

By: Madden, et al.

H.B. No. 3174

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the stay of recognition or enforcement of a foreign
3 country judgment to allow for de novo review of a contract or
4 agreement for a sale, offer for sale, or sell under The Securities
5 Act.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. The Securities Act (Article 581-1 et seq.,
8 Vernon's Texas Civil Statutes) is amended by adding Section 33-2 to
9 read as follows:

10 Sec. 33-2. STAY OF RECOGNITION OR ENFORCEMENT OF FOREIGN
11 COUNTRY JUDGMENT. (a) Prior to a court's recognition or
12 enforcement of a foreign country judgment under Chapter 36, Civil
13 Practice and Remedies Code, or otherwise, a party against whom
14 recognition or enforcement of a foreign country judgment is sought
15 is entitled to de novo review by a court in this state to determine
16 whether a party, its successors, assigns, agents, or
17 representatives seeking recognition or enforcement of a foreign
18 country judgment has violated this Act or Chapter 17, Business &
19 Commerce Code.

20 (b) A party seeking de novo review under this section must
21 file with the court a verified pleading asserting a violation of
22 this Act or Chapter 17, Business & Commerce Code, not later than the
23 30th day after the date of service of the notice of filing of a
24 foreign country judgment with the court for recognition or

1 enforcement.

2 (c) A pleading filed in accordance with Subsection (b)
3 operates as a stay of the commencement or continuation of a
4 proceeding to recognize or enforce a foreign country judgment. The
5 stay shall continue until the court completes its de novo review
6 under this section and renders a final judgment.

7 (d) A finding by a court of a violation of this Act or
8 Chapter 17, Business & Commerce Code, is a sufficient ground for
9 nonrecognition of a foreign country judgment.

10 (e) This section applies to a foreign country judgment
11 involving a contract or agreement for a sale, offer for sale, or
12 sell as defined by this Act, or investment, that imposes an
13 obligation of indemnification or liquidated damages upon a Texas
14 resident.

15 SECTION 2. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the votes necessary for immediate effect, this
19 Act takes effect September 1, 2011.