

***Schnell v. Chris-Craft Indus., Inc., 285 A.2d 437
(Del. 1971)***

Issue: Maintaining control- inequitable method

There was a lot of tension in this case. On appeal from the denial of the Court of Chancery of the petition of dissident stockholders for injunctive relief to prevent management from advancing the date of the annual stockholders meeting from January 11, 1972 as previously set by the by-laws to December 8, 1971.

Management contends that it has complied strictly with the provisions of the new Delaware Corporation Law in changing the by-law date

The Supreme Court of Delaware took the view that due to the limit of time for contest, as they were given 1 days notice, this resulted in an attempt by management to utilize the **corporate machinery** and the Delaware Law for the purpose of keeping management (itself) in office.

This was an inequitable purpose and the advancement of directors of the by-law date of a stockholders' meeting, was not permitted to stand.

The onus is on the plaintiffs to prove that management intended to advance an annual meeting of shareholders for inequitable advantage.

Here, inequitable action did (and does not) not become permissible simply because it is legally possible.

Dissent- Application for injunction relief was *not* timely.

Significance of the Shareholder meeting

U.S corporate governance law is extremely diligent in protecting the shareholder meeting.

What if Corp fails to hold Annual Meeting? S 211(c)

Refer (1) and (2)

***Aprahamian v. HBO & Co., 531 A.2d 1204
(Del. Ch. 1987)***

Plaintiffs sought a preliminary injunction to prevent defendants from further postponing the annual meeting of stockholders of HBO & Company ("HBO") which was originally scheduled to be held on April 30, 1987, but was reschedule by the directors for September 22, 1987.

It was argued that if the annual meeting did not convene before May 16, 1987, a new record date will be fixed which will invalidate the proxies solicited by the plaintiffs, due to expiration of the proxies submitted by the stockholders because of the provisions of Del.C.§ 213.

§ 213 provides that a record date shall not be fixed for a date more than 60 days before the date of the annual meeting.