

Texas Business Law Legislative Update 2025

June 24, 2025 State Bar of Texas

Panelists: Senator Bryan Hughes (SD 1); Chair, State Affairs Committee

Representative Morgan Meyer (HD 108); Chair, Ways & Means

Senator Tan Parker (SD 12); Vice-Chair, Criminal Justice

Jason Villalba, Frost Brown Todd

David Cabrales, Foley & Lardner



Senator Bryan Hughes
Senate District 1
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(512) 463-0101



Senator Bryan Hughes is serving his third term in the Texas Senate, representing nearly one million people across 19 counties throughout East Texas.

Dubbed as "one of the most effective legislators in the country" by Governing Magazine, Senator Hughes is known for passing the Heartbeat Bill, Critical Race Theory Ban, Election Integrity Bill, Social Media Censorship Ban, and the strongest data privacy law in the Nation, along with several other groundbreaking laws. Consistently ranked as the #1 most conservative member of the Senate, Hughes is the only member of the legislature to have two pieces of legislation appealed to the U.S. Supreme Court.

A graduate of Tyler Junior College and the University of Texas at Tyler, Senator Hughes earned his B.B.A. in economics, cum laude, and became the first member of his family to earn a bachelor's Degree. He continued his studies at the Baylor University School of Law and served as law clerk to U.S. District Judge William Steger of Tyler before entering private practice which he maintains, helping families and businesses solve problems and deal with complex challenges.

Senator Hughes serves as Chairman of the Senate Committee on State Affairs and the Senate Committee on Jurisprudence, as well as Joint-Chair of the Joint Committee on Effects of Media on Minors. He is also a member of the Health & Human Services, Natural Resources, and Nominations committees. Hughes was recently appointed to the Energy Council's Executive Committee by Lieutenant Governor Dan Patrick.



Rep. Morgan D. Meyer Partner morgan.meyer@wickphillips.com 214-692-6200 3131 McKinney Avenue, Suite 500 Dallas, Texas 75204 wickphillips.com



Morgan is a member of the Texas House of Representatives and has over two decades of experience as a commercial litigator. He represents a legislative district that encompasses parts of Downtown Dallas, Uptown Dallas, East Dallas, Preston Hollow, Lake Highlands, Lakewood, the City of University Park, and the Town of Highland Park.

Now in his sixth term as a State Representative, Morgan serves as Chair of the Ways & Means Committee which oversees critical tax and budget issues for the state. Morgan was instrumental in the passage of historic tax relief measures for Texans. He also serves on the House Administration Committee.

Morgan counsels and represents business clients in complex commercial litigation and appeals in the areas of telecommunications, energy/oil and gas, intellectual property, consumer finance, banking, employment disputes, landlord/tenant issues, construction, securities litigation, insurance, commercial banking, financial services, and healthcare.

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Senator Tan Parker

Senate District 12 P.O. Box 12068 Capitol Station Austin, TX 78711

(512) 463-0112



Senator Tan Parker is a proven conservative leader, businessman, and dedicated public servant working to ensure Texas remains strong, free, and prosperous. After serving eight terms in the Texas House of Representatives where he quickly established himself as a driving force on key legislative priorities, he was elected to the Texas Senate in 2022, where he continues to lead efforts to safeguard Texas' economy, security, and future innovation. Senator Parker is honored to represent North Texas - serving parts of Dallas, Denton, Tarrant counties and all of Wise County.

During the 89th Session of the Texas Legislature, Parker received several significant appointments, including presiding officer of the Texas Sunset Advisory Commission, overseeing state agency efficiency and accountability. He also serves as Co-Chair of the Artificial Intelligence Advisory Council, ensuring Texas leads in Al while upholding ethical integrity. As Vice Chair of the Senate Committees on Criminal Justice and Veterans Affairs, Parker is shaping policy to enhance public safety and support those who have served our nation. He also serves on the Education, State Affairs, and Natural Resources Committees, advancing policies that strengthen Texas for generations to come.

A strong Republican leader in both chambers, Parker is among the few who have successfully led both the Texas House Republican Caucus and the Texas Senate Republican Caucus (current). He also serves as Chair of the Texas-UK Caucus, Senate Chair of the Texas IT Caucus, and a national leader in shaping cybersecurity, artificial intelligence, and financial market policy. His work includes advancing the creation and leadership of Texas Cyber Command, the newly-created Texas Stock Exchange, and fostering capital markets growth in Texas.



Jason Villalba
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Practice Areas Corporate Law Mergers & Acquisitions Securities & Corporate Governance Startups & Emerging Business International Services Latin American Desk

Lobbying & Public Policy Private Equity & Venture Jason is a financially trained business advisor and corporate strategist, experienced in emerging growth companies and companies operating primarily in the middle market in industries including tech-enabled services, retail, hospitality, manufacturing, health care, and communications. Jason's background as an attorney, business advisor, economist, and as a former member of the Texas House of Representatives, provides him with deep knowledge in a number of business-critical areas including regulatory compliance, governmental relations, analytics, and corporate governance. Jason's legislative experience bringing together disparate constituencies to achieve a common objective provides a unique problem-solving facet to his skillset as a corporate advisor.

Jason serves most frequently as a seasoned business advisor, partner and general counsel for companies that have engaged him for his strategic, corporate, and legal advice on matters spanning financing, litigation, government relations, executive compensation, and operations



David Cabrales

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David Cabrales is an attorney and lobbyist in the Austin and Dallas offices of Foley & Lardner. He is co-chair of the firm's Texas State Government Solutions practice group, as well as co-chair of its Economic Development and Government Incentives practice group, and a member of the Texas Corporate Governance Team.

David has been immersed in Texas state government matters for over 20 years, including time spent as a Texas Racing Commissioner, as General Counsel to Governor Rick Perry, and as chairman of the Texas Economic Development Corporation. A seasoned complex-commercial trial attorney, David represents clients at the intersection of law and public policy at the Legislature as well as before state agencies and local governments. He has particular expertise in resolving matters before the Texas Commission on Environmental Quality, the Texas Health and Human Services Commission, the Texas Department of Insurance, The Texas Railroad Commission, and the Texas Racing Commission.

David is a member of the bipartisan Federal Judicial Evaluation Committee (FJEC), which is composed of leading Texas attorneys who screen and recommend to U.S. Senators John Cornyn and Ted Cruz nominees for vacancies on the federal bench and in U.S. attorney offices in Texas.

David started his career as a briefing attorney for Texas Supreme Court Justice Raul Gonzalez. He has an undergraduate degree in International Trade from Texas Tech University and a law degree from SMU, where he attended as a Hatton W. Sumners Scholar.

Business Law Legislation – 89th Session

SB 29 - Major corporate law reform

SB 1057 - Increased ownership requirements for shareholders seeking to introduce proposals at Texas-based public companies

SB 2337 - Regulation of proxy advisors who do not advise solely in the financial interests of shareholders

HJR 4 - Proposes a constitutional amendment to ban new taxes on securities transfers and financial transactions

SB 1058 - Excludes rebates paid to brokers and dealers by a securities exchange from its total revenue for franchise tax purpose.

HB 40 - Updates to the Business Court

SB 2411 - Texas Business Organizations Code update

- 1. Codifies the Business Judgment Rule
- 2. Allows companies to set ownership threshold before derivate claims can be brought
- 3. Allows upfront determination of independence of board members on certain matters
- 4. Bars recovery of attorney's fees in "disclosure-only" settlement of derivative lawsuits

Major Reforms:

- 1. Codifies the Business Judgment Rule
 - A. Specifies presumptions of officer and director conduct

("In taking or declining to take any action on matters of a corporation's business, a director or officer is presumed to act: 1) in good faith; 2) on an informed basis; 3) in furtherance of the interests of the corporation; and 4) in obedience to the law and the corporation's governing documents." Section 21.419 (c), Texas Business Organizations Code)

Major Reforms:

1. Codifies the Business Judgment Rule

A. Specifies presumptions of officer and director conduct

B. Places burden of proof on claimant

("Neither a corporation nor any of the . . . shareholders has a cause of action against a director or officer . . . unless: (1) the claimant rebuts one or more of the presumptions . . .; and 2) it is proven by claimant that: (A) the director's or officer's act or omission constituted a breach of one or more of the person's duties . . .; and (B) the breach involved fraud, intentional misconduct, an ultra vires act, or a knowing violation of law." Section 21.419(d), Texas Business Organizations Code)

Major Reforms:

1. Codifies the Business Judgment Rule

- A. Specifies presumptions of officer and director conduct
- B. Places burden of proof on claimant

C. Sets a heightened pleading standard for certain claims

("In alleging fraud, intentional misconduct, an ultra vires act, or a knowing violation of the law . . . a party must state with particularity the circumstances constituting [the allegation]." Section 21.419(f), Texas Business Organizations Code)

Major Reforms:

1. Codifies the Business Judgment Rule

- A. Specifies presumptions of officer and director conduct
- B. Places burden of proof on claimant
- C. Sets a heightened pleading standard for certain claims

D. Applies to certain entities

-Automatically applies to corporations, LLCs, and L.P.s listed on a national securities exchange. (Sections 21.418(f), 101.256(a), and 152.006(a), Texas Business Organizations Code)

-Privately-owned corporations, LLCs, and L.P.s can opt-in. (Sections 21.418(f), 101.256(a), and 152.006(b), Texas Business Organizations Code)

- 1. Codifies the Business Judgment Rule
- 2. Allows companies to set ownership threshold before derivative claims can be brought
- A. Companies can opt-in by amending certificate of formation or bylaws. (Section 21.552(a)(3), Texas Business Organizations Code)

- 1. Codifies the Business Judgment Rule
- 2. Allows companies to set ownership threshold before derivative claims can be brought
- A. Companies can opt-in by amending certificate of formation or bylaws.
- B. Ownership threshold cannot exceed 3% of outstanding shares. (Section 21.552(a)(3), Texas Business Organizations Code).

- 1. Codifies the Business Judgment Rule
- 2. Allows companies to set ownership threshold before derivative claims can be brought
- A. Companies can opt-in by amending certificate of formation or bylaws.
- B. Ownership threshold cannot exceed 3% of outstanding shares.
- C. Ownership of several shareholders can be combined to meet threshold. (Section 21.551(2)(C), Texas Business Organizations Code).

Major Reforms:

- 1. Codifies the Business Judgment Rule
- 2. Allows companies to set ownership threshold before derivative claims can be brought

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D. Applies to certain corporations

-Automatically applies to corporations listed on a national securities exchange. (Section 21.552(a)(3), Texas Business Organizations Code).

-Applies to other corporations that: a) adopted the codified Business Judgment Rule; and b) have 500 or more shareholders when the proceeding is instituted. (Id.)

- 1. Codifies the Business Judgment Rule
- 2. Allows companies to set ownership threshold before derivate claims can be brought
- 3. Allows upfront determination of independence of board members on certain matters
 - A. Applies to certain categories of board decision-making
- -Reviewing transactions. (Section 21.416 (g), Texas Business Organizations Code)
- -Special litigation committees. (Section 21.554 (c), Texas Business Organizations Code)
 - -Board review of derivative proceedings. (Id.)

- 1. Codifies the Business Judgment Rule
- 2. Allows companies to set ownership threshold before derivate claims can be brought
- 3. Allows upfront judicial determination of independence of board members on certain matters
 - A. Applies to certain categories of board decision-making
- B. Establishes procedures for obtaining a judicial determination. (Sections 21.4161 and 21.554 (d)-(i), Texas Business Organizations Code)

- 1. Codifies the Business Judgment Rule
- 2. Allows companies to set ownership threshold before derivate claims can be brought
- 3. Allows upfront judicial determination of independence of board members on certain matters
 - A. Applies to certain categories of board decision-making
- B. Establishes procedures for obtaining a judicial determination
- C. For committees reviewing transactions, judicial determination is available only for corporations: 1) listed on a national securities exchange, or 2) or that have elected to be governed by the codified Business Judgment Rule. (Section 21.416 (q), Texas Business Organizations Code)

Major Reforms:

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- 4. Bars recovery of attorney's fees in "disclosure-only" settlement of derivative lawsuits
 - -A court may order a company "to pay expenses the plaintiff incurred in the proceeding if the court finds the proceeding has resulted in a substantial benefit to the corporation."
 - -SB 29 clarifies that "a substantial benefit to the corporation does not include additional or amended disclosures made to the shareholders. . . ." (Sections 21.561(c) [corporations], 101.461(c) [LLCs], and 153.411(c) [L.P.s], Texas Business Organizations Code)

Other Provisions:

1. Companies may select one or more Texas courts as the exclusive venue for internal disputes. (Section 2.115(b)(2), Texas Business Organizations Code)

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- 1. Companies may select one or more Texas courts as the exclusive venue for internal disputes.
- 2. Corporations can include in their governing documents a waiver of jury trial for internal disputes. (Section 21.416 (g), Texas Business Organizations Code)

Other Provisions:

- 1. Companies may select one or more Texas courts as the exclusive venue for internal disputes.
- 2. Corporations can include in their governing documents a waiver of jury trial for internal disputes.
- 3. Confirms that emails, texts, social media posts, and similar communications are not generally to be considered books and records of a company. (Sections 21.218(b)[corporations], 101.502(a)[LLCs], and 153.552(a)[L.P.s], Texas Business Organizations Code)

Other Provisions:

- 1. Companies may select one or more Texas courts as the exclusive venue for internal disputes.
- 2. Corporations can include in their governing documents a waiver of jury trial for internal disputes.
- 3. Confirms that emails, texts, social media posts, and similar communications are not generally to be considered books and records of a company.
- 4. Allows a corporation to waive the class-by-class voting requirement in certain circumstances. (Sections 21.364(d)(1) and 21.365(b)(2), Texas Business Organizations Code)

Raises ownership requirements beyond those set by federal law for shareholders seeking to introduce proposals at Texas-based public companies.

Raises ownership requirements for shareholders seeking to introduce proposals at Texas-based public companies, beyond those set by federal law.

1. Applies to corporations listed on a national securities exchange and either: 1) has its principal place of business in Texas; or 2) is listed on an approved exchange based in Texas. (Section 21.373(a) and (b), Texas Business Organizations Code)

Raises ownership requirements for shareholders seeking to introduce proposals at Texas-based public companies, beyond those set by federal law.

- 1. Applies to corporations listed on a national securities exchange and either: 1) has its principal place of business in Texas; or 2) is listed on an approved exchange based in Texas.
- 2. The corporation must elect to be governed by this provision by amending its governing documents. (Section 21.373(b), Texas Business Organizations Code)

Raises ownership requirements for shareholders seeking to introduce proposals at Texas-based public companies, beyond those set by federal law.

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- 3. Most shareholder proposals can only be submitted by a shareholder (or a group) that:
- a) own at least \$1 million or 3% of the outstanding voting shares;
- b) have owned to those shares for at least 6 months before the meeting on which the proposal will be voted;
 - c) own the shares through the meeting; and
- d) solicit at least 67% of the shares entitled to vote on the proposal. (Section 21.373(e), Texas Business Organizations Code)

Raises ownership requirements for shareholders seeking to introduce proposals at Texas-based public companies, beyond those set by federal law.

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- 3. Most shareholder proposals can only be submitted by a shareholder (or a group) that . . .
- 4. Restriction does not apply to director nominations and procedural resolutions. (Section 21.373(f), Texas Business Organizations Code)

Requires proxy advisors who do not advise solely in the financial interests of shareholders to explain why not.

Requires proxy advisors who do not advise solely in the financial interests of shareholders to explain why not.

- 1. Applies to advice and recommendations made about companies that are:
 - a) headquartered in Texas;
 - b) incorporated in Texas; or
- c) have made a company proposal to re-domesticate to Texas.

(Section 6A.001(1), Texas Business Organizations Code)

Requires proxy advisors who do not advise solely in the financial interests of shareholders to explain why not.

- 1. Applies to advice and recommendations made about companies that are . . .
- 2. Sets disclosure requirements if proxy advisory services are not provided solely in the financial interests of the shareholders of a company. (Section 6A.101(b), Texas Business Organizations Code)

Requires proxy advisors who do not advise solely in the financial interests of shareholders to explain why not.

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- 3. Proxy advisory services are not "solely in the financial interest of the shareholders" if they are based in whole or in part on one or more non-financial factors, including:
 - -an ESG goal, factor, or investment principle;
 - -DEI;
 - -a social credit or sustainability factor/score;
- -membership or commitment to a group that assesses companies based on nonfinancial factors.

Section 6A.101(a)(1), Texas Business Organizations Code)

Requires proxy advisors who do not advise solely in the financial interests of shareholders to explain why not.

* * * *

- 4. Proxy advisory services are not "solely in the financial interest of the shareholders" if the service:
- -involves a voting recommendation on a shareholder-sponsored proposal that is inconsistent with the board recommendation, and does not include the required economic analysis;
- -subordinates the financial interests of the shareholders to other interests;
- -involves a proposal to elect a governing person that does not explicitly consider the financial interest of the shareholders.

Section 6A.101(a)(2)-(4), Texas Business Organizations Code)

Requires proxy advisors who do not advise solely in the financial interests of shareholders to explain why not.

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- 5. For advice not solely in the financial interest of the shareholders, the proxy advisor must:
- -state in a notice that the service is not being provided solely in the financial interest of the shareholders because it is based in whole or part on nonfinancial factors; and
- -explain in the notice the basis of the advice on each recommendation and that it subordinates the financial interests of the shareholders to other objectives.
- -provide a copy of the notice to the company and place certain information on its website.

Section 6A.101(b), Texas Business Organizations Code)

Requires proxy advisors who do not advise solely in the financial interests of shareholders to explain why not.

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- 6. Proxy advisors must take certain steps when giving "materially different" advice or recommendations.
- -comply with disclosure requirements for nonfinancial advice;
- -notify several people including certain shareholders, the company, and the Texas Attorney General; and
- -disclose which of the conflicting advice is provided solely in the financial interest of the shareholders or support by specific financial analysis;

(Section 6A.102, Texas Business Organizations Code)

Senate Bill 2337 (Hughes/Leach)

Requires proxy advisors who do not advise solely in the financial interests of shareholders to explain why not.

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- 6. Other provisions:
- -The Attorney general can seek injunctive relief and a penalty under section 17.47 of the DTPA
- -Certain parties including the company and any shareholder can seek declaratory or injunctive relief
 - -The legislation is effective September 1, 2025
- -The legislation applies "only to a proxy advisory service provided on or after the effective date."

Section 6A.202, Texas Business Organizations Code), and Sections 4 and 3 of SB 2337)

proposes a constitutional amendment to ban new taxes on securities transfers and financial transactions.

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1. Would prohibit an occupations tax on "registered securities market operators", and a tax on securities transactions conducted by "registered securities market operators". (proposed Article VIII, Section 30(b), Texas Constitution).

proposes a constitutional amendment to ban new taxes on securities transfers and financial transactions.

- 1. Would prohibit an occupations tax on "registered securities market operators", and a tax on securities transactions conducted by "registered securities market operators".
- 2. "Registered securities market operators" is defined expansively, to include not just national securities exchanges, but also: self-regulatory organizations, alternative trading systems, commodity pool operators, electronic trading facilities, financial institutions, and broker-dealers, among others.

 (proposed Article VIII, Section 30(a)(1), Texas Constitution).

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securities transfers and financial transactions.
    * * * *
3. Would not prohibit certain other taxes:
    -general business tax;
    -tax on mineral production;
    -tax on insurance premiums;
    -sales and use tax on tangible personal property/services;
    -processing or document fees.
    -changes to existing taxes.
    (proposed Article VIII, Section 30(c), Texas Constitution).
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proposes a constitutional amendment to ban new taxes on

SB 1058 (Parker/Capriglione)

Excludes rebates paid to brokers and dealers by a securities exchange from its total revenue for franchise tax purpose.

SB 1058 (Parker/Capriglione)

Excludes rebates paid to brokers and dealers by a securities exchange from its total revenue for franchise tax purpose.

-"A taxable entity that is a registered securities market operator shall exclude from its total revenue transaction rebate payments made by the operator to a broker or dealer as part of a securities transaction." (Section 171.011(y), Texas Tax Code)

SB 1058 (Parker/Capriglione)

Excludes rebates paid to brokers and dealers by a securities exchange from its total revenue for franchise tax purpose.

-"A taxable entity that is a registered securities market operator shall exclude from its total revenue transaction rebate payments made by the operator to a broker or dealer as part of a securities transaction."

-Defines "transaction rebate payment" as "an amount paid to incentivize a broker or dealer to provide liquidity to the market." (Section 171.011(z)(5), Texas Tax Code)

Updates to the Business Court.

1. Expands the jurisdiction of the Business Court:

- -IP matters ("an action arising out of or relating to the ownership, use, licensing, lease, installation, or performance of intellectual property. . . ." Section 25A.004(d)(4), Texas Government Code).
- -Trade secrets ("a trade secret, as that term is defined in Section 134A, Civil Practice and Remedies Code. . . ." Section 25A.004(d)(5), Texas Government Code).
- -Certain arbitration matters ("an action to enforce an arbitration agreement, appoint an arbitrator, or review an arbitral award, or other judicial action" Section 25A.004(d-1), Texas Government Code).
- -Must involve an internal affairs matter or commercial dispute within the Court's jurisdiction.

- 1. Expands the jurisdiction of the Business Court:
 - -IP matters
 - -Trade secrets
 - -Certain arbitration matters
- -Certain investment disputes ("an action arising out of . . . [an] investment contract or transaction"). (Section 25A.004(d)(2), Texas Government Code).
- -Parties must have agreed to Business Court jurisdiction in the contract or a subsequent agreement.

- 1. Expands the jurisdiction of the Business Court
- 2. Reduces the amount in controversy requirement, and allows for aggregation
- -Reduced from \$10 million to \$5 million for all categories:
- -Qualified transactions (Section 25A.001(14)(A), Texas Government Code).
- -Covered commercial disputes (Section 25A.004(d), Texas Government Code).

- 1. Expands the jurisdiction of the Business Court
- 2. Reduces the amount in controversy requirement, and allows for aggregation
- -Reduced from \$10 million to \$5 million for all categories:
 - -Transactions and parties' claims can be aggregated:
- -"'Qualified transaction' means a transaction, or series of related transactions . . ." (Section 25A.001(14), Texas Government Code).
- "The amount in controversy for jurisdictional purposes under Subsection (b) or (d) is the total amount of all joined parties' claims." (Section 25A.004(i), Texas Government Code).

- 1. Expands the jurisdiction of the Business Court
- 2. Reduces the amount in controversy requirement, and allows for aggregation
- 3. Venue can be established in governing documents for certain internal affairs claims. (Section 25A.006(a)(2), Texas Government Code).
- -NOTE: "a derivative proceeding" is not among the claims for which governing documents can be used to establish venue. (Id.)

- 1. Expands the jurisdiction of the Business Court
- 2. Reduces the amount in controversy requirement, and allows for aggregation
- 3. Venue can be established in governing documents for certain internal affairs claims.
- 4. Specifically excludes consumer transactions from Court's supplemental jurisdiction. (Subsections 25A.004(g)(4) and (h), Texas Government Code).

- 1. Expands the jurisdiction of the Business Court
- 2. Reduces the amount in controversy requirement, and allows for aggregation
- 3. Venue can be established in governing documents for certain internal affairs claims.
- 4. Specifically excludes consumer transactions from Court's supplemental jurisdiction.
- 5. Moves Montgomery County to the Division that includes Houston. (Subsections 25A.003(d) and (m), Texas Government Code).

- 1. Expands the jurisdiction of the Business Court
- 2. Reduces the amount in controversy requirement, and allows for aggregation
- 3. Venue can be established in governing documents for certain internal affairs claims.
- 4. Specifically excludes consumer transactions from Court's supplemental jurisdiction.
- 5. Moves Montgomery County to the Division that includes Houston.
- 6. Allows certain disputes commenced before September 1, 2024 to be transferred to the Business Court. (Section 25A.021, Texas Government Code).

Texas Business Organizations Code update.

Texas Business Organizations Code update.

1. The plain meaning of TBOC cannot be supplanted, contravened, or modified by the laws or decisions of other states. (Section 1.057(a), Texas Business Organizations Code)

Texas Business Organizations Code update.

- 1. The plain meaning of TBOC cannot be supplanted, contravened, or modified by the laws or decisions of other states.
- 2. It is not a breach of a director or officer's duty to fail or refuse to conform to the laws, decisions, or practices of another state. (Section 1.057(b), Texas Business Organizations Code)

Texas Business Organizations Code update.

- 1. The plain meaning of TBOC cannot be supplanted, contravened, or modified by the laws or decisions of other states.
- 2. It is not a breach of a director or officer's duty to fail or refuse to conform to the laws, decisions, or practices of another state.
- 3. If a TBOC provision contains a grant of jurisdiction to a "district court", that also includes the Business Court. (Section 1.056, Texas Business Organizations Code)

Texas Business Organizations Code update.

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4. Streamlines mergers and major transactions:

-Boards may approve major documents like merger plans in either final or substantially final form and ratify them later. (Section 3.106, Texas Business Organizations Code)

-Unless expressly stated, disclosure letters, schedules, or similar documents delivered in connection with a plan of merger are not considered a part of the plan of merger. (Section 10.002(e), Texas Business Organizations Code)

-A merger plan may contain an irrevocable appointment of representatives to act on behalf of owners or members, with the exclusive authority to enforce or settle rights under the plan. (Subsection 10.004(a)(3) and (b), Texas Business Organizations Code)

Texas Business Organizations Code update.

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- 4. Streamlines mergers and major transactions
- 5. Allows "officers" to now be exculpated to the same extent that directors and governing persons may be. (Section 7.001, Texas Business Organizations Code) (Replaces "governing person" with "managerial official", which is defined to include officers. See 1.002(52), Texas Business Organizations Code).