

Amend CSSB 1952 by adding the following appropriately numbered SECTION to ARTICLE 30 of the bill and renumbering subsequent SECTIONS of that ARTICLE accordingly:

SECTION 30.____. Subchapter D, Chapter 371, Finance Code, is amended by adding Section 371.184 to read as follows:

Sec. 371.184. RESTRICTIONS ON TRANSACTIONS INVOLVING INTERESTED PARTIES. (a) In this section:

(1) "Controlling shareholder" means a shareholder or group of affiliated shareholders that owns 25 percent or more of the shares eligible to vote in any election of directors or other matters typically requiring shareholder approval.

(2) "Interested party" means, with respect to a corporation or other business entity:

(A) a controlling shareholder;

(B) a member of the board of directors or its equivalent;

(C) an executive officer of the corporation or business entity;

(D) a member of the immediate family of a controlling shareholder, director, or executive officer; or

(E) an affiliate of the corporation or other business entity, a controlling shareholder, director, or executive officer of an affiliate, or a member of the immediate family of a controlling shareholder, director, or executive officer of an affiliate.

(b) A corporation or other business entity that holds a license under this chapter and whose shares are publicly traded may not engage in a transaction with an interested party that, when aggregated with all transactions with that person or any other interested party during the corporation's fiscal year, involves a total of \$100,000 or more, unless that transaction receives prior approval of a majority of the holders of outstanding shares of the corporation's or other business entity's capital stock or its equivalent, including capital stock that is not otherwise entitled to vote, who are not interested parties, voting together as a single class of capital stock.