

1-1 By: Madden, et al. (Senate Sponsor - Harris) H.B. No. 3174  
1-2 (In the Senate - Received from the House April 20, 2011;  
1-3 April 26, 2011, read first time and referred to Committee on  
1-4 Jurisprudence; May 12, 2011, reported favorably by the following  
1-5 vote: Yeas 7, Nays 0; May 12, 2011, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the stay of recognition or enforcement of a foreign  
1-9 country judgment to allow for de novo review of a contract or  
1-10 agreement for a sale, offer for sale, or sell under The Securities  
1-11 Act.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. The Securities Act (Article 581-1 et seq.,  
1-14 Vernon's Texas Civil Statutes) is amended by adding Section 33-2 to  
1-15 read as follows:

1-16 Sec. 33-2. STAY OF RECOGNITION OR ENFORCEMENT OF FOREIGN  
1-17 COUNTRY JUDGMENT. (a) Prior to a court's recognition or  
1-18 enforcement of a foreign country judgment under Chapter 36, Civil  
1-19 Practice and Remedies Code, or otherwise, a party against whom  
1-20 recognition or enforcement of a foreign country judgment is sought  
1-21 is entitled to de novo review by a court in this state to determine  
1-22 whether a party, its successors, assigns, agents, or  
1-23 representatives seeking recognition or enforcement of a foreign  
1-24 country judgment has violated this Act or Chapter 17, Business &  
1-25 Commerce Code.

1-26 (b) A party seeking de novo review under this section must  
1-27 file with the court a verified pleading asserting a violation of  
1-28 this Act or Chapter 17, Business & Commerce Code, not later than the  
1-29 30th day after the date of service of the notice of filing of a  
1-30 foreign country judgment with the court for recognition or  
1-31 enforcement.

1-32 (c) A pleading filed in accordance with Subsection (b)  
1-33 operates as a stay of the commencement or continuation of a  
1-34 proceeding to recognize or enforce a foreign country judgment. The  
1-35 stay shall continue until the court completes its de novo review  
1-36 under this section and renders a final judgment.

1-37 (d) A finding by a court of a violation of this Act or  
1-38 Chapter 17, Business & Commerce Code, is a sufficient ground for  
1-39 nonrecognition of a foreign country judgment.

1-40 (e) This section applies to a foreign country judgment  
1-41 involving a contract or agreement for a sale, offer for sale, or  
1-42 sell as defined by this Act, or investment, that imposes an  
1-43 obligation of indemnification or liquidated damages upon a Texas  
1-44 resident.

1-45 SECTION 2. This Act takes effect immediately if it receives  
1-46 a vote of two-thirds of all the members elected to each house, as  
1-47 provided by Section 39, Article III, Texas Constitution. If this  
1-48 Act does not receive the votes necessary for immediate effect, this  
1-49 Act takes effect September 1, 2011.

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