

AN ACT

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

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

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

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

(b) A party seeking de novo review under this section must file with the court a verified pleading asserting a violation of this Act or Chapter 17, Business & Commerce Code, not later than the 30th day after the date of service of the notice of filing of a 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.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 3174 was passed by the House on April 19, 2011, by the following vote: Yeas 144, Nays 0, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 3174 was passed by the Senate on May 19, 2011, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor