

AMENDMENT #2

OFFERED IN THE HOUSE
TO: CSHB 124(L&C)

BY REPRESENTATIVE FOSTER

1 Page 15, following line 2:

2 Insert a new section to read:

3 "Sec. 10.60.725. **Reliance by third parties.** (a) A person who, in good faith,
4 enters into a transaction with a benefit corporation may assume without inquiry that
5 the transaction, and each action or inaction by any director or officer of the benefit
6 corporation giving effect to the transaction, does not conflict with the benefit
7 corporation's general public benefit purpose or specific public benefit purpose.

8 (b) Nothing in this section exempts a covered financial institution from
9 identifying and verifying the beneficial owner of a legal entity that is a customer as
10 required under a federal or state law or regulation. In this subsection, "covered
11 financial institution" has the meaning given in 31 C.F.R. 1010.605."