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WHITE PAPER

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Texas Enacts Business-Friendly Reforms in Bid to Dethrone Delaware's Corporate Dominance

The Texas Legislature recently has taken Texas-sized steps intended to make the state a more attractive place for companies to form, reincorporate, or relocate, further advancing Texas's efforts to rival Delaware as a destination for incorporation. In particular, Texas passed three laws—Senate Bill 29 ("SB 29"), Senate Bill 2411 ("SB 2411"), and Senate Bill 1057 ("SB 1057")—that offer protections and benefits for businesses that are comparable to, and in certain respects exceed, those available under Delaware's General Corporation Law ("DGCL").[1]

The statutes, building on 2023 legislation that established the Texas Business Court, contain reforms that modernize the Texas Business Organizations Code ("TBOC"), introducing a range of substantive changes that affect governance, shareholder rights, corporate and individual liability, and management of internal corporate affairs, the most notable of which are summarized in this *White Paper*.

SENATE BILL 29

A Statutory Business Judgment Rule and Heightened Pleading Standard

Texas: One of the most notable features of SB 29 is its codification of the business judgment rule, enacting into statutory law a longstanding rebuttable presumption under the common law that "in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company [and its shareholders]."[2] Under the new statute, directors and officers of covered companies[3] are presumed to have acted in good faith, on an informed basis, in furtherance of the corporation's interests, and in obedience to the law and the corporation's governing documents.[4]

Consequently, neither the corporation nor its shareholders have a viable cause of action against a director or officer (for an act in his or her capacity as such) unless the plaintiff: (i) rebuts one or more of the presumptions described above *and* (ii) proves (a) that the director or officer's action (or omission) breached a duty *and* (b) that the breach involved fraud, intentional misconduct, an *ultra vires* act, or a knowing violation of the law.[5] Notably, the plaintiff must state "with particularity" the circumstances constituting the fraud, intentional misconduct, *ultra vires* act, or knowing violation of law—a pleading standard analogous to Rule 9(b) of the Federal Rules of Civil Procedure.

Delaware: Like Texas, Delaware's business judgment rule imposes a rebuttable presumption that shields corporate directors and officers from liability in many instances and requires a plaintiff to plead facts to rebut the presumption. However, Delaware's rule differs from Texas's in two ways. First, Delaware's rule is not codified but instead is a feature of its common law, meaning that it is created and molded by the courts. Second, and perhaps more importantly, Delaware's business judgment rule can be rebutted by showing that the director or officer was grossly negligent,[6] whereas Texas law requires a showing of greater culpability (and heightened pleading requirements), as now set forth in the TBOC.

Enhanced Protections Against Derivative Shareholder Claims

Ownership Requirements for Derivative Suits

Texas: SB 29 imposes additional requirements that a shareholder must meet before he or she can file a derivative lawsuit—i.e., a suit brought by a shareholder on behalf of the corporation (often against the company's officers and directors). In addition to the rule that the shareholder must have owned shares at the time of the alleged malfeasance or thereafter became a shareholder by operation of law, any company (i) that has shares listed on a national securities exchange or (ii) that "opted in" to this provision and has 500 or more shareholders may now set a threshold of shares that a shareholder must own—not to exceed 3% of the outstanding shares—before being eligible to file a derivative suit.[7] Thus, these provisions prevent shareholders with arguably *de minimus* interests in the company or the alleged malfeasance from usurping the authority of the company's board to pursue a claim on the company's behalf.

Delaware: The DGCL contains no similar ownership threshold; a shareholder need own only a single share at the time of the alleged malfeasance and throughout the litigation.[8]

Attorneys' Fees for "Disclosure Only" Settlements

Texas: The TBOC now prohibits plaintiffs' counsel in a derivative case from recovering attorneys' fees and other expenses if the only relief granted by the presiding court is an order requiring the company to provide additional or amended disclosures to its shareholders (i.e., a "disclosure only" settlement).[9] Under the new provision, such additional disclosures, *regardless of materiality*, will not constitute a "substantial benefit" to the company such that the plaintiff's counsel can seek an award of attorneys' fees and costs.

Delaware: While the DGCL does not contain a similar provision, beginning with the Chancery Court's opinion in *In re Trulia, Inc. Stockholder Litigation*,[10] Delaware courts have increasingly scrutinized (and set standards concerning) attorneys' fee awards in "disclosure only" settlements.[11]

Determining Independence and Disinterestedness of Directors in Controlling Shareholder Transactions

Texas: The TBOC now authorizes the board of directors of a covered corporation[12] to adopt resolutions that "authorize the formation of a committee of independent and disinterested directors to review and approve transactions . . . involving the corporation . . . and a controlling shareholder, director, or officer," regardless of whether the transaction is contemplated at the time of the committee's formation.[13] The corporation may petition the Texas Business Court[14] to determine (on an expedited basis) whether the directors appointed to the committee are independent and disinterested with respect to any transaction involving the corporation and a controller shareholder, director, or officer.[15] Based on those expedited proceedings (which include a required evidentiary hearing), the Texas Business Court determines the interestedness and independence of the committee members, and that determination is "dispositive in the absence of facts[] not presented to the court" that proves that a committee member lacks independence or disinterestedness.[16]

Delaware: Delaware law historically has presumed that a company's directors are independent and disinterested; however, recent amendments to the DGCL (as described in our *Alert*, "Delaware Restores Balance and Provides Greater Certainty for Fiduciaries and Stockholders Alike") include a "heightened" presumption that a director of a public company is disinterested with respect to an act or transaction to which he or she is not a party if the board has determined that the director satisfies the criteria of the national exchange on which the company is listed for director independence from the company (or a controlling shareholder). That "heightened" presumption can be rebutted only by "substantial and particularized facts" that the director has a material interest in the act or transaction, or a material relationship with a person with a material interest in the act or transaction.[17]

Limitations on Shareholder Books-and-Records Demands

Texas: SB 29 imposes new limits on shareholder demands to review corporate books and records. In addition to the preexisting requirements that the demanding shareholder must have held shares in the company "for at least six months immediately preceding" the demand or hold at least 5% of the corporation's outstanding shares,[18] the TBOC now excludes "e-mails, text messages or similar electronic communications, or information from social media accounts" from the definition of "records of the corporation" that would be responsive to a demand "unless the particular e-mail, communication, or social media information effectuates an action by the corporation."[19]

In addition, for certain corporations,[20] the shareholder cannot establish a required "proper purpose" for the demand if the corporation "reasonably determines" that the demand is in connection with: (i) an active, pending, or expected derivative proceeding instituted by the demanding shareholder; or (ii) an active, pending, or expected civil lawsuit to which the corporation and the demand shareholder are "expected to be adversarial named parties."[21]

Delaware: In contrast to SB 29, historically Delaware courts have encouraged shareholders with a requisite "proper purpose" to use books-and-records requests to obtain evidence before filing derivative lawsuits.[22] And Delaware has long held that a shareholder's burden in establishing a "proper purpose" for a request is a comparatively low threshold.[23] Given the rapid growth in shareholder demands pursuant to DGCL § 220, however, earlier this year Delaware amended the DGCL to define "books and records" more narrowly, now excluding communications such as e-mails, text messages, and social media information.[24] Consequently, shareholders seeking records other than those enumerated in the statute must meet heightened requirements, including showing a compelling need and that the additional records are necessary to the shareholder's "proper purpose."[25]

Exclusive Forum and Waiver of Jury Trials

Texas: Subject to applicable federal and state jurisdictional requirements, the TBOC now permits a corporation to include in its "governing documents" a requirement that any "internal entity claim," which likely includes claims alleging breaches of fiduciary duties, must be brought in a Texas court that will serve as "the exclusive forum and venue" for any such claims.[26] Previously, the TBOC had permitted a corporation's governing documents to provide that any Texas forum—as opposed to a specific court—could hear "internal entity" claims. While SB 29 does not require that the Texas Business Court serve as the

exclusive forum, the Texas Legislature likely had the Business Court in mind given its creation in 2023 as a forum for corporate governance and shareholder-related litigation in Texas (among other business cases).

In addition, a corporation may now include in its "governing documents" a provision that waives "the right to a jury trial concerning any internal entity claim."[27] And, that provision is binding not only on persons who voted for (or ratified) the waiver provision but also on persons who acquired or continued holding shares after the waiver was incorporated.[28] It is possible (if not probable) that this provision was included to address a primary difference (and arguable disadvantage) between the Business Court and the Court of Chancery—namely, that the Chancery Court does not hold jury trials whereas the Texas Business Court does.

Delaware: Delaware permits businesses to dictate the forum in which internal claims must be brought (i.e., a "forum selection" clause),[29] and many companies have added provisions to their bylaws that require that "internal" claims be brought in the Chancery Court. As a practical matter, the selection of the Chancery Court as the exclusive forum also operates as a jury trial waiver because, as mentioned, the Chancery Court does not hold jury trials.

Similar Protections for Directors and Officers of Other Texas Entities

Texas: In addition to corporations and their officers and directors, SB 29 provides analogous protections for the governing persons of certain limited liability companies and limited partnerships. For example, the TBOC now provides that "managerial officials" of a limited liability company (that has voting interests listed on a national securities exchange or that adopts a relevant provision) are protected by the business judgment rule,[30] and it expressly permits the LLC agreement to "expand, restrict, or eliminate any duties, including fiduciary duties, and related liabilities" of a managerial official.[31] SB 29 provides similar protections to the general partners and officials of a limited partnership.[32]

Delaware: In many respects, SB 29 brings Texas in line with Delaware, which likewise permits the governing documents of alternative entities to eliminate liability for breach of fiduciary duties.[33]

SENATE BILL 2411

SB 2411 amends a wide variety of provisions of the TBOC, but for purposes of this *White Paper* is notable in four respects. In particular, the legislation: (i) authorizes Texas entities to exculpate corporate officers from monetary liability for breaches of the duty of care; (ii) streamlines approval for mergers, major transactions, and other related actions; (iii) permits the consideration of other states' laws and judicial decisions; and (iv) permits Texas entities to choose the Texas Business Court as an exclusive forum and venue for internal entity claims. Each of these aspects is discussed below, along with a comparison to Delaware law.

Exculpation of Officers for Duty of Care Violations

Texas: SB 2411 permits a Texas corporation (and certain other entities)[34] to include in its governing documents (i.e., its certificate of formation or bylaws) a provision that limits the liability of a "managerial official"—i.e., an officer—"to the organization or its owners or members for monetary damages for an act or omission by the managerial official in the managerial official's capacity as a managerial official."[35] Note that companies cannot eliminate an officer's liability for: (i) a breach of the duty of loyalty; (ii) an act or omission not in good faith that constitutes a breach of duty or that involves intentional misconduct or a knowing violation of law; (iii) a transaction from which the officer received an improper benefit; or (iv) an act or omission for which liability is expressly provided by statute.[36] This mirrors the level of exculpation that the TBOC already permits for directors.

Delaware: The DGCL similarly allows businesses to limit the liability of officers in certain instances. Indeed, in August 2022, Delaware amended Section 102(b)(7) of the DGCL to permit a Delaware corporation to include an officer exculpation provision in its Certificate of Incorporation, thereby providing corporate officers with similar protections to those previously afforded only to directors for duty of care violations.[37] Delaware permits exculpation of breaches of care by officer for only direct claims, whereas Texas's new law does not distinguish between claims for breaches of fiduciary duty asserted directly versus derivatively on behalf of the corporation. Similar to Texas's new law, a Delaware corporation cannot exculpate officers for breaches of the duty of loyalty, acts (or omissions) not in good faith, intentional misconduct, knowing violations of

law, and/or transactions where the officer receives an improper personal benefit.[38]

Streamlined Approval of Mergers, Major Transactions, and Related Actions

Texas: SB 2411 makes several changes designed to streamline certain corporate transactions. Specifically, SB 2411 provides that:

- Shareholder or member approval is not required: (i) to omit certain information, such as the names and addresses of the initial directors or managers, in a revised certificate of formation; or (ii) to effect a stock split or reverse stock split (if the primary purpose of the reverse stock split is to maintain listing eligibility on a national securities exchange);[39]
- Directors may now approve a plan, agreement, instrument, or other document that is in "substantially final" form;[40]
- Disclosure letters, disclosure schedules, and similar documents delivered in connection with a plan of merger or exchange are not considered part of the plan, unless so provided in the plan;[41]
- A plan of merger or exchange may provide for the appointment of a representative authorized to act on the owners' or members' behalf, including by enforcing or settling their rights;[42]
- When a plan of conversion authorizes the converted party to take an action in connection with the conversion, no additional approval by the converted party's governing authority is required;[43] and
- A subscription to purchase an interest in an LLC or limited partnership that is in the process of being formed is irrevocable if: (i) the subscription is in writing and signed by the subscriber; and (ii) the subscription states that it is irrevocable.[44]

Delaware: The DGCL affords Delaware companies almost identical protections and benefits.[45] The only notable difference is that with respect to reverse stock splits, the DGCL requires shareholder approval for a reverse stock split.[46]

Laws of Other Jurisdictions

Texas: SB 2411 expressly authorizes officers, directors, and other managerial officials to consider the laws and judicial decisions of other states and the practices employed by businesses in those states when exercising their powers, but provides that the failure to consider or conform to such laws, judicial decisions, or practices does not constitute or imply a breach of the TBOC or any other duty. That section also states that the plain meaning of the TBOC "may not be supplanted, contravened, or modified by the laws or judicial decisions of any other state."[47]

Delaware: The DGCL does not contain similar provisions.

Grant of Jurisdiction and Texas Business Court

SB 2411 clarifies that any reference to a "district court" in the TBOC—including a grant of jurisdiction—now extends to the Texas Business Court, as long as the court's jurisdictional requirements are met.[48]

SENATE BILL 1057

Lastly, SB 1057 permits a "nationally listed corporation" to amend its governing documents in order to impose eligibility requirements on shareholders who wish to submit shareholder proposals in connection with the company's annual meeting. A "nationally listed corporation" means a corporation that: (i) has stock registered under Section 12(b) of the Securities Exchange Act of 1934; (ii) is admitted to listing on a national securities exchange; and (iii) either (a) has its principal office in Texas, or (b) is admitted to listing on a stock exchange that has its principal office in Texas and has received approval from the Texas Securities Commissioner.[49]

Notably, the "nationally listed corporation" must affirmatively elect to be subject to this (forthcoming) section of the TBOC.[50] A company must provide notice to shareholders of the proposed adoption in a proxy statement, but shareholder approval is not required if the company chooses to opt in via a bylaw amendment.[51] It remains to be seen whether companies that opt in to this section will apply it to both proposals submitted pursuant to a company's bylaws and proposals submitted pursuant to Rule 14a-8 under the Exchange Act, the most commonly used method for submitting shareholder proposals given its relatively low cost.

More Rigorous Stock Ownership and Solicitation Standards for Shareholder Proposals

Texas: Subject to the corporation's governing documents and certain other limitations discussed below, a nationally listed corporation may require that, in order to submit a proposal on a matter to shareholders for approval at an annual meeting, a shareholder (or group of shareholders) must: (i) hold voting shares in the company (as of the date of the proposal) equal to at least $1 million market value or 3% of the corporation's voting shares; (ii) hold the shares for at least six months prior to the date of the meeting and throughout the duration of the meeting; and (iii) solicit the holders of shares representing at least 67% of the voting power of the shares entitled to vote.[52] These provisions do not apply, however, to director nominations or procedural resolutions that are ancillary to the conduct of the meeting.[53]

Delaware: Delaware law does not have any minimum ownership or solicitation requirements for the submission of shareholder proposals. However, Rule 14a-8 under the Exchange Act, the most commonly used method for submitting shareholder proposals, imposes ownership standards that are much lower than those contained in SB 1057. For example, a shareholder can submit a proposal if he or she holds as little as $2,000 of a company's shares for three years, $15,000 for two years, or $25,000 for one year.

Rule 14a-8 also does not contain any solicitation requirements, making it much less expensive to a submitting shareholder as compared to SB 1057.

No Subject Matter Limitation

Texas: SB 1057 does not limit a shareholder proposal's subject matter.

Delaware: Delaware law similarly does not limit a shareholder proposal's subject matter, but Rule 14a-8 of the Exchange Act does. For example, a proposal submitted pursuant to Rule 14a-8 cannot relate to a company's "ordinary business" or to a matter that has already been "substantially implemented" by the company.

CONCLUSION

As companies consider whether to reincorporate in Texas, they will necessarily have to weigh the heightened protections and benefits offered in Texas against the effort it takes to reincorporate—namely, shareholder approval. For a public company, obtaining such approval may require the company to go head-to-head with proxy advisors who necessarily influence a large portion of the vote.

We have seen a handful of companies successfully obtain the requisite shareholder support despite proxy advisor headwinds. For example, Tesla succeeded despite "cautionary" support from ISS and opposition from Glass Lewis. And, microcap company Zion Oil & Gas's shareholders approved a reincorporation proposal despite opposition from ISS. On the other hand, MercadoLibre, a Latin American e-commerce company, recently withdrew its reincorporation proposal to shareholders in Texas after receiving a negative recommendation from both ISS and Glass Lewis.

Another recent piece of Texas legislation, Senate Bill 2337 ("SB 2337"), may lessen the influence that proxy advisors have over reincorporation proposals. It provides if a company seeks to reincorporate in Texas and a proxy advisor votes against such proposal, the proxy advisor will have to include "any specific financial analysis" that supports its recommendation. This will increase the cost and scrutiny of any proxy advisor's recommendation against reincorporation. SB 2337 is further described in our *Commentary*, "Texas Enacts New Law to Regulate Proxy Advisory Firms."

Ultimately, a company's choice to reincorporate in Texas will be highly dependent on a number of bespoke factors including, among other things, the composition of its shareholders, any operational ties to Texas, and its past experience—including legally imposed inefficiencies, roadblocks, or frustrations—in its current state of incorporation. For companies incorporated in Delaware that are evaluating reincorporation, they will need to weigh the large body of judicial decisions and experience that guides corporate decision-making in Delaware versus whether they believe another jurisdiction can develop a similarly deep body of decisional law and experience.

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ENDNOTES

1 SB29 became effective immediately after Governor Abbott signed the bill on May 14, 2025, and SB2411 and SB1057 will become effective on September 1, 2025.

2 *Moody v. Nat'l W. Life Ins. Co.*, 634 S.W.3d 256, 274 (Tex. App.—Houston [1st Dist. 2021], no pet.); *see also Sneed v. Webre*, 465 S.W.3d 169, 178 (Tex. 2015).

3 This provision applies "only to a corporation that has (1) a class or series of voting shares listed on a national securities exchange; or (2) included in its governing documents a statement affirmatively electing to be governed by this section." 2025 Tex. Sess. Law Serv. Ch. 21 (SB29) § 11 (codified at Tex. Bus. Orgs. Code § 21.419(a)).

4 *Id.* (codified at Tex. Bus. Orgs. Code § 21.419(c)).

5 *Id*. (codified at Tex. Bus. Orgs. Code § 21.419(d)).

6 *See In re Citigroup Inc. S'holder Derivative Litig.*, 964 A.2d 106, 124 (Del. Ch. 2009).

7 SB29 § 13 (codified at Tex. Bus. Orgs. Code § 21.552(a)).

8 8 Del. C. § 327; *Quadrant Structured Prods. Co., Ltd. v. Vertin*, 115 A.3d 535, 552 (Del. Ch. 2015) ("To satisfy the continuous ownership requirement, the plaintiff need not own a particular quantum of shares, or even a material ownership stake. One share is enough.").

9 SB29 § 15 (codified at Tex. Bus. Orgs. Code § 21.561(c)).

10 *In re Trulia, Inc. Stockholder Litig.*, 129 A.3d 884 (Del. Ch. 2016).

11 *See, e.g., Anderson v. Magellan Health, Inc.*, 298 A.3d 734 (Del. Ch. 2023).

12 This provision applies to a corporation that has shares listed on a national securities exchange or that has opted in to be governed by this provision. *See* SB 29 § 8 (codified at Tex. Bus. Orgs. Code § 21.416(g)).

13 *Id.*

14 If the corporation's principal place of business is located in a county that is not within an operating division of the Texas Business Court, then the petition may be filed in a district court in the county in which the corporation has its principal place of business. *Id.* § 9 (codified at Tex. Bus. Orgs. Code § 21.4161(b)).

15 *Id.* (codified at Tex. Bus. Orgs. Code § 21.4161(a)). The corporation must give notice to its shareholders of the petition. *Id.* (codified at Tex. Bus. Orgs. Code § 21.4161(d)–(e)).

16 *Id.* (codified at Tex. Bus. Orgs. Code § 21.4161(g)–(h)).

17 8 Del. C. § 144(d)(2).

18 Tex. Bus. Orgs. Code § 21.218(b).

19 SB29 § 5 (codified at Tex. Bus. Orgs. Code § 21.218(b)).

20 This provision applies to a corporation whose shares are listed on a national securities exchange or that affirmatively opted in to the provision. *Id.* (codified at Tex. Bus. Orgs. Code § 21.218(b-2)).

21 *Id.*

22 *See, e.g., Seinfeld v. Verizon Commc'ns, Inc.*, 909 A.2d 117, 120 (Del. 2006) ("Today, however, stockholders who have concerns about corporate governance are increasingly making a broad array of section 220 demands. The rise in books and records litigation is directly attributable to this Court's encouragement of stockholders, who can show a proper purpose, to use the 'tools at hand' to obtain the necessary information before filing a derivative action." (footnotes omitted)).

23 *Id.* at 123 ("Although the threshold for a stockholder in a section 220 proceeding is not insubstantial, the 'credible basis' standard sets the lowest possible burden of proof." (footnote omitted)).

24 8 Del. C. § 220.

25 *Id.* § 220(g).

26 SB 29 § 3 (codified at Tex. Bus. Orgs. Code § 2.115(b)).

27 *Id.* § 4 (codified at Tex. Bus. Orgs. Code § 2.116(b)).

28 *Id.* (codified at Tex. Bus. Orgs. Code § 2.116(d)).

29 8 Del. C. § 115.

30 SB 29 § 17 (codified at Tex. Bus. Orgs. Code § 101.256).

31 *Id.* § 18 (codified at Tex. Bus. Orgs. Code § 101.401).

32 *Id.* § 23 (codified at Tex. Bus. Orgs. Code § 153.163); *id.* § 21 (codified at Tex. Bus. Orgs. Code § 152.002(e)).

33 6 Del. C. § 17-1101(f); *see also Auriga Cap. Corp. v. Gatz Props.*, 40 A.3d 839, 851–52 (Del. Ch. 2012).

34 2025 Tex. Sess. Law Serv. Ch. 199 (SB 2411) § 16 (to be codified at Tex. Bus. Orgs. Code § 7.001(a), (d)).

35 *Id.* (to be codified at Tex. Bus. Orgs. Code § 7.001(b)).

36 *Id.* (to be codified at Tex. Bus. Orgs. Code § 7.001(c)).

37 8 Del. C. § 102(b)(7).

38 *Id.*

39 SB 2411 § 23 (to be codified at Tex. Bus. Orgs. Code § 21.053(c)).

40 *Id.* § 9 (to be codified at Tex. Bus. Orgs. Code § 3.106).

41 *Id.* § 17 (to be codified at Tex. Bus. Orgs. Code § 10.002(e)); *id.* § 20 (to be codified at Tex. Bus. Orgs. Code § 10.052(d)).

42 *Id.* § 18 (to be codified at Tex. Bus. Orgs. Code § 10.004); *id.* § 21 (to be codified at Tex. Bus. Orgs. Code § 10.053).

43 *Id.* § 22 (to be codified at Tex. Bus. Orgs. Code § 10.104(b)).

44 *Id.* § 48 (to be codified at Tex. Bus. Orgs. Code § 101.1055); *id.* § 51 (to be codified at Tex. Bus. Orgs. Code § 153.258).

45 8 Del. C. § 147 (allowing approval of a document in substantially final form); *id.* § 268(b) (providing that disclosure letters and schedules are not part of the agreement documents); *id.* § 261(a)(2) (allowing the appointment of a representative); *id.* § 265(l) (deeming an action in connection with a conversion plan authorized); 6 Del. C. § 18-506 (allowing subscriptions for LLC interests to be irrevocable); *id.* § 17-506 (allowing subscriptions for partnership interests to be irrevocable). Note that, unlike SB 2411, Delaware's provisions concerning the irrevocability of subscriptions for LLCs and partnerships do not expressly apply to companies in the process of being formed. However, nothing in the provisions prohibits such subscriptions from being irrevocable.

46 8 Del. C. § 242(d)(2) (requiring a majority of the votes cast).

47 SB 2411 § 1 (to be codified at Tex. Bus. Orgs. Code § 1.057).

48 *Id.* (to be codified at Tex. Bus. Orgs. Code § 1.056).

49 2025 Tex. Sess. Law Serv. Ch. 51 (SB 1057) § 1 (to be codified at Tex. Bus. Orgs. Code § 21.373(a)(1)).

50 *Id.* (to be codified at Tex. Bus. Orgs. Code § 21.373(b)).

51 *Id.* (to be codified at Tex. Bus. Orgs. Code § 21.373(c)).

52 *Id.* (to be codified at Tex. Bus. Orgs. Code § 21.373(e)).

53 *Id.* (to be codified at Tex. Bus. Orgs. Code § 21.373(f)).