experienced a net *gain* of 85 publicly traded companies incorporated in the state.**<sup>3</sup> While bill proponents argue a drastic curtailment of the rights of regular shareholders and a corresponding drastic narrowing of avenues of accountability for powerful corporate actors is necessary to prevent companies from choosing other states over Delaware, the fact is Delaware experienced a net *gain*

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<sup>1</sup> International Union of Operating Engineers of Eastern Pennsylvania and Delaware et al. [Public Investor Letter in Opposition to Delaware Senate Bill 21](#), March 7, 2025 at 1.

<sup>2</sup> Sisson, Jen. International Corporate Governance Network. [Amendments to Delaware General Corporate Law \(Senate Bill 21\)](#), March 11, 2025 at 1.

<sup>3</sup> Delaware Department of State. [FY 2026 Joint Finance Committee Hearing](#), February 13, 2025 at 6.

in public companies incorporated in the state, and 80 percent of U.S. initial public offerings (IPOs) chose Delaware as their state of incorporation in 2024.<sup>4</sup>

**Institutional investors believe SB 21 would turn Delaware into a *less* attractive state for incorporation.** Unsurprisingly, limiting shareholder rights would make Delaware a less attractive state for those shareholders. ICGN wrote that “any lowering of standards would undermine the attractiveness of Delaware incorporated companies for investors and be detrimental to the state’s reputation.”<sup>5</sup> Similarly, the Council of Institutional Investors, whose membership has combined assets under management of approximately \$5 trillion, warned that the SB 21 “could make Delaware substantially less attractive to institutional investors when evaluating where the corporations that they own should be incorporated.”<sup>6</sup>

For further discussion, contact American for Financial Reform’s Natalia Renta at [natalia@ourfinancialsecurity.org](mailto:natalia@ourfinancialsecurity.org), Consumer Federation of America’s Lisa Lindsley at [lisa.lindsley@gmail.com](mailto:lisa.lindsley@gmail.com), and Public Citizen’s Elizabeth Beavers ([ebeavers@citizen.org](mailto:ebeavers@citizen.org)).

Sincerely,

Americans for Financial Reform  
Consumer Federation of America  
Public Citizen  
Center for LGBTQ Economic Advancement  
& Research  
Change the Chamber  
Chevedden Corporate Governance  
Communications Workers of America  
Consumer Action  
Cooler  
CorpGov.net  
Economic Action MD Fund  
Frisbie Family Office  
Green America  
Impact Investors, Inc  
Imperative 21

Majority Action  
Maryknoll Sisters  
Missionary Oblates of Mary Immaculate  
Natural Investments PBLLC  
Open MIC  
Oxfam America  
People Power United  
Premiums for the Planet  
Public Good Law Center  
Ralston in Boston LLC  
Sisters of Charity of Saint Elizabeth  
Sustainable Advisors Alliance, LLC  
Transformative Wealth Management, LLC  
United Church Funds  
United for Respect  
Virginia Citizens Consumer Council

cc: Members of the Delaware State House of Representatives

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<sup>4</sup> *Id.*

<sup>5</sup> Sisson, Jen. International Corporate Governance Network. [Amendments to Delaware General Corporate Law \(Senate Bill 21\)](#). March 11, 2025 at 2.

<sup>6</sup> Mahoney, Jeff. Council of Institutional Investors. [Letter on Delaware Senate Bill 21](#). March 12, 2025.