

AMENDMENT

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

5 (1) assume without inquiry that the transaction, and each action or
6 inaction by any director or officer of the benefit corporation giving effect to the
7 transaction, is in furtherance of the benefit corporation's general public benefit purpose
8 or specific public benefit purpose; and

9 (2) enforce the transaction against the benefit corporation as if the
10 transaction is in furtherance of the benefit corporation's general public benefit purpose
11 or specific public benefit purpose.

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