

Preface

We are pleased to present this Fifth Edition of the Model Business Corporation Act Annotated. The Model Business Corporation Act (the “Model Act” or the “Act”) was first promulgated in 1950 by the Committee on Corporate Laws (now the Corporate Laws Committee) of the American Bar Association’s Section of Corporation, Banking and Business Law (now the Business Law Section). The Committee has regularly reviewed and revised the Act since that time, including a major revision in 1969, a completely revised Act in 1984, and another major revision in 2016. The 1984 Act was a five-year project under the leadership of Committee Chair Elliot Goldstein of Atlanta. Robert W. Hamilton, Minerva House Drysdale Regents Chair Emeritus at the University of Texas School of Law, was the Reporter for the 1984 revision. The 2016 revision, another multi-year project, proceeded under the leadership of Committee Chairs A. Gilchrist Sparks, III and Karl John Ege.

The current Model Act is based on the 1984 Act with significant amendments published in supplements regularly thereafter, including those amendments made in the 2016 revision of the Model Act. The Model Business Corporation Act Annotated was first published in 1960, and this Edition contains all amendments to the text of the Model Act and Official Comment through March 31, 2020. Substantive changes to the Act since 1984 are described in the Introduction and in the Historical Background sections of the annotation following each statutory section.

The Model Act serves as a model for corporate statutes throughout the United States. It has been adopted in whole or substantial part as the corporation statute of more than 30 states, and selected provisions of the Act have been adopted by many other states. The success of the Act is due to the many distinguished lawyers, judges, general counsels, and legal academics who have devoted serious attention to the study of the most important

MODEL BUSINESS CORPORATION ACT ANNOTATED

corporate law issues of the day and to the revision of the Act to address those issues. Special thanks are owed to those who have provided the critical leadership of the Committee as its Chair:

Ray Garrett, Chicago	1947–1952
George C. Seward, New York	1952–1958
Leonard D. Adkins, New York	1958–1962
George D. Gibson, Richmond	1962–1965
Willard P. Scott, Oklahoma City	1966–1970
Orvel Sebring, Philadelphia	1970–1974
John P. Austin, San Francisco	1975–1980
Elliott Goldstein, Atlanta	1980–1984
Joseph Hinsey IV, New York	1984–1988
Frank R. Morris, Jr., Columbus	1988–1992
Donald A. Scott, Philadelphia	1992–1996
Larry P. Scriggins, Baltimore	1996–2000
Mary Ann Jorgenson, Cleveland	2000–2004
E. Norman Veasey, Wilmington	2004–2007
Herbert S. Wander, Chicago	2007–2010
A. Gilchrist Sparks, III, Wilmington	2010–2013
Karl John Ege, Seattle	2013–2016
David B.H. Martin, Washington, D.C.	2016–2019
Laurie A. Smiley, London, England	2019–