

SENATE BILL NO. 350—COMMITTEE ON JUDICIARY

MARCH 23, 2009

Referred to Committee on Judiciary

SUMMARY—Makes various changes relating to business.
(BDR 7-1118)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to business associations; clarifying that an attorney who is a registered agent is not required to report certain privileged information under certain circumstances; making various technical corrections to various provisions relating to business associations; revising the provisions relating to dissenters' rights; revising the provisions relating to the maintenance of certain lists by certain business associations; revising the provisions relating to the proper venue for the posting of certain notices and the filing of certain actions and for certain other purposes; establishing provisions relating to restricted limited-liability companies and restricted limited partnerships; making various other changes to the provisions relating to business associations; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law requires a registered agent to notify the Commissioner of
- 2 Financial Institutions if the registered agent determines that a represented entity is
- 3 not properly licensed. (NRS 77.410, 604A.710, 675.380) **Sections 1, 81 and 82** of
- 4 this bill clarify that a registered agent who is an attorney is not required to make
- 5 such a notification if doing so would violate the attorney-client privilege.
- 6 **Sections 2-14** of this bill make technical corrections to various provisions
- 7 relating to corporations. (Chapter 78 of NRS)
- 8 Existing law provides that certain notices for certain purposes must be posted
- 9 and certain actions must be filed in certain counties where the principal office of
- 10 the entity is located or, if the principal office is not located in this State, in the
- 11 district court in Carson City. (NRS 78.275, 78.345, 78.630, 82.306, 82.471, 82.486)
- 12 **Sections 7, 8, 15, 19, 21 and 22** of this bill provide that instead of the proper venue



13 being the district court in Carson City, the proper venue will lie in the county in
14 which the entity's registered office is located.

15 **Sections 26 and 27** of this bill provide for the formation of a restricted limited-
16 liability company and prescribe the requirements pertaining to such entities.
17 (Chapter 86 of NRS)

18 **Sections 28 and 33** of this bill provide for certain rights of members relating to
19 recordkeeping and the inspection of certain records.

20 **Sections 38, 39 and 49** of this bill provide for the formation of a restricted
21 limited partnership and prescribe the requirements pertaining to such entities.
22 (Chapters 87A and 88 of NRS)

23 **Sections 57 and 58** of this bill revise the provisions relating to professional
24 organizations to permit ownership of such entities if at least one stockholder or
25 member is admitted to the State Bar of Nevada. (NRS 89.040, 89.070)

26 **Sections 59-78** of this bill make various changes relating to dissenters' rights,
27 in accordance with recent changes that were made to the Model Business
28 Corporation Act and the Delaware General Corporation Law. (Chapter 92A of
29 NRS)

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 77.410 is hereby amended to read as follows:

2 77.410 1. If a registered agent knows or reasonably should
3 know that the entity for which he is the registered agent engages in
4 any business activity that is regulated pursuant to chapter 604A or
5 675 of NRS and the registered agent or a subsidiary or affiliate of
6 the registered agent performs any service for the represented entity
7 other than:

8 (a) Delivering documents for filing to state or local
9 governmental entities;

10 (b) Forwarding unopened mail;

11 (c) Any service described in NRS 77.400;

12 (d) Accounting services incidental to the formation of the entity
13 for which he serves as registered agent provided in accordance with
14 chapter 628 of NRS; or

15 (e) Legal services incidental to the formation of the entity for
16 which he serves as registered agent if he is an attorney who is
17 licensed to practice law in this State or performs such services under
18 the supervision of an attorney who is licensed to practice law in this
19 State,

20 ➤ the registered agent shall verify with the Division of Financial
21 Institutions of the Department of Business and Industry that the
22 represented entity is licensed pursuant to chapter 604A or 675 of
23 NRS, as applicable.

24 2. ~~##~~ *Except as otherwise provided in this subsection, if* a
25 registered agent determines pursuant to subsection 1 that the
26 represented entity is not licensed as required pursuant to chapter



1 604A or 675 of NRS, the registered agent shall notify the
2 Commissioner of Financial Institutions. *This subsection does not*
3 *require a registered agent who is an attorney to notify the*
4 *Commissioner if doing so would violate any privilege pursuant to*
5 *NRS 49.035 to 49.115, inclusive, or the Nevada Rules of*
6 *Professional Conduct.*

7 3. A registered agent who accepts an appointment to act as the
8 registered agent for a represented entity whom the registered agent
9 knows or reasonably should know engages in business activities
10 which are regulated pursuant to chapter 604A or 675 of NRS shall
11 not perform any financial transactions on behalf of the represented
12 entity in his capacity as registered agent.

13 **Sec. 2.** NRS 78.130 is hereby amended to read as follows:

14 78.130 1. Every corporation must have a president, a
15 secretary and a treasurer ~~H~~, *or the equivalent thereof.*

16 2. Every corporation may also have one or more vice
17 presidents, assistant secretaries and assistant treasurers, and such
18 other officers and agents as may be deemed necessary.

19 3. All officers must be natural persons and must be chosen in
20 such manner, hold their offices for such terms and have such powers
21 and duties as may be prescribed by the bylaws or determined by the
22 board of directors. Any natural person may hold two or more
23 offices.

24 4. An officer holds office after the expiration of his term until a
25 successor is chosen or until his resignation or removal before the
26 expiration of his term. A failure to elect officers does not require the
27 corporation to be dissolved. Any vacancy occurring in an office of
28 the corporation by death, resignation, removal or otherwise, must be
29 filled as the bylaws provide, or in the absence of such a provision,
30 by the board of directors.

31 **Sec. 3.** NRS 78.139 is hereby amended to read as follows:

32 78.139 1. Except as otherwise provided in subsection 2 or the
33 articles of incorporation, directors and officers confronted with a
34 change or potential change in control of the corporation have:

35 (a) The duties imposed upon them by subsection 1 of NRS
36 78.138; and

37 (b) The benefit of the presumptions established by subsection 3
38 of that section.

39 2. If directors and officers take action to resist a change or
40 potential change in control of a corporation which impedes the
41 exercise of the right of stockholders to vote for or remove directors:

42 (a) The directors must have reasonable grounds to believe that a
43 threat to corporate policy and effectiveness exists; and

44 (b) The action taken which impedes the exercise of the
45 stockholders' rights must be reasonable in relation to that threat.



1 ↪ If those facts are found, the directors and officers have the benefit
2 of the presumption established by subsection 3 of NRS 78.138.

3 3. The provisions of subsection 2 do not apply to:

4 (a) Actions that only affect the time of the exercise of
5 stockholders' voting rights; or

6 (b) The adoption or ~~execution~~ signing of plans, arrangements
7 or instruments that deny rights, privileges, power or authority to a
8 holder of a specified number or fraction of shares or fraction of
9 voting power.

10 4. The provisions of subsections 2 and 3 do not permit
11 directors or officers to abrogate any right conferred by statute or the
12 articles of incorporation.

13 5. Directors may resist a change or potential change in control
14 of the corporation if the directors by a majority vote of a quorum
15 determine that the change or potential change is opposed to or not in
16 the best interest of the corporation:

17 (a) Upon consideration of the interests of the corporation's
18 stockholders and any of the matters set forth in subsection 4 of NRS
19 78.138; or

20 (b) Because the amount or nature of the indebtedness and other
21 obligations to which the corporation or any successor to the property
22 of either may become subject, in connection with the change or
23 potential change in control, provides reasonable grounds to believe
24 that, within a reasonable time:

25 (1) The assets of the corporation or any successor would be
26 or become less than its liabilities;

27 (2) The corporation or any successor would be or become
28 insolvent; or

29 (3) Any voluntary or involuntary proceeding pursuant to the
30 federal bankruptcy laws concerning the corporation or any successor
31 would be commenced by any person.

32 **Sec. 4.** NRS 78.195 is hereby amended to read as follows:

33 78.195 1. If a corporation desires to have more than one class
34 or series of stock, the articles of incorporation must prescribe, or
35 vest authority in the board of directors to prescribe, the classes,
36 series and the number of each class or series of stock and the voting
37 powers, designations, preferences, limitations, restrictions, and
38 relative rights of each class or series of stock. If more than one class
39 or series of stock is authorized, the articles of incorporation or the
40 resolution of the board of directors passed pursuant to a provision of
41 the articles must prescribe a distinguishing designation for each
42 class and series. The voting powers, designations, preferences,
43 limitations, restrictions, relative rights and distinguishing
44 designation of each class or series of stock must be described in the



1 articles of incorporation or the resolution of the board of directors
2 before the issuance of shares of that class or series.

3 2. All shares of a series must have voting powers, designations,
4 preferences, limitations, restrictions and relative rights identical with
5 those of other shares of the same series and, except to the extent
6 otherwise provided in the description of the series, with those of
7 other series of the same class.

8 3. Unless otherwise provided in the articles of incorporation,
9 no stock issued as fully paid up may ever be assessed and the
10 articles of incorporation must not be amended in this particular.

11 4. Any rate, condition or time for payment of distributions on
12 any class or series of stock may be made dependent upon any fact or
13 event which may be ascertained outside the articles of incorporation
14 or the resolution providing for the distributions adopted by the board
15 of directors if the manner in which a fact or event may operate upon
16 the rate, condition or time of payment for the distributions is stated
17 in the articles of incorporation or the resolution. As used in this
18 subsection, "fact or event" includes, without limitation, the
19 existence of a fact or occurrence of an event, including, without
20 limitation, a determination or action by a person, the corporation
21 itself or any government, governmental agency or political
22 subdivision of a government.

23 5. The provisions of this section do not restrict the directors of
24 a corporation from taking action to protect the interests of the
25 corporation and its stockholders, including, but not limited to,
26 adopting or signing plans, arrangements or instruments that grant
27 ~~rights to stockholders~~ or ~~that~~ deny rights, privileges, power or
28 authority to a holder *or holders* of a specified number of shares or
29 percentage of share ownership or voting power.

30 **Sec. 5.** NRS 78.205 is hereby amended to read as follows:

31 78.205 1. A corporation is not obligated to but may sign and
32 deliver a certificate for or including a fraction of a share.

33 2. In lieu of signing and delivering a certificate for a fraction of
34 a share, a corporation may:

35 (a) Pay to any person otherwise entitled to become a holder of a
36 fraction of a share an amount in cash based on a per share value, and
37 that value or the method of determining that value must be specified
38 in the articles, plan of reorganization, plan of merger or exchange,
39 resolution of the board of directors, or other instrument pursuant to
40 which the fractional share would otherwise be issued;

41 (b) Issue such additional fraction of a share as is necessary to
42 increase the fractional share to a full share; or

43 (c) Sign and deliver registered or bearer scrip over the manual or
44 facsimile signature of an officer of the corporation or of its agent for
45 that purpose, exchangeable as provided on the scrip for full share



1 certificates, but the scrip does not entitle the holder to any rights as a
2 stockholder except as provided on the scrip. The scrip may provide
3 that it becomes void unless the rights of the holders are exercised
4 within a specified period and may contain any other provisions or
5 conditions that the corporation deems advisable. Whenever any
6 scrip ceases to be exchangeable for full share certificates, the shares
7 that would otherwise have been issuable as provided on the scrip are
8 deemed to be treasury shares unless the scrip contains other
9 provisions for their disposition.

10 3. Any proposed corporate action that would result in *only*
11 money *being paid* or scrip being ~~{delivered instead of fractional~~
12 ~~shares} issued~~ to stockholders who:

13 (a) Before the proposed corporate action becomes effective, hold
14 1 percent or more of the outstanding shares of the affected class or
15 series; and

16 (b) Would otherwise be entitled to receive fractions of shares in
17 exchange for the cancellation of all their outstanding shares,
18 ➔ is subject to the provisions of NRS 92A.300 to 92A.500,
19 inclusive. If the proposed corporate action is subject to those
20 provisions, any stockholder who is obligated to accept money or
21 scrip rather than receive a fraction of a share resulting from the
22 action taken pursuant to this section may dissent in accordance with
23 ~~{the} those~~ provisions ~~{of NRS 92A.300 to 92A.500, inclusive,}~~ and
24 obtain payment of the fair value of the fraction of a share to which
25 the stockholder would otherwise be entitled.

26 **Sec. 6.** NRS 78.2055 is hereby amended to read as follows:

27 78.2055 1. Unless otherwise provided in the articles of
28 incorporation, a corporation that desires to decrease the number of
29 issued and outstanding shares of a class or series held by each
30 stockholder of record at the effective date and time of the change
31 without correspondingly decreasing the number of authorized shares
32 of the same class or series may do so if:

33 (a) The board of directors adopts a resolution setting forth the
34 proposal to decrease the number of issued and outstanding shares of
35 a class or series; and

36 (b) The proposal is approved by the vote of stockholders holding
37 a majority of the voting power of the affected class or series, or such
38 greater proportion as may be provided in the articles of
39 incorporation, regardless of limitations or restrictions on the voting
40 power of the affected class or series.

41 2. If the proposal required by subsection 1 is approved by the
42 stockholders entitled to vote, the corporation may reissue its stock in
43 accordance with the proposal after the effective date and time of the
44 change.



1 3. Except as otherwise provided in this subsection, if a
2 proposed decrease in the number of issued and outstanding shares of
3 any class or series would adversely alter or change any preference,
4 or any relative or other right given to any other class or series of
5 outstanding shares, then the decrease must be approved by the vote,
6 in addition to any vote otherwise required, of the holders of shares
7 representing a majority of the voting power of each class or series
8 whose preference or rights are adversely affected by the decrease, or
9 such greater proportion as may be provided in the articles of
10 incorporation, regardless of limitations or restrictions on the voting
11 power of the adversely affected class or series. The decrease does
12 not have to be approved by the vote of the holders of shares
13 representing a majority of the voting power of each class or series
14 whose preference or rights are adversely affected by the decrease if
15 the articles of incorporation specifically deny the right to vote on
16 such a decrease.

17 4. Any proposal to decrease the number of issued and
18 outstanding shares of any class or series, if any, that includes
19 provisions pursuant to which only money will be paid or scrip will
20 be issued to stockholders who:

21 (a) Before the decrease in the number of shares becomes
22 effective, hold 1 percent or more of the outstanding shares of the
23 affected class or series; and

24 (b) Would otherwise be entitled to receive ~~[fractions of shares]~~ *a*
25 *fraction of a share* in exchange for the cancellation of all their
26 outstanding shares,

27 ↪ is subject to the provisions of NRS 92A.300 to 92A.500,
28 inclusive. If the proposal is subject to those provisions, any
29 stockholder who is obligated to accept money or scrip rather than
30 receive a fraction of a share resulting from the action taken pursuant
31 to this section may dissent in accordance with ~~[the]~~ *those* provisions
32 ~~[of NRS 92A.300 to 92A.500, inclusive,]~~ and obtain payment of the
33 fair value of the fraction of a share to which the stockholder would
34 otherwise be entitled.

35 **Sec. 7.** NRS 78.275 is hereby amended to read as follows:

36 78.275 1. The directors may at such times and in such
37 amount, as they may from time to time deem the interest of the
38 corporation to require, levy and collect assessments upon the
39 assessable stock of the corporation in the manner provided in this
40 section.

41 2. Notice of each assessment must be given to the stockholders
42 personally, or by publication once a week for at least 4 weeks, in
43 some newspaper published in the county in which the principal
44 office of the corporation is located or, if the principal office of the
45 corporation is not located in this State, in ~~[Carson City,]~~ *the county*



1 *in which the corporation's registered office is located*, and in a
2 newspaper published in the county wherein the property of the
3 corporation is situated if in this State.

4 3. If, after the notice has been given, any stockholder defaults
5 in the payment of the assessment upon the shares held by him, so
6 many of those shares may be sold as will be necessary for the
7 payment of the assessment upon all the shares held by him, together
8 with all costs of advertising and expenses of sale. The sale of the
9 shares must be made at the office of the corporation at public
10 auction to the highest bidder, after a notice thereof published for 4
11 weeks as directed in this section, and a copy of the notice mailed to
12 each delinquent stockholder if his address is known 4 weeks before
13 the sale. At the sale the person who offers to pay the assessment so
14 due, together with the expenses of advertising and sale, for the
15 smallest number of shares, or portion of a share, as the case may be,
16 shall be deemed the highest bidder.

17 **Sec. 8.** NRS 78.345 is hereby amended to read as follows:

18 78.345 1. If any corporation fails to elect directors within 18
19 months after the last election of directors required by NRS 78.330,
20 the district court has jurisdiction in equity, upon application of any
21 one or more stockholders holding stock entitling them to exercise at
22 least 15 percent of the voting power, to order the election of
23 directors in the manner required by NRS 78.330.

24 2. The application must be made by petition filed in the county
25 where the principal office of the corporation is located or, if the
26 principal office is not located in this State, in ~~[Carson City,]~~ *the*
27 *county in which the corporation's registered office is located*, and
28 must be brought on behalf of all stockholders desiring to be joined
29 therein. Such notice must be given to the corporation and the
30 stockholders as the court may direct.

31 3. The directors elected pursuant to this section have the same
32 rights, powers and duties and the same tenure of office as directors
33 elected by the stockholders at the annual meeting held at the time
34 prescribed therefor, next before the date of the election pursuant to
35 this section, would have had.

36 **Sec. 9.** NRS 78.350 is hereby amended to read as follows:

37 78.350 1. Unless otherwise provided in the articles of
38 incorporation, or in the resolution providing for the issuance of the
39 stock adopted by the board of directors pursuant to authority
40 expressly vested in it by the provisions of the articles of
41 incorporation, every stockholder of record of a corporation is
42 entitled at each meeting of stockholders thereof to one vote for each
43 share of stock standing in his name on the records of the
44 corporation. If the articles of incorporation, or the resolution
45 providing for the issuance of the stock adopted by the board of



1 directors pursuant to authority expressly vested in it by the articles
2 of incorporation, provides for more or less than one vote per share
3 for any class or series of shares on any matter, every reference in
4 this chapter to a majority or other proportion of stock shall be
5 deemed to refer to a majority or other proportion of the voting
6 power of all of the shares or those classes or series of shares, as may
7 be required by the articles of incorporation, or in the resolution
8 providing for the issuance of the stock adopted by the board of
9 directors pursuant to authority expressly vested in it by the
10 provisions of the articles of incorporation, or the provisions of this
11 chapter.

12 2. Unless a period of more than 60 days or a period of less than
13 10 days is prescribed or fixed in the articles of incorporation, the
14 directors may prescribe a period not exceeding 60 days before any
15 meeting of the stockholders during which no transfer of stock on the
16 books of the corporation may be made, or may fix, in advance, a
17 record date not more than 60 or less than 10 days before the date of
18 any such meeting as the date as of which stockholders entitled to
19 notice of and to vote at such meetings must be determined. Only
20 stockholders of record on that date are entitled to notice or to vote at
21 such a meeting. If a record date is not fixed, the record date is at the
22 close of business on the day before the day on which the first notice
23 is given or, if notice is waived, at the close of business on the day
24 before the meeting is held. A determination of stockholders of
25 record entitled to notice of or to vote at a meeting of stockholders
26 applies to an adjournment of the meeting unless the board of
27 directors fixes a new record date for the adjourned meeting. The
28 board of directors must fix a new record date if the meeting is
29 adjourned to a date more than 60 days later than the date set for the
30 original meeting.

31 3. The board of directors may adopt a resolution prescribing a
32 date upon which the stockholders of record entitled to give written
33 consent pursuant to NRS 78.320 must be determined. The date
34 prescribed by the board of directors may not precede or be more
35 than 10 days after the date the resolution is adopted by the board of
36 directors. If the board of directors does not adopt a resolution
37 prescribing a date upon which the stockholders of record entitled to
38 give written consent pursuant to NRS 78.320 must be determined
39 and:

40 (a) No prior action by the board of directors is required by this
41 chapter or chapter 92A of NRS before the matter is submitted for
42 consideration by the stockholders, the date is the first date on which
43 a valid, written consent is delivered in accordance with the
44 provisions of NRS 78.320.



1 (b) Prior action by the board of directors is required by this
2 chapter or chapter 92A of NRS before the matter is submitted for
3 consideration by the stockholders, the date is at the close of business
4 on the day the board of directors adopts the resolution.

5 4. The provisions of this section do not restrict the directors
6 from taking action to protect the interests of the corporation and its
7 stockholders, including, but not limited to, adopting or signing
8 plans, arrangements or instruments that *grant or* deny rights,
9 privileges, power or authority to a holder or holders of a specified
10 number of shares or percentage of share ownership or voting power.

11 **Sec. 10.** NRS 78.378 is hereby amended to read as follows:

12 78.378 1. The provisions of NRS 78.378 to 78.3793,
13 inclusive, apply to any acquisition of a controlling interest in an
14 issuing corporation unless the articles of incorporation or bylaws of
15 the corporation in effect on the 10th day following the acquisition of
16 a controlling interest by an acquiring person provide that the
17 provisions of those sections do not apply to the corporation or to an
18 acquisition of a controlling interest specifically by types of existing
19 or future stockholders, whether or not identified.

20 2. The articles of incorporation, the bylaws or a resolution
21 adopted by the directors of the issuing corporation may impose
22 stricter requirements on the acquisition of a controlling interest in
23 the corporation than the provisions of NRS 78.378 to 78.3793,
24 inclusive.

25 3. The provisions of NRS 78.378 to 78.3793, inclusive, do not
26 restrict the directors of an issuing corporation from taking action to
27 protect the interests of the corporation and its stockholders,
28 including, but not limited to, adopting or signing plans,
29 arrangements or instruments that *grant or* deny rights, privileges,
30 power or authority to a holder *or holders* of a specified number of
31 shares or percentage of share ownership or voting power.

32 **Sec. 11.** NRS 78.416 is hereby amended to read as follows:

33 78.416 “Combination,” when used in reference to any resident
34 domestic corporation and any interested stockholder of the resident
35 domestic corporation, means any of the following:

36 1. Any merger or consolidation of the resident domestic
37 corporation or any subsidiary of the resident domestic corporation
38 with:

39 (a) The interested stockholder; or

40 (b) Any other corporation, whether or not itself an interested
41 stockholder of the resident domestic corporation, which is, or after
42 the merger or consolidation would be, an affiliate or associate of the
43 interested stockholder.

44 2. Any sale, lease, exchange, mortgage, pledge, transfer or
45 other disposition, in one transaction or a series of transactions, to or



1 with the interested stockholder or any affiliate or associate of the
2 interested stockholder of assets of the resident domestic corporation
3 or any subsidiary of the resident domestic corporation:

4 (a) Having an aggregate market value equal to 5 percent or more
5 of the aggregate market value of all the assets, determined on a
6 consolidated basis, of the resident domestic corporation;

7 (b) Having an aggregate market value equal to 5 percent or more
8 of the aggregate market value of all the outstanding shares of the
9 resident domestic corporation; or

10 (c) Representing 10 percent or more of the earning power or net
11 income, determined on a consolidated basis, of the resident domestic
12 corporation.

13 3. The issuance or transfer by the resident domestic corporation
14 or any subsidiary of the resident domestic corporation, in one
15 transaction or a series of transactions, of any shares of the resident
16 domestic corporation or any subsidiary of the resident domestic
17 corporation that have an aggregate market value equal to 5 percent
18 or more of the aggregate market value of all the outstanding shares
19 of the resident domestic corporation to the interested stockholder or
20 any affiliate or associate of the interested stockholder except under
21 the exercise of warrants or rights to purchase shares offered, or a
22 dividend or distribution paid or made, pro rata to all stockholders of
23 the resident domestic corporation.

24 4. The adoption of any plan or proposal for the liquidation or
25 dissolution of the resident domestic corporation proposed by, or
26 under any agreement, arrangement or understanding, whether or not
27 in writing, with, the interested stockholder or any affiliate or
28 associate of the interested stockholder.

29 5. Any:

30 (a) Reclassification of securities, including, without limitation,
31 any splitting of shares, dividend distributed in shares, or other
32 distribution of shares with respect to other shares, or any issuance of
33 new shares in exchange for a proportionately greater number of old
34 shares;

35 (b) Recapitalization of the resident domestic corporation;

36 (c) Merger or consolidation of the resident domestic corporation
37 with any subsidiary of the resident domestic corporation; or

38 (d) Other transaction, whether or not with or into or otherwise
39 involving the interested stockholder,

40 → proposed by, or under any agreement, arrangement or
41 understanding, whether or not in writing, with, the interested
42 stockholder or any affiliate or associate of the interested
43 stockholder, which has the effect, directly or indirectly, of
44 increasing the proportionate share of the outstanding shares of any
45 class or series of voting shares or securities convertible into voting



1 shares of the resident domestic corporation or any subsidiary of the
2 resident domestic corporation which is directly or indirectly owned
3 by the interested stockholder or any affiliate or associate of the
4 interested stockholder, except as a result of immaterial changes
5 because of adjustments of fractional shares.

6 6. Any receipt by the interested stockholder or any affiliate or
7 associate of the interested stockholder of the benefit, directly or
8 indirectly, except proportionately as a stockholder of the resident
9 domestic corporation, of any loan, advance, guarantee, pledge or
10 other financial assistance or any tax credit or other tax advantage
11 provided by or through the resident domestic corporation.

12 **Sec. 12.** NRS 78.424 is hereby amended to read as follows:

13 78.424 "Market value," when used in reference to the shares or
14 property of any resident domestic corporation, means:

15 1. In the case of shares, the highest closing sale price of a share
16 during the 30 days immediately preceding the date in question on
17 the composite tape for shares listed on the New York Stock
18 Exchange, or, if the shares are not quoted on the composite tape or
19 not listed on the New York Stock Exchange, on the principal United
20 States securities exchange registered under the Securities Exchange
21 Act on which the shares are listed, or, if the shares are not listed on
22 any such exchange, ~~[the highest closing bid quoted with respect to a~~
23 ~~share during the 30 days preceding the date in question on the~~
24 ~~National Association of Securities Dealers, Inc.'s, Automated~~
25 ~~Quotations System or any system then in use, or if no such~~
26 ~~quotation is available,]~~ the fair market value on the date in question
27 of a share as determined by the board of directors of the resident
28 domestic corporation in good faith.

29 2. In the case of property other than cash or shares, the fair
30 market value of the property on the date in question as determined
31 by the board of directors of the resident domestic corporation in
32 good faith.

33 **Sec. 13.** NRS 78.437 is hereby amended to read as follows:

34 78.437 NRS 78.411 to 78.444, inclusive, do not apply to any
35 combination with an interested stockholder who:

36 1. Was an interested stockholder on January 1, 1991; or

37 2. ~~[Who first]~~ *First* became an interested stockholder on the
38 date that the resident domestic corporation first became a resident
39 domestic corporation solely as a result of the corporation becoming
40 a resident domestic corporation.

41 **Sec. 14.** NRS 78.438 is hereby amended to read as follows:

42 78.438 1. Except as otherwise provided in NRS 78.433 to
43 78.437, inclusive, a resident domestic corporation may not engage
44 in any combination with any interested stockholder of the resident
45 domestic corporation for 3 years after the date that the person first



1 became an interested stockholder unless the combination or the
2 transaction by which the person first became an interested
3 stockholder is approved by the board of directors of the resident
4 domestic corporation before the person first became an interested
5 stockholder.

6 2. If a proposal in good faith regarding a combination is made
7 in writing to the board of directors of the resident domestic
8 corporation, the board of directors shall respond, in writing, within
9 30 days or such shorter period, if any, as may be required by the
10 Securities Exchange Act, setting forth its reasons for its decision
11 regarding the proposal.

12 3. If a proposal in good faith to ~~[purchase shares]~~ *enter into a*
13 *transaction by which the person will become an interested*
14 *stockholder* is made in writing to the board of directors of the
15 resident domestic corporation, the board of directors, unless it
16 responds affirmatively in writing within 30 days or such shorter
17 period, if any, as may be required by the Securities Exchange Act, is
18 considered to have disapproved the ~~[purchase.]~~ *transaction.*

19 **Sec. 15.** NRS 78.630 is hereby amended to read as follows:

20 78.630 1. Whenever any corporation becomes insolvent or
21 suspends its ordinary business for want of money to carry on the
22 business, or if its business has been and is being conducted at a great
23 loss and greatly prejudicial to the interest of its creditors or
24 stockholders, any creditors holding 10 percent of the outstanding
25 indebtedness, or stockholders owning 10 percent of the outstanding
26 stock entitled to vote, may, by petition setting forth the facts and
27 circumstances of the case, apply to the district court of the county in
28 which the principal office of the corporation is located or, if the
29 principal office is not located in this State, to the district court in
30 ~~[Carson City]~~ *the county in which the corporation's registered*
31 *office is located* for a writ of injunction and the appointment of a
32 receiver or receivers or trustee or trustees.

33 2. The court, being satisfied by affidavit or otherwise of the
34 sufficiency of the application and of the truth of the allegations
35 contained in the petition and upon hearing after such notice as the
36 court by order may direct, shall proceed in a summary way to hear
37 the affidavits, proofs and allegations which may be offered in behalf
38 of the parties.

39 3. If upon such inquiry it appears to the court that the
40 corporation has become insolvent and is not about to resume its
41 business in a short time thereafter, or that its business has been and
42 is being conducted at a great loss and greatly prejudicial to the
43 interests of its creditors or stockholders, so that its business cannot
44 be conducted with safety to the public, it may issue an injunction to
45 restrain the corporation and its officers and agents from exercising



1 any of its privileges or franchises and from collecting or receiving
2 any debts or paying out, selling, assigning or transferring any of its
3 estate, money, lands, tenements or effects, except to a receiver
4 appointed by the court, until the court otherwise orders.

5 **Sec. 16.** NRS 80.055 is hereby amended to read as follows:

6 80.055 1. Every corporation which fails or neglects to
7 comply with the provisions of NRS 80.010 to 80.040, inclusive:

8 (a) Is subject to a fine of not less than \$500, to be recovered in a
9 court of competent jurisdiction; and

10 (b) Except as otherwise provided in subsection 2, may not
11 commence or maintain any action or proceeding in any court of this
12 State until it has fully complied with the provisions of NRS 80.010
13 to 80.040, inclusive.

14 2. An action or proceeding may be commenced by such a
15 corporation if an extraordinary remedy available pursuant to chapter
16 31 of NRS is all or part of the relief sought. Such an action or
17 proceeding must be dismissed without prejudice if the corporation
18 does not comply with the provisions of NRS 80.010 to 80.040,
19 inclusive, within 45 days after the action or proceeding is
20 commenced.

21 3. When the Secretary of State is advised that a corporation is
22 doing business in contravention of NRS 80.010 to 80.040, inclusive,
23 he shall report that fact to the Governor. The Governor shall, as
24 soon as practicable, instruct the district attorney of the county where
25 the corporation has its principal place of business or the Attorney
26 General, or both, to institute proceedings to recover any applicable
27 fine provided for in this section.

28 *4. The failure of a corporation to comply with the provisions*
29 *of NRS 80.010 to 80.040, inclusive, does not impair the validity of*
30 *any contract or act of the corporation, or prevent the corporation*
31 *from defending any action, suit or proceeding in any court of this*
32 *State.*

33 **Sec. 17.** NRS 80.190 is hereby amended to read as follows:

34 80.190 1. Except as otherwise provided in subsection 2, each
35 foreign corporation doing business in this State shall, not later than
36 the month of March in each year, publish a statement of its last
37 calendar year's business in two numbers or issues of a newspaper
38 published in this State that has a total weekly circulation of at least
39 1,000. The statement must include:

40 (a) The name of the corporation.

41 (b) The name and title of the corporate officer submitting the
42 statement.

43 (c) The mailing or street address of the corporation's principal
44 office.



1 (d) The mailing or street address of the corporation's office in
2 this State, if one exists.

3 ~~[(e) The total assets and liabilities of the corporation at the end
4 of the year.]~~

5 2. If the corporation keeps its records on the basis of a fiscal
6 year other than the calendar, the statement required by subsection 1
7 must be published not later than the end of the third month
8 following the close of each fiscal year.

9 3. A corporation which neglects or refuses to publish a
10 statement as required by this section is liable to a penalty of \$100
11 for each month that the statement remains unpublished.

12 4. Any district attorney in the State or the Attorney General
13 may sue to recover the penalty. The first county suing through its
14 district attorney shall recover the penalty, and if no suit is brought
15 for the penalty by any district attorney, the State may recover
16 through the Attorney General.

17 **Sec. 18.** NRS 82.206 is hereby amended to read as follows:

18 82.206 1. Unless otherwise provided in the articles or
19 bylaws, the board of directors may designate one or more
20 committees which, to the extent provided in the *bylaws or in the*
21 *resolution or resolutions* ~~[or in the bylaws.]~~ *designating such*
22 *committee or committees*, have and may exercise the powers of the
23 board of directors in the management of the business and affairs of
24 the corporation, and may have power to authorize the seal of the
25 corporation to be affixed to all papers on which the corporation
26 desires to place a seal.

27 2. The committee or committees may have such name or
28 names as may be stated in the bylaws or as may be determined from
29 time to time by resolution adopted by the board of directors.

30 3. Each committee must have at least one director. Unless it is
31 otherwise provided in the articles or bylaws, the board of directors
32 may appoint natural persons who are not directors to serve on the
33 committees.

34 4. No such committee may:

35 (a) Amend, alter or repeal the bylaws;

36 (b) Elect, appoint or remove any member of any such committee
37 or any director ~~[or officer]~~ of the corporation;

38 (c) Amend or repeal the articles, adopt a plan of merger or a
39 plan of consolidation with another corporation;

40 (d) Authorize the sale, lease or exchange of all of the property
41 and assets of the corporation;

42 (e) Authorize the voluntary dissolution of the corporation or
43 revoke proceedings therefor;

44 (f) Adopt a plan for the distribution of the assets of the
45 corporation; or



1 (g) Amend, alter or repeal any resolution of the board of
2 directors unless it provides by its terms that it may be amended,
3 altered or repealed by a committee.

4 **Sec. 19.** NRS 82.306 is hereby amended to read as follows:

5 82.306 1. If any corporation fails to elect directors within 18
6 months after the last election of directors required by NRS 82.286,
7 the district court has jurisdiction in equity, upon application of any
8 one or more of the members of the corporation representing 10
9 percent of the voting power of the members entitled to vote for the
10 election of directors or for the election of delegates who are entitled
11 to elect directors, or 50 members, whichever is less, to order the
12 election of directors as required by NRS 82.286.

13 2. The application must be made by petition filed in the county
14 where the principal office of the corporation is located or, if the
15 principal office is not located in this State, in ~~[Carson City,]~~ *the*
16 *county in which the corporation's registered office is located*, and
17 must be brought on behalf of all members desiring to be joined
18 therein. Such notice must be given to the corporation and the
19 members as the court may direct.

20 **Sec. 20.** NRS 82.336 is hereby amended to read as follows:

21 82.336 1. A corporation having members entitled to vote on
22 the matter involved must hold a special meeting of delegates or
23 members if:

24 (a) The board of directors or persons authorized to do so by the
25 articles or bylaws demand such a meeting; or

26 (b) At least 5 percent of the members demand such a meeting.

27 ➔ The demand must state the purpose for the meeting. Those
28 making the demand on the corporation must sign, date and deliver
29 their demand to the president, chairman of the board or the treasurer
30 of the corporation. The corporation must then immediately give
31 notice of a special meeting of delegates or members as set forth in
32 subsections 2 to 7, inclusive.

33 2. Whenever under the provisions of this chapter delegates or
34 members are required or authorized to take any action at a meeting,
35 the notice of the meeting must be in writing and signed by the
36 president or the chairman of the board or a vice president, or the
37 secretary, or an assistant secretary, or by such other person or
38 persons as the bylaws may prescribe or permit or the directors
39 designate.

40 3. The notice must state the purpose or purposes for which the
41 meeting is called and the time when, and the place, which may be
42 within or without this State, where it is to be held.

43 4. A copy of the notice must be delivered personally, ~~[or must~~
44 ~~be]~~ mailed postage prepaid ~~[]~~ *or given as provided in subsection 9*
45 to each delegate or member, as the case may be, entitled to vote at



1 the meeting not less than 10 nor more than 60 days before such
2 meeting. If mailed, it must be directed to the person at his address as
3 it appears upon the records of the corporation. Upon the mailing of
4 any notice the service thereof is complete, and the time of the notice
5 begins to run from the date upon which the notice is deposited in the
6 mail for transmission to the person. Personal delivery of the notice
7 to any officer of a corporation or association, or to any member of a
8 partnership, constitutes delivery of the notice to the corporation,
9 association or partnership.

10 5. The articles or bylaws may require that the notice be also
11 published in one or more newspapers.

12 6. Notice duly delivered or mailed to a delegate or member in
13 accordance with the provisions of this section and the provisions, if
14 any, of the articles or bylaws is sufficient, and in the event of the
15 transfer of a membership after the delivery or mailing and before the
16 holding of the meeting it is not necessary to deliver or mail notice of
17 the meeting to the transferee.

18 7. Any delegate or member may waive notice of any meeting
19 by a writing signed by him, or his duly authorized attorney, either
20 before or after the meeting.

21 8. Unless otherwise provided in the articles or bylaws,
22 whenever notice is required to be given, under any provision of this
23 chapter or the articles or bylaws of any corporation, to any member
24 to whom notice of two consecutive annual meetings, and all notices
25 of meetings or of the taking of action by written consent without a
26 meeting to him during the period between those two consecutive
27 annual meetings, have been mailed addressed to him at his address
28 as shown on the records of the corporation and have been returned
29 undeliverable, the giving of further notices to him is not required.
30 Any action or meeting taken or held without notice to that person
31 has the same force and effect as if the notice had been given. If any
32 such person delivers to the corporation a written notice setting forth
33 his current address, the requirement that notice be given to him is
34 reinstated. If the action taken by the corporation is such as to require
35 the filing of a certificate under any of the other sections of this title,
36 the certificate need not state that notice was not given to persons to
37 whom notice was not required to be given pursuant to this
38 subsection.

39 *9. Any notice to members or delegates given by the*
40 *corporation pursuant to any provision of this chapter, chapter 92A*
41 *of NRS, the articles of incorporation or the bylaws is effective if*
42 *given pursuant to NRS 78.370.*

43 **Sec. 21.** NRS 82.471 is hereby amended to read as follows:

44 82.471 1. Whenever any corporation becomes insolvent or
45 suspends its ordinary business for want of funds to carry on the



1 business, or if its business has been and is being conducted at a great
2 loss and greatly prejudicial to the interest of its creditors or
3 members, creditors holding 10 percent of the outstanding
4 indebtedness, or members, if any, having 10 percent of the voting
5 power to elect directors, may, by petition or bill of complaint setting
6 forth the facts and circumstances of the case, apply to the district
7 court of the county in which the principal office of the corporation is
8 located or to the district court in ~~[Carson City]~~ *the county in which*
9 *the corporation's registered office is located* for a writ of injunction
10 and the appointment of a receiver or receivers or trustee or trustees.

11 2. The court, being satisfied by affidavit or otherwise of the
12 sufficiency of the application and of the truth of the allegations
13 contained in the petition or bill, and upon hearing after such notice
14 as the court by order may direct, shall proceed in a summary way to
15 hear the affidavits, proofs and allegations which may be offered in
16 behalf of the parties.

17 3. If upon the inquiry it appears to the court that the
18 corporation has become insolvent and is not about to resume its
19 business in a short time thereafter, or that its business has been and
20 is being conducted at a great loss and greatly prejudicial to the
21 interests of its creditors or members, so that its business cannot be
22 conducted with safety to the public, it may issue an injunction to
23 restrain the corporation and its officers and agents from exercising
24 any of its privileges or franchises and from collecting or receiving
25 any debts or paying out, selling, assigning or transferring any of its
26 estate, money, funds, lands, tenements or effects, except to a
27 receiver appointed by the court, until the court otherwise orders.

28 **Sec. 22.** NRS 82.486 is hereby amended to read as follows:

29 82.486 1. The persons described in subsections 2 and 3 may
30 apply to the district court in the district where the corporation has its
31 principal office or, if the principal office is not located in this State,
32 to the district court in ~~[Carson City:]~~ *the county in which the*
33 *corporation's registered office is located:*

34 (a) For an order dissolving the corporation and appointing a
35 receiver to wind up its affairs, and by injunction restrain the
36 corporation from exercising any of its powers or doing business
37 whatsoever, except by or through a receiver appointed by the court;
38 or

39 (b) For such other equitable relief that is just and proper in the
40 circumstances.

41 2. A member or members, if any, holding at least one-third of
42 the voting power for the election of directors or a majority of the
43 directors in office, may apply for the relief described in subsection 1
44 whenever it is established that:

45 (a) The corporation has willfully violated its charter;



- 1 (b) Its trustees or directors have been guilty of fraud or collusion
2 or gross mismanagement in the conduct or control of its affairs;
3 (c) Its trustees or directors have been guilty of misfeasance,
4 malfeasance or nonfeasance;
5 (d) The corporation is unable to conduct its activities or
6 conserve its assets by reason of the act, neglect or refusal to function
7 of any of the directors or trustees;
8 (e) The assets of the corporation are in danger of waste,
9 misapplication, sacrifice or loss;
10 (f) The corporation has abandoned its business;
11 (g) The corporation has not proceeded diligently to wind up its
12 affairs or to distribute its assets in a reasonable time;
13 (h) The corporation has become insolvent;
14 (i) The corporation, although not insolvent, is for any cause not
15 able to pay its debts or other obligations as they mature;
16 (j) The corporation is not about to resume its business with
17 safety to the public;
18 (k) The period of corporate existence has expired and has not
19 been lawfully extended;
20 (l) The corporation has solicited property and has failed to use it
21 for the purpose solicited;
22 (m) The corporation has fraudulently used or solicited property;
23 or
24 (n) The corporation has exceeded its powers.
- 25 3. The Attorney General may apply for the relief described in
26 subsection 1 whenever the corporation is a corporation for public
27 benefit and whenever it is established that:
28 (a) The corporation has willfully violated its charter;
29 (b) Its trustees or directors have been guilty of fraud or collusion
30 or gross mismanagement in the conduct or control of its affairs;
31 (c) The corporation has abandoned its business;
32 (d) The corporation has become insolvent;
33 (e) The corporation, although not insolvent, is for any cause not
34 able to pay its debts or other obligations as they mature;
35 (f) The corporation has solicited property and has failed to use it
36 for the purpose solicited;
37 (g) The corporation has fraudulently used or solicited property;
38 or
39 (h) The period of corporate existence has expired and has not
40 been lawfully extended.
- 41 4. Any person or superior organization under which the
42 corporation was formed, if expressly authorized to act by the
43 articles, may apply for the relief described in subsection 1 pursuant
44 to the grounds, if any, set forth in the articles.



1 **Sec. 23.** NRS 82.5237 is hereby amended to read as follows:

2 82.5237 1. Except as otherwise provided in subsections 3 and
3 4, ~~and NRS 82.183,~~ the Secretary of State shall reinstate a foreign
4 nonprofit corporation which has forfeited or which forfeits its right
5 to transact business pursuant to the provisions of NRS 82.523 to
6 82.5239, inclusive, and restore to the foreign nonprofit corporation
7 its right to transact business in this State, and to exercise its
8 corporate privileges and immunities, if it:

9 (a) Files with the Secretary of State a list as provided in NRS
10 82.523; and

11 (b) Pays to the Secretary of State:

12 (1) The filing fee and penalty set forth in NRS 82.523 and
13 82.5235 for each year or portion thereof that its right to transact
14 business was forfeited; and

15 (2) A fee of \$100 for reinstatement.

16 2. When the Secretary of State reinstates the foreign nonprofit
17 corporation, he shall issue to the foreign nonprofit corporation a
18 certificate of reinstatement if the foreign nonprofit corporation:

19 (a) Requests a certificate of reinstatement; and

20 (b) Pays the fees as provided in subsection 7 of NRS 78.785.

21 3. The Secretary of State shall not order a reinstatement unless
22 all delinquent fees and penalties have been paid and the revocation
23 of the right to transact business occurred only by reason of failure to
24 pay the fees and penalties.

25 4. If the right of a foreign nonprofit corporation to transact
26 business in this State has been forfeited pursuant to the provisions of
27 this chapter and has remained forfeited for a period of 5 consecutive
28 years, the right to transact business must not be reinstated.

29 5. Except as otherwise provided in NRS 82.5239, a
30 reinstatement pursuant to this section relates back to the date on
31 which the foreign nonprofit corporation forfeited its right to transact
32 business under the provisions of this chapter and reinstates the
33 foreign nonprofit corporation's right to transact business as if such
34 right had at all times remained in full force and effect.

35 **Sec. 24.** NRS 82.546 is hereby amended to read as follows:

36 82.546 1. ~~[Except as otherwise provided in NRS 82.183, any]~~
37 **Any** corporation which did exist or is existing pursuant to the laws
38 of this State may, upon complying with the provisions of NRS
39 78.150 and 82.193, procure a renewal or revival of its charter for
40 any period, together with all the rights, franchises, privileges and
41 immunities, and subject to all its existing and preexisting debts,
42 duties and liabilities secured or imposed by its original charter and
43 amendments thereto, or its existing charter, by filing:

44 (a) A certificate with the Secretary of State, which must set
45 forth:



1 (1) The name of the corporation, which must be the name of
2 the corporation at the time of the renewal or revival, or its name at
3 the time its original charter expired.

4 (2) The information required pursuant to NRS 77.310.

5 (3) The date when the renewal or revival of the charter is to
6 commence or be effective, which may be, in cases of a revival,
7 before the date of the certificate.

8 (4) Whether or not the renewal or revival is to be perpetual,
9 and, if not perpetual, the time for which the renewal or revival is to
10 continue.

11 (5) That the corporation desiring to renew or revive its
12 charter is, or has been, organized and carrying on the business
13 authorized by its existing or original charter and amendments
14 thereto, and desires to renew or continue through revival its
15 existence pursuant to and subject to the provisions of this chapter.

16 (b) A list of its president, secretary and treasurer and all of its
17 directors and their mailing or street addresses, either residence or
18 business.

19 2. A corporation whose charter has not expired and is being
20 renewed shall cause the certificate to be signed by an officer of the
21 corporation. The certificate must be approved by a majority of the
22 last-appointed surviving directors.

23 3. A corporation seeking to revive its original or amended
24 charter shall cause the certificate to be signed by its president or
25 vice president and secretary or assistant secretary. The signing and
26 filing of the certificate must be approved unanimously by the last-
27 appointed surviving directors of the corporation and must contain a
28 recital that unanimous consent was secured. The corporation shall
29 pay to the Secretary of State the fee required to establish a new
30 corporation pursuant to the provisions of this chapter.

31 4. The filed certificate, or a copy thereof which has been
32 certified under the hand and seal of the Secretary of State, must be
33 received in all courts and places as prima facie evidence of the facts
34 therein stated and of the existence and incorporation of the
35 corporation named therein.

36 5. Except as otherwise provided in NRS 78.185, a renewal or
37 revival pursuant to this section relates back to the date on which the
38 corporation's charter expired or was revoked and renews or revives
39 the corporation's charter and right to transact business as if such
40 right had at all times remained in full force and effect.

41 **Sec. 25.** Chapter 86 of NRS is hereby amended by adding
42 thereto the provisions set forth as sections 26 to 29, inclusive, of this
43 act.

44 **Sec. 26.** *“Restricted limited-liability company” means a*
45 *limited-liability company organized and existing under this*



1 *chapter that elects to include the optional provisions permitted by*
2 *NRS 86.161.*

3 **Sec. 27.** *1. If a limited-liability company has elected in its*
4 *articles of organization to be a restricted limited-liability company*
5 *pursuant to NRS 86.161, subject to the provisions of NRS 86.343,*
6 *and unless otherwise provided in the articles of organization, the*
7 *company shall not make any distributions to its members with*
8 *respect to their member's interests until 10 years after:*

9 *(a) The date of formation of the restricted limited-liability*
10 *company as long as the original articles of organization elected to*
11 *be treated as a restricted limited-liability company and as long as*
12 *the company has remained a restricted limited-liability company*
13 *since the date of formation; or*

14 *(b) The effective date of the amendment to the articles of*
15 *organization in which the company elected to be treated as a*
16 *restricted limited-liability company and as long as the company*
17 *has remained a restricted limited-liability company since the*
18 *effective date of the amendment.*

19 *2. The provisions of this section apply as the default*
20 *provisions of a restricted limited-liability company to the extent*
21 *the provisions of this section are inconsistent with or add to the*
22 *other provisions of this chapter and to the extent not otherwise*
23 *modified in the articles of organization of the restricted limited-*
24 *liability company.*

25 **Sec. 28.** *1. The rights authorized by NRS 86.241 may be*
26 *denied to a member or manager, as the case may be, or to such*
27 *person's attorney or other agent, upon the refusal of the member*
28 *or manager to furnish to the limited-liability company an affidavit*
29 *that the provision or examination of records is not desired for a*
30 *purpose which is in the interest of a business or object other than*
31 *the business of the company and that such person has not at any*
32 *time sold or offered for sale any list of members of any domestic or*
33 *foreign limited-liability company or any list of stockholders of any*
34 *domestic or foreign corporation or aided or abetted any person in*
35 *procuring any such record for any such purpose.*

36 *2. Any action to enforce any rights arising under NRS 86.241*
37 *must be brought in the district court for the county in which the*
38 *limited-liability company has its principal place of business or if*
39 *such principal office is not located in this State, the county in*
40 *which the company's registered office is located. If the company*
41 *refuses to permit a member to obtain or a manager to examine the*
42 *records described in NRS 86.241 or does not reply to a demand*
43 *within 10 business days after the demand has been made, the*
44 *demanding member or manager may apply to the district court for*
45 *an order to compel such action.*



1 3. *The district court has exclusive jurisdiction to determine*
2 *whether or not the person seeking such records is entitled to the*
3 *records sought. The district court may:*

4 (a) *Order the limited-liability company to permit the*
5 *demanding member to obtain or manager to examine the records*
6 *described in NRS 86.241 and to make copies or abstracts*
7 *therefrom;*

8 (b) *Order the company to furnish to the demanding member or*
9 *manager the records described in NRS 86.241 on the condition*
10 *that the demanding member or manager first pay to the company*
11 *the reasonable cost of obtaining and furnishing such records and*
12 *on such other conditions as the district court deems appropriate;*

13 (c) *In its discretion, prescribe any limitations or conditions*
14 *with reference to the obtaining or examining of records, or award*
15 *such other or further relief including an award of attorney's fees*
16 *and costs to the prevailing party in the dispute as the district court*
17 *may deem just and proper; or*

18 (d) *Order records, pertinent extracts therefrom, or duly*
19 *authenticated copies thereof, to be brought within this State and*
20 *kept in this State upon such terms and conditions as the order may*
21 *prescribe.*

22 4. *It is a defense to any action for penalties or damages under*
23 *this section that the person bringing such action has at any time*
24 *sold or offered for sale any list of members of any domestic or*
25 *foreign limited-liability company or any list of stockholders of any*
26 *domestic or foreign corporation, or has aided or abetted any*
27 *person in procuring any such record for any such purpose, or that*
28 *the person bringing such action desired inspection for a purpose*
29 *which is in the interest of a business or object other than the*
30 *business of the company.*

31 5. *This section does not impair the power or jurisdiction of*
32 *any court to compel the production for examination of the records*
33 *of a limited-liability company in any proper case.*

34 **Sec. 29. 1.** *A person is admitted as an initial member of a*
35 *limited-liability company:*

36 (a) *If the company is a limited-liability company managed by*
37 *its members, upon the filing of the articles of organization with the*
38 *Secretary of State or upon a later date specified in the articles of*
39 *organization; or*

40 (b) *If the company is a limited-liability company managed by a*
41 *manager or managers, as of the time set forth in and upon*
42 *compliance with the operating agreement or, if the operating*
43 *agreement does not so provide or if the company has no operating*
44 *agreement, as of the time of such person's admission as reflected*
45 *in the records of the company.*



1 2. *Unless otherwise provided in the articles of organization,*
2 *after the admission of the initial member or members of a limited-*
3 *liability company in accordance with subsection 1, a person is*
4 *admitted as a member:*

5 (a) *In the case of a person who is not a transferee of a*
6 *member's interest, including a person being admitted as a*
7 *noneconomic member and a person acquiring a member's interest*
8 *directly from the company, as of the time set forth in and upon*
9 *compliance with the operating agreement or, if the operating*
10 *agreement does not so provide or if the company has no operating*
11 *agreement, upon the consent of all the members and as of the time*
12 *of such person's admission as reflected in the records of the*
13 *company;*

14 (b) *In the case of a transferee of a member's interest who is a*
15 *substituted member pursuant to NRS 86.351, as provided in NRS*
16 *86.351 or 86.491 and as of the time set forth in and upon*
17 *compliance with the operating agreement or, if the operating*
18 *agreement does not so provide or if the company has no operating*
19 *agreement, as of the time of such person's admission as reflected*
20 *in the records of the company;*

21 (c) *In the case of a person being admitted as a member of a*
22 *surviving or resulting limited-liability company pursuant to a*
23 *merger, conversion or exchange approved in accordance with*
24 *NRS 92A.150, as of the time set forth in and upon compliance*
25 *with the operating agreement of the surviving or resulting limited-*
26 *liability company or in the plan of merger, conversion or*
27 *exchange, and in the event of any inconsistency, the terms of the*
28 *plan of merger, conversion or exchange control; and*

29 (d) *In the case of a person being admitted as a member of a*
30 *limited-liability company pursuant to a merger, conversion or*
31 *exchange in which such limited-liability company is not the*
32 *surviving or resulting entity, as of the time set forth in and upon*
33 *compliance with the operating agreement of such limited-liability*
34 *company.*

35 3. *In connection with the domestication of an undomesticated*
36 *organization as a limited-liability company in this State in*
37 *accordance with NRS 92A.270, a person is admitted as a member*
38 *of the company as of the time set forth in and upon compliance*
39 *with the articles of domestication or in the operating agreement of*
40 *the resulting domestic limited-liability company or, if the articles*
41 *of domestication and the operating agreement do not so provide or*
42 *if the articles of domestication do not so provide and the company*
43 *has no operating agreement, as of the time of such person's*
44 *admission as reflected in the records of the resulting domestic*
45 *limited-liability company.*



1 **4. Unless otherwise provided in the articles of organization,**
2 **the operating agreement or another agreement approved or**
3 **adopted by all of the members, no member has a preemptive right**
4 **to acquire any unissued member's interests or other interests in a**
5 **limited liability company.**

6 **Sec. 30.** NRS 86.011 is hereby amended to read as follows:

7 86.011 As used in this chapter, unless the context otherwise
8 requires, the words and terms defined in NRS 86.022 to 86.128,
9 inclusive, **and section 26 of this act** have the meanings ascribed to
10 them in those sections.

11 **Sec. 31.** NRS 86.061 is hereby amended to read as follows:

12 86.061 "Limited-liability company" or "company" means a
13 limited-liability company organized and existing under this chapter
14 **[H], including a restricted limited-liability company.**

15 **Sec. 32.** NRS 86.161 is hereby amended to read as follows:

16 86.161 1. The articles of organization must set forth:

17 (a) The name of the limited-liability company;

18 (b) The information required pursuant to NRS 77.310;

19 (c) The name and address, either residence or business, of each
20 of the organizers signing the articles;

21 (d) If the company is to be managed by:

22 (1) One or more managers, the name and address, either
23 residence or business, of each initial manager; or

24 (2) The members, the name and address, either residence or
25 business, of each initial member; **[and]**

26 (e) If the company is to have one or more series of members and
27 the debts or liabilities of any series are to be enforceable against the
28 assets of that series only and not against the assets of another series
29 or the company generally, a statement to that effect and a statement:

30 (1) Setting forth the relative rights, powers and duties of the
31 series; or

32 (2) Indicating that the relative rights, powers and duties of
33 the series will be set forth in the operating agreement or established
34 as provided in the operating agreement **[H]; and**

35 **(f) If the company is to be a restricted limited-liability**
36 **company, a statement to that effect.**

37 2. The articles may set forth any other provision, not
38 inconsistent with law, which the members elect to set out in the
39 articles of organization for the regulation of the internal affairs of
40 the company, including any provisions which under this chapter are
41 required or permitted to be set out in the operating agreement of the
42 company.

43 3. It is not necessary to set out in the articles of organization:



1 (a) The rights of the members to contract debts on behalf of the
2 limited-liability company if the limited-liability company is
3 managed by its members;

4 (b) The rights of the manager or managers to contract debts on
5 behalf of the limited-liability company if the limited-liability
6 company is managed by a manager or managers; or

7 (c) Any of the powers enumerated in this chapter.

8 **Sec. 33.** NRS 86.241 is hereby amended to read as follows:

9 86.241 1. Each limited-liability company shall continuously
10 maintain in this State an office, which may but need not be a place
11 of its business in this State, at which it shall keep, unless otherwise
12 provided by an operating agreement:

13 (a) A current list of the full name and last known business
14 address of each member and manager, separately identifying the
15 members in alphabetical order and the managers, if any, in
16 alphabetical order;

17 (b) A copy of the filed articles of organization and all
18 amendments thereto, together with signed copies of any powers of
19 attorney pursuant to which any record has been signed; and

20 (c) Copies of any then effective operating agreement of the
21 company.

22 2. ~~[Records kept pursuant to this section are subject to~~
23 ~~inspection and copying at the reasonable request, and at the expense,~~
24 ~~of any member during ordinary business hours, unless otherwise~~
25 ~~provided in an operating agreement.] *In lieu of keeping at an office*
26 *in this State the information required in paragraphs (a) and (b) of*
27 *subsection 1, the limited-liability company may keep a statement*
28 *with the registered agent setting out the name of the custodian of*
29 *the information required in paragraphs (a) and (b) of subsection*
30 *1, and the present and complete address, including street and*
31 *number, if any, where the information required in paragraphs (a)*
32 *and (b) of subsection 1 is kept.*~~

33 3. *Each member of a limited-liability company is entitled to*
34 *obtain from the company, from time to time upon reasonable*
35 *demand, for any purpose reasonably related to the interest of the*
36 *member as a member of the company:*

37 (a) *The records required to be maintained pursuant to*
38 *subsection 1;*

39 (b) *True and, in light of the member's stated purpose, complete*
40 *records regarding the activities and the status of the business and*
41 *financial condition of the company;*

42 (c) *Promptly after becoming available, a copy of the*
43 *company's federal, state and local income tax returns for each*
44 *year;*



1 (d) True and complete records regarding the amount of cash
2 and a description and statement of the agreed value of any other
3 property or services contributed by each member and which each
4 member has agreed to contribute in the future, and the date on
5 which each became a member; and

6 (e) Other records regarding the affairs of the company as is
7 just and reasonable under the circumstances and in light of the
8 member's stated purpose for demanding such records.

9 ↳ The right to obtain records under this subsection includes, if
10 reasonable, the right to make copies or abstracts by photographic,
11 xerographic, electronic or other means.

12 4. Each manager of a limited-liability company managed by a
13 manager or managers is entitled to examine from time to time
14 upon reasonable demand, for a purpose reasonably related to the
15 manager's rights, powers and duties as such, the records described
16 in subsection 3.

17 5. Any demand by a member or manager under subsections 3
18 or 4 is subject to such reasonable standards regarding at what
19 time and location and at whose expense records are to be
20 furnished as may be set forth in the articles of organization or in
21 an operating agreement adopted or amended as provided in
22 subsection 8 or, if no such standards are set forth in the articles of
23 organization or operating agreement, the records must be provided
24 or made available for examination, as the case may be, during
25 ordinary business hours, at the company's office required to be
26 maintained pursuant to subsection 1 and at the expense of the
27 demanding member or manager.

28 6. Any demand by a member or manager under this section
29 must be in writing and must state the purpose of such demand.
30 When a demanding member seeks to obtain or a manager seeks to
31 examine the records described in subsection 3, the demanding
32 member or manager must first establish that:

33 (a) The demanding member or manager has complied with the
34 provisions of this section respecting the form and manner of
35 making a demand for obtaining or examining such records; and

36 (b) The records sought by the demanding member or manager
37 are reasonably related to the member's interest as a member or the
38 manager's rights, powers and duties as a manager, as the case
39 may be.

40 7. In every instance where an attorney or other agent of a
41 member or manager seeks to exercise any right arising under this
42 section on behalf of such member or manager, the demand must
43 be accompanied by a power of attorney signed by the member or
44 manager authorizing the attorney or other agent to exercise such
45 rights on his behalf.



1 **8. The rights of a member to obtain or a manager to examine**
2 **records as provided in this section may be restricted or denied**
3 **entirely in the articles of organization or in an operating**
4 **agreement adopted by all of the members or by the sole member or**
5 **in any subsequent amendment adopted by all of the members at**
6 **the time of amendment.**

7 **Sec. 34.** NRS 86.246 is hereby amended to read as follows:

8 86.246 1. ~~In addition to any records required to be kept~~
9 ~~pursuant to NRS 86.241, a] A~~ limited-liability company shall
10 maintain at its registered office or principal place of business in this
11 State ~~;~~

12 ~~—(a) A current list of each member and manager; or~~
13 ~~—(b) A] a~~ statement indicating where ~~[such a list]~~ *the list required*
14 *pursuant to paragraph (a) of subsection 1 of NRS 86.241* is
15 maintained.

16 2. A limited-liability company shall:

17 (a) Provide the Secretary of State with the name and contact
18 information of the custodian of the list described in subsection 1 ~~;~~,
19 *if different than the registered agent for such company.* The
20 information required pursuant to this paragraph shall be kept
21 confidential by the Secretary of State.

22 (b) Provide written notice to the Secretary of State within 10
23 days after any change in the ~~[information contained in]~~ *custodian of*
24 the list described in subsection 1.

25 3. Upon the request of any law enforcement agency in the
26 course of a criminal investigation, the Secretary of State may require
27 a limited-liability company to:

28 (a) Submit to the Secretary of State, within 3 business days, a
29 copy of the list required to be maintained pursuant to *paragraph (a)*
30 *of subsection 1* ~~;~~ *of NRS 86.241;* or

31 (b) Answer any interrogatory submitted by the Secretary of
32 State that will assist in the criminal investigation.

33 4. If a limited-liability company fails to comply with any
34 requirement pursuant to subsection 3, the Secretary of State may
35 take any action necessary, including, without limitation, the
36 suspension or revocation of the charter of the limited-liability
37 company.

38 5. The Secretary of State shall not reinstate or revive a charter
39 that was revoked or suspended pursuant to subsection 4 unless:

40 (a) The limited-liability company complies with the
41 requirements of subsection 3; or

42 (b) The law enforcement agency conducting the investigation
43 advises the Secretary of State to reinstate or revive the charter.

44 6. The Secretary of State may adopt regulations to administer
45 the provisions of this section.



1 **Sec. 35.** NRS 86.286 is hereby amended to read as follows:

2 86.286 1. A limited-liability company may, but is not
3 required to, adopt an operating agreement. An operating agreement
4 may be adopted only by the unanimous vote or unanimous written
5 consent of the members, or by the sole member, and the operating
6 agreement must be in writing. *If any operating agreement provides*
7 *for the manner in which it may be amended, including by*
8 *requiring the approval of a person who is not a party to the*
9 *operating agreement or the satisfaction of conditions, it may be*
10 *amended only in that manner or as otherwise permitted by law and*
11 *any attempt to otherwise amend the operating agreement shall be*
12 *deemed void and of no legal force or effect unless otherwise*
13 *provided in the operating agreement.* Unless otherwise provided in
14 the operating agreement, amendments to the agreement may be
15 adopted only by the unanimous vote or unanimous written consent
16 of the persons who are members at the time of amendment.

17 2. An operating agreement may be adopted before, after or at
18 the time of the filing of the articles of organization and, whether
19 entered into before, after or at the time of the filing, may become
20 effective at the formation of the limited-liability company or at a
21 later date specified in the operating agreement. If an operating
22 agreement is adopted:

23 (a) Before the filing of the articles of organization or before the
24 effective date of formation specified in the articles of organization,
25 the operating agreement is not effective until the effective date of
26 formation of the limited-liability company.

27 (b) After the filing of the articles of organization or after the
28 effective date of formation specified in the articles of organization,
29 the operating agreement binds the limited-liability company and
30 may be enforced whether or not the limited-liability company
31 assents to the operating agreement.

32 3. An operating agreement may provide that a certificate of
33 limited-liability company interest issued by the limited-liability
34 company may evidence a member's interest in a limited-liability
35 company.

36 **4. An operating agreement:**

37 (a) *May provide rights to any person, including a person who*
38 *is not a party to the operating agreement, to the extent set forth*
39 *therein.*

40 (b) *Must be interpreted and construed to give the maximum*
41 *effect to the principle of freedom of contract and enforceability.*

42 **5. To the extent that a member or manager or other person**
43 *has duties to a limited-liability company, to another member or*
44 *manager, or to another person that is a party to or is otherwise*
45 *bound by the operating agreement, the member, manager or other*



1 *person's duties may be expanded, restricted or eliminated by*
2 *provisions in the operating agreement, except than an operating*
3 *agreement may not eliminate the implied contractual covenant of*
4 *good faith and fair dealing.*

5 6. *Unless otherwise provided in an operating agreement, a*
6 *member or manager or other person is not liable to a limited-*
7 *liability company, another member or manager, or to another*
8 *person that is a party to or otherwise bound by an operating*
9 *agreement for breach of fiduciary duty for the member, manager*
10 *or other person's good faith reliance on the provisions of the*
11 *operating agreement.*

12 7. *An operating agreement may provide for the limitation or*
13 *elimination of any and all liabilities for breach of contract and*
14 *breach of duties of a member, manager or other person to a*
15 *limited-liability company, to another member or manager, or to*
16 *another person that is a party to or is otherwise bound by the*
17 *operating agreement. An operating agreement may not limit or*
18 *eliminate liability for any act or omission that constitutes a bad*
19 *faith violation of the implied contractual covenant of good faith*
20 *and fair dealing.*

21 **Sec. 36.** NRS 86.291 is hereby amended to read as follows:

22 86.291 1. Except as otherwise provided in this section or *in*
23 the articles of organization ~~[]~~ *or operating agreement*, management
24 of a limited-liability company is vested in its members in proportion
25 to their contribution to its capital, as adjusted from time to time to
26 reflect properly any additional contributions or withdrawals by the
27 members.

28 2. Unless otherwise provided in the articles of organization or
29 operating agreement, the management of a series is vested in the
30 members associated with the series in proportion to their
31 contribution to the capital of the series, as adjusted from time to
32 time to reflect properly any additional contributions or withdrawals
33 from the assets or income of the series by the members associated
34 with the series.

35 3. If provision is made in the articles of organization,
36 management of the company may be vested in a manager or
37 managers, who may but need not be members . ~~[, in the manner~~
38 ~~prescribed by the operating agreement of the company.]~~ The
39 manager or managers ~~[also]~~ *shall* hold the offices , ~~[and]~~ have the
40 responsibilities ~~[accorded to them by the members and set out in the~~
41 ~~operating agreement.]~~ *and otherwise manage the company as set*
42 *forth in the operating agreement of the company or, if the*
43 *company has not adopted an operating agreement, then as*
44 *prescribed by the members.*



1 **Sec. 37.** Chapter 87A of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 38 and 39 of this act.

3 **Sec. 38.** *“Restricted limited partnership” means a limited*
4 *partnership organized and existing under this chapter that elects*
5 *to include the optional provisions permitted by NRS 87A.235.*

6 **Sec. 39.** *1. If the limited partnership has elected in its*
7 *certificate of limited partnership to be a restricted limited*
8 *partnership pursuant to NRS 87A.235, subject to the provisions of*
9 *NRS 87A.425, and unless otherwise provided in the certificate of*
10 *limited partnership, the limited partnership shall not make any*
11 *distributions to its partners until 10 years after:*

12 *(a) The date of formation of the restricted limited partnership*
13 *as long as the original certificate of limited partnership elected to*
14 *be treated as a restricted limited partnership and as long as the*
15 *limited partnership has remained a restricted limited partnership*
16 *since the date of formation; or*

17 *(b) The effective date of the amendment to the certificate of*
18 *limited partnership in which the limited partnership elected to be*
19 *treated as a restricted limited partnership and as long as the*
20 *limited partnership has remained a restricted limited partnership*
21 *since the effective date of the amendment.*

22 *2. The provisions of this section apply as the default*
23 *provisions of a restricted limited partnership to the extent*
24 *the provisions of this section are inconsistent with or add to the*
25 *other provisions of this chapter and to the extent not otherwise*
26 *modified in the certificate of limited partnership of the restricted*
27 *limited partnership.*

28 **Sec. 40.** NRS 87A.010 is hereby amended to read as follows:

29 87A.010 As used in this chapter, unless the context otherwise
30 requires, the words and terms defined in NRS 87A.015 to 87A.140,
31 inclusive, *and section 38 of this act* have the meanings ascribed to
32 them in those sections.

33 **Sec. 41.** NRS 87A.060 is hereby amended to read as follows:

34 87A.060 “Limited partnership,” except in the phrases “foreign
35 limited partnership,” “foreign limited-liability limited partnership”
36 and “foreign registered limited-liability limited partnership,” means
37 an entity, having one or more general partners and one or more
38 limited partners, which is formed under this chapter by two or more
39 persons. The term includes a registered limited-liability limited
40 partnership ~~§~~ *and a restricted limited partnership.*

41 **Sec. 42.** NRS 87A.195 is hereby amended to read as follows:

42 87A.195 A limited partnership shall maintain at its designated
43 office the following information:

44 1. A current list showing the full name and last known street
45 and mailing address of each partner, separately identifying the



1 general partners, in alphabetical order, and the limited partners, in
2 alphabetical order.

3 2. A copy of the certificate of limited partnership and all
4 amendments to and restatements of the certificate, together with
5 signed copies of any powers of attorney under which any certificate,
6 amendment or restatement has been signed.

7 3. A copy of any filed articles of conversion or merger.

8 4. A copy of the limited partnership's federal, state and local
9 income tax returns and reports, if any, for the 3 most recent years.

10 5. A copy of any partnership agreement made in a record and
11 any amendment made in a record to any partnership agreement.

12 6. A copy of any financial statement of the limited partnership
13 for the 3 most recent years.

14 7. A copy of the three most recent annual lists filed with the
15 Secretary of State pursuant to NRS 87A.290.

16 8. A copy of any record made by the limited partnership during
17 the past 3 years of any consent given by or vote taken of any partner
18 pursuant to this chapter or the partnership agreement.

19 9. Unless contained in a partnership agreement made in a
20 record, a record stating:

21 (a) The amount of cash, and a description and statement of the
22 agreed value of the other benefits, contributed and agreed to be
23 contributed by each partner;

24 (b) The times at which, or events on the happening of which,
25 any additional contributions agreed to be made by each partner are
26 to be made;

27 (c) For any person that is both a general partner and a limited
28 partner, a specification of what transferable interest the person owns
29 in each capacity; and

30 (d) Any events upon the happening of which the limited
31 partnership is to be dissolved and its activities wound up.

32 *↳ In lieu of keeping at the designated office the information
33 required in subsections 1, 4 and 6 to 9, inclusive, the limited
34 partnership may keep a statement with the registered agent setting
35 out the name of the custodian of the information required in
36 subsections 1, 4 and 6 to 9, inclusive, and the present and
37 complete post office address, including street and number, if any,
38 where the information required in subsections 1, 4 and 6 to 9,
39 inclusive, is kept.*

40 **Sec. 43.** NRS 87A.200 is hereby amended to read as follows:

41 87A.200 1. A limited partnership shall maintain at its
42 registered office or principal place of business in this State ~~⌋~~

43 ~~—(a) A current list of each general partner; or~~

44 ~~—(b) A~~ a statement indicating where ~~[such a list]~~ *the list required*
45 *pursuant to subsection 1 of NRS 87A.195* is maintained.



1 2. The limited partnership shall:
2 (a) Provide the Secretary of State with the name and contact
3 information of the custodian of the list described in subsection 1 ~~{ }~~,
4 *if different than the registered agent for such limited partnership.*
5 The information required pursuant to this paragraph shall be kept
6 confidential by the Secretary of State.

7 (b) Provide written notice to the Secretary of State within 10
8 days after any change in the ~~{information contained in}~~ *custodian of*
9 the list described in subsection 1.

10 3. Upon the request of any law enforcement agency in the
11 course of a criminal investigation, the Secretary of State may require
12 a limited partnership to:

13 (a) Submit to the Secretary of State, within 3 business days, a
14 copy of the list required to be maintained pursuant to subsection 1
15 ~~{ }~~ *of NRS 87A.195*; or

16 (b) Answer any interrogatory submitted by the Secretary of
17 State that will assist in the criminal investigation.

18 4. If a limited partnership fails to comply with any requirement
19 pursuant to subsection 3, the Secretary of State may take any action
20 necessary, including, without limitation, the suspension or
21 revocation of the right of the limited partnership to transact any
22 business in this State.

23 5. The Secretary of State shall not reinstate or revive the right
24 of a limited partnership to transact any business in this State that
25 was revoked or suspended pursuant to subsection 4 unless:

26 (a) The limited partnership complies with the requirements of
27 subsection 3; or

28 (b) The law enforcement agency conducting the investigation
29 advises the Secretary of State to reinstate or revive the right of the
30 limited partnership to transact business in this State.

31 6. The Secretary of State may adopt regulations to administer
32 the provisions of this section.

33 **Sec. 44.** NRS 87A.235 is hereby amended to read as follows:

34 87A.235 1. In order for a limited partnership to be formed, a
35 certificate of limited partnership must be delivered to the Secretary
36 of State for filing. The certificate must state:

37 (a) The name of the limited partnership;

38 (b) The information required pursuant to NRS 77.310;

39 (c) The name and the street and mailing address of each general
40 partner; ~~{and}~~

41 (d) Any additional information required by chapter 92A of NRS
42 ~~{ }~~; *and*

43 *(e) If the limited partnership is to be a restricted limited*
44 *partnership, a statement to that effect.*



1 2. A certificate of limited partnership may also contain any
2 other matters but may not vary or otherwise affect the provisions
3 specified in subsection 2 of NRS 87A.190 in a manner inconsistent
4 with that section.

5 3. If there has been substantial compliance with subsection 1, a
6 limited partnership is formed on the later of the filing of the
7 certificate of limited partnership or a date specified in the certificate
8 of limited partnership.

9 4. Subject to subsection 2, if any provision of a partnership
10 agreement is inconsistent with the filed certificate of limited
11 partnership or with a filed certificate of withdrawal, certificate of
12 cancellation or statement of change or filed articles of conversion or
13 merger:

14 (a) The partnership agreement prevails as to partners and
15 transferees; and

16 (b) The filed certificate of limited partnership, certificate of
17 withdrawal, certificate of cancellation or statement of change or
18 articles of conversion or merger prevail as to persons, other than
19 partners and transferees, that reasonably rely on the filed record to
20 their detriment.

21 **Sec. 45.** NRS 87A.535 is hereby amended to read as follows:

22 87A.535 Subject to the Constitution of this State:

23 1. The laws of the state or jurisdiction under which a foreign
24 limited partnership is organized govern ~~[-~~

25 ~~-(a) Relations among the partners of the foreign limited~~
26 ~~partnership and between the partners and the foreign limited~~
27 ~~partnership; and~~

28 ~~-(b) The liability of partners as partners for an obligation of the~~
29 ~~foreign limited partnership; and] *its organization, internal affairs*~~
30 ~~*and the liability of its limited partners.*~~

31 2. A foreign limited partnership may not be denied registration
32 by reason of any difference between those laws and the laws of this
33 State.

34 **Sec. 46.** NRS 87A.550 is hereby amended to read as follows:

35 87A.550 Except as otherwise provided in NRS 87A.655, a
36 foreign limited partnership may register with the Secretary of State
37 under any name, whether or not it is the name under which it is
38 registered in its state of organization, that ~~[includes without~~
39 ~~abbreviation] *contains*~~ the words "limited partnership" ~~*or the*~~
40 ~~*abbreviations "L.P." or "LP"*~~ and that could be registered by a
41 domestic limited partnership.

42 **Sec. 47.** NRS 87A.575 is hereby amended to read as follows:

43 87A.575 1. Each list required to be filed under the provisions
44 of NRS 87A.560 to 87A.600, inclusive, must, after the name of each



1 ~~managing~~ *general* partner listed thereon, set forth the address,
2 either residence or business, of each ~~managing~~ *general* partner.

3 2. If the addresses are not stated for each person on any list
4 offered for filing, the Secretary of State may refuse to file the list,
5 and the foreign limited partnership for which the list has been
6 offered for filing is subject to all the provisions of NRS 87A.560 to
7 87A.600, inclusive, relating to failure to file the list within or at the
8 times therein specified, unless a list is subsequently submitted for
9 filing which conforms to the provisions of this section.

10 **Sec. 48.** NRS 87A.595 is hereby amended to read as follows:

11 87A.595 1. Except as otherwise provided in subsections 3
12 and 4 and NRS 87A.580, the Secretary of State shall reinstate a
13 foreign limited partnership which has forfeited or which forfeits its
14 right to transact business under the provisions of this chapter and
15 shall restore to the foreign limited partnership its right to transact
16 business in this State, and to exercise its privileges and immunities,
17 if it:

18 (a) Files with the Secretary of State:

- 19 (1) The list required by NRS 87A.560;
20 (2) The statement required by NRS 87A.565, if applicable;

21 and

- 22 (3) The information required pursuant to NRS 77.310; and

23 (b) Pays to the Secretary of State:

24 (1) The filing fee and penalty set forth in NRS 87A.560 and
25 87A.585 for each year or portion thereof that its right to transact
26 business was forfeited;

27 (2) The fee set forth in NRS 87A.565, if applicable; and

28 (3) A fee of \$300 for reinstatement.

29 2. When the Secretary of State reinstates the foreign limited
30 partnership, he shall issue to the foreign limited partnership a
31 certificate of reinstatement if the foreign limited partnership:

32 (a) Requests a certificate of reinstatement; and

33 (b) Pays the required fees pursuant to NRS 87A.315.

34 3. The Secretary of State shall not order a reinstatement unless
35 all delinquent fees and penalties have been paid and the revocation
36 of the right to transact business occurred only by reason of failure to
37 pay the fees and penalties.

38 4. If the right of a foreign limited partnership to transact
39 business in this State has been forfeited pursuant to the provisions of
40 this chapter and has remained forfeited for a period of 5 consecutive
41 years, the right is not subject to reinstatement.

42 5. ~~If the right of a foreign limited partnership to transact~~
43 ~~business in this State is reinstated pursuant to this section, the~~
44 ~~reinstatement relates back to and takes effect on the effective date of~~
45 ~~the revocation, and the foreign limited partnership's status as a~~



1 ~~foreign limited partnership continues as if the revocation had never~~
2 ~~occurred.]~~ *Except as otherwise provided in NRS 87A.600, a*
3 *reinstatement pursuant to this section relates back to the date on*
4 *which the foreign limited partnership forfeited its right to transact*
5 *business under the provisions of this chapter and reinstates the*
6 *foreign limited partnership's right to transact business as if such*
7 *right had at all times remained in full force and effect.*

8 **Sec. 49.** Chapter 88 of NRS is hereby amended by adding
9 thereto a new section to read as follows:

10 *1. If the limited partnership has elected in its certificate of*
11 *limited partnership to be a restricted limited partnership pursuant*
12 *to NRS 88.350, subject to the provisions of NRS 88.520, and*
13 *unless otherwise provided in the certificate of limited partnership,*
14 *the limited partnership shall not make any distributions to its*
15 *partners with respect to their partnership interests until 10 years*
16 *after:*

17 *(a) The date of formation of the restricted limited partnership*
18 *as long as the original certificate of limited partnership elected to*
19 *be treated as a restricted limited partnership and as long as the*
20 *limited partnership has remained a restricted limited partnership*
21 *since the date of formation; or*

22 *(b) The effective date of the amendment to the certificate of*
23 *limited partnership in which the limited partnership elected to be*
24 *treated as a restricted limited partnership and as long as the*
25 *limited partnership has remained a restricted limited partnership*
26 *since the effective date of the amendment.*

27 *2. The provisions of this section apply as the default*
28 *provisions of a restricted limited partnership to the extent*
29 *the provisions of this section are inconsistent with or add to the*
30 *other provisions of this chapter and to the extent not otherwise*
31 *modified in the certificate of limited partnership of the restricted*
32 *limited partnership.*

33 **Sec. 50.** NRS 88.315 is hereby amended to read as follows:

34 88.315 As used in this chapter, unless the context otherwise
35 requires:

36 1. "Certificate of limited partnership" means the certificate
37 referred to in NRS 88.350, and the certificate as amended or
38 restated.

39 2. "Contribution" means any cash, property, services rendered,
40 or a promissory note or other binding obligation to contribute cash
41 or property or to perform services, which a partner contributes to a
42 limited partnership in his capacity as a partner.

43 3. "Event of withdrawal of a general partner" means an event
44 that causes a person to cease to be a general partner as provided in
45 NRS 88.450.



1 4. "Foreign limited partnership" means a partnership formed
2 under the laws of any state other than this State and having as
3 partners one or more general partners and one or more limited
4 partners.


5 5. "Foreign registered limited-liability limited partnership"
6 means a foreign limited-liability limited partnership:

7 (a) Formed pursuant to an agreement governed by the laws of
8 another state; and

9 (b) Registered pursuant to and complying with NRS 88.570 to
10 88.605, inclusive, and 88.609.

11 6. "General partner" means a person who has been admitted to
12 a limited partnership as a general partner in accordance with the
13 partnership agreement and named in the certificate of limited
14 partnership as a general partner.

15 7. "Limited partner" means a person who has been admitted to
16 a limited partnership as a limited partner in accordance with the
17 partnership agreement.

18 8. "Limited partnership" and "domestic limited partnership"
19 mean a partnership formed by two or more persons under the laws
20 of this State and having one or more general partners and one or
21 more limited partners  , *including a restricted limited*
22 *partnership.*

23 9. "Partner" means a limited or general partner.

24 10. "Partnership agreement" means any valid agreement,
25 written or oral, of the partners as to the affairs of a limited
26 partnership and the conduct of its business.

27 11. "Partnership interest" means a partner's share of the profits
28 and losses of a limited partnership and the right to receive
29 distributions of partnership assets.

30 12. "Record" means information that is inscribed on tangible
31 medium or that is stored in an electronic or other medium and is
32 retrievable in perceivable form.

33 13. "Registered limited-liability limited partnership" means a
34 limited partnership:

35 (a) Formed pursuant to an agreement governed by this chapter;
36 and

37 (b) Registered pursuant to and complying with NRS 88.350 to
38 88.415, inclusive, 88.606, 88.6065 and 88.607.

39 14. "Registered agent" has the meaning ascribed to it in
40 NRS 77.230.

41 15. "Registered office" means the office maintained at the
42 street address of the registered agent.

43 16. *"Restricted limited partnership" means a limited*
44 *partnership organized and existing under this chapter that elects*
45 *to include the optional provisions permitted by NRS 88.350.*



1 17. “Sign” means to affix a signature to a record.
2 ~~17.~~ 18. “Signature” means a name, word, symbol or mark
3 executed or otherwise adopted, or a record encrypted or similarly
4 processed in whole or in part, by a person with the present intent to
5 identify himself and adopt or accept a record. The term
6 includes, without limitation, an electronic signature as defined in
7 NRS 719.100.
8 ~~18.~~ 19. “State” means a state, territory or possession of the
9 United States, the District of Columbia or the Commonwealth of
10 Puerto Rico.
11 ~~19.~~ 20. “Street address” of a registered agent means the
12 actual physical location in this State at which a registered agent is
13 available for service of process.
14 **Sec. 51.** NRS 88.3355 is hereby amended to read as follows:
15 88.3355 1. A limited partnership shall maintain at its
16 registered office or principal place of business in this State ~~the~~
17 ~~—(a) A current list of each general partner; or~~
18 ~~—(b) A~~ a statement indicating where ~~[such a list]~~ *the list required*
19 *pursuant to paragraph (a) of subsection 1 of NRS 88.335* is
20 maintained.
21 2. The limited partnership shall:
22 (a) Provide the Secretary of State with the name and contact
23 information of the custodian of the list described in subsection 1 ~~the~~,
24 *if different than the registered agent for such limited partnership.*
25 The information required pursuant to this paragraph shall be kept
26 confidential by the Secretary of State.
27 (b) Provide written notice to the Secretary of State within 10
28 days after any change in the ~~information contained in~~ *custodian of*
29 the list described in subsection 1.
30 3. Upon the request of any law enforcement agency in the
31 course of a criminal investigation, the Secretary of State may require
32 a limited partnership to:
33 (a) Submit to the Secretary of State, within 3 business days, a
34 copy of the list required to be maintained pursuant to *paragraph (a)*
35 *of subsection 1 ~~the~~ of NRS 88.335;* or
36 (b) Answer any interrogatory submitted by the Secretary of
37 State that will assist in the criminal investigation.
38 4. If a limited partnership fails to comply with any requirement
39 pursuant to subsection 3, the Secretary of State may take any action
40 necessary, including, without limitation, the suspension or
41 revocation of the right of the limited partnership to transact any
42 business in this State.
43 5. The Secretary of State shall not reinstate or revive the right
44 of a limited partnership to transact any business in this State that
45 was revoked or suspended pursuant to subsection 4 unless:



1 (a) The limited partnership complies with the requirements of
2 subsection 3; or

3 (b) The law enforcement agency conducting the investigation
4 advises the Secretary of State to reinstate or revive the right of the
5 limited partnership to transact business in this State.

6 6. The Secretary of State may adopt regulations to administer
7 the provisions of this section.

8 **Sec. 52.** NRS 88.350 is hereby amended to read as follows:

9 88.350 1. In order to form a limited partnership, a certificate
10 of limited partnership must be signed and filed in the Office of the
11 Secretary of State. The certificate must set forth:

12 (a) The name of the limited partnership;

13 (b) The information required pursuant to NRS 77.310;

14 (c) The name and business address of each organizer executing
15 the certificate;

16 (d) The name and business address of each initial general
17 partner;

18 (e) The latest date upon which the limited partnership is to
19 dissolve; ~~and~~

20 (f) *If the limited partnership is to be a restricted limited*
21 *partnership, a statement to that effect; and*

22 (g) Any other matters the organizers determine to include
23 therein.

24 2. A limited partnership is formed at the time of the filing of
25 the certificate of limited partnership in the Office of the Secretary of
26 State or at any later time specified in the certificate of limited
27 partnership if there has been substantial compliance with the
28 requirements of this section.

29 **Sec. 53.** NRS 88.570 is hereby amended to read as follows:

30 88.570 Subject to the constitution of this State:

31 1. The laws of the state *or jurisdiction* under which a foreign
32 limited partnership is organized govern its organization and internal
33 affairs and the liability of its limited partners; and

34 2. A foreign limited partnership may not be denied registration
35 by reason of any difference between those laws and the laws of this
36 State.

37 **Sec. 54.** NRS 88.575 is hereby amended to read as follows:

38 88.575 Before transacting business in this State, a foreign
39 limited partnership shall register with the Secretary of State. In order
40 to register, a foreign limited partnership shall submit to the
41 Secretary of State an application for registration as a foreign limited
42 partnership, signed by a general partner. The application for
43 registration must set forth:



1 1. The name of the foreign limited partnership and, if different,
2 the name under which it proposes to register and transact business in
3 this State;

4 2. The state ~~[and date of its formation;]~~ *or jurisdiction under*
5 *whose law the foreign limited partnership is organized and the*
6 *date of its organization.*

7 3. The information required pursuant to NRS 77.310;

8 4. A statement that the Secretary of State is appointed the agent
9 of the foreign limited partnership for service of process if the
10 registered agent's authority has been revoked or if the registered
11 agent cannot be found or served with the exercise of reasonable
12 diligence;

13 5. The address of the office required to be maintained in the
14 state of its organization by the laws of that state or, if not so
15 required, of the principal office of the foreign limited partnership;

16 6. The name and business address of each general partner; and

17 7. The address of the office at which is kept a list of the names
18 and addresses of the limited partners and their capital contributions,
19 together with an undertaking by the foreign limited partnership to
20 keep those records until the foreign limited partnership's registration
21 in this State is cancelled or withdrawn.

22 **Sec. 55.** NRS 88.5925 is hereby amended to read as follows:

23 88.5925 1. Each list required to be filed under the provisions
24 of NRS 88.591 to 88.5945, inclusive, must, after the name of each
25 ~~[managing]~~ *general* partner listed thereon, set forth the address,
26 either residence or business, of each ~~[managing]~~ *general* partner.

27 2. If the addresses are not stated for each person on any list
28 offered for filing, the Secretary of State may refuse to file the list,
29 and the foreign limited partnership for which the list has been
30 offered for filing is subject to all the provisions of NRS 88.591 to
31 88.5945, inclusive, relating to failure to file the list within or at the
32 times therein specified, unless a list is subsequently submitted for
33 filing which conforms to the provisions of this section.

34 **Sec. 56.** NRS 88.608 is hereby amended to read as follows:

35 88.608 1. Unless otherwise provided by the ~~[articles of~~
36 ~~organization]~~ *certificate of limited partnership* or partnership
37 agreement, a partner of a registered limited-liability limited
38 partnership is not personally liable for a debt or liability of the
39 registered limited-liability limited partnership unless the trier of fact
40 determines that adherence to the fiction of a separate entity would
41 sanction fraud or promote a manifest injustice.

42 2. For purposes of this section, the failure of a registered
43 limited-liability limited partnership to observe the formalities or
44 requirements relating to the management of the registered limited-
45 liability limited partnership, in and of itself, is not sufficient to



1 establish grounds for imposing personal liability on a partner for a
2 debt or liability of the registered limited-liability limited partnership.

3 **Sec. 57.** NRS 89.040 is hereby amended to read as follows:

4 89.040 1. One or more persons may organize a professional
5 entity in the manner provided for organizing a corporation pursuant
6 to chapter 78 of NRS or a limited-liability company pursuant to
7 chapter 86 of NRS. Each person organizing the professional entity
8 must, except as otherwise provided in subsection 2 of NRS 89.050,
9 be authorized to perform the professional service for which the
10 professional entity is organized. The articles must contain the
11 following additional information:

12 (a) The profession to be practiced by means of the professional
13 entity.

14 (b) The names and addresses, either residence or business, of the
15 original stockholders and directors of the professional corporation or
16 the original members and managers of the professional limited-
17 liability company.

18 (c) Except as otherwise provided in ~~paragraph (d) of this~~
19 ~~subsection.] paragraphs (d) and (e),~~ a certificate from the regulating
20 board of the profession to be practiced showing that each of the
21 directors, stockholders, managers or members who is a natural
22 person, is licensed to practice the profession.

23 (d) For a professional entity organized pursuant to this chapter
24 and practicing pursuant to the provisions of NRS 623.349, a
25 certificate from the regulating board or boards of the profession or
26 professions to be practiced showing that control and two-thirds
27 ownership of the professional entity is held by persons registered or
28 licensed pursuant to the applicable provisions of chapter 623, 623A
29 or 625 of NRS. As used in this paragraph, "control" has the meaning
30 ascribed to it in NRS 623.349.

31 *(e) For a professional entity formed pursuant to subsection 5*
32 *of NRS 89.070, a certificate from the State Bar of Nevada showing*
33 *at least one stockholder or member who is a natural person is*
34 *admitted by the Supreme Court of the State of Nevada to practice*
35 *law as a member of the State Bar of Nevada.*

36 2. The corporate name of a professional corporation must
37 contain the words "Professional Corporation" or the abbreviation
38 "Prof. Corp.," "P.C." or "PC," or the word "Chartered" or the
39 abbreviation "Chtd.," or "Limited" or the abbreviation "Ltd." The
40 corporate name must contain the last name of one or more of its
41 current or former stockholders.

42 3. The name of a professional limited-liability company must
43 contain the words "Professional Limited-Liability Company" or the
44 abbreviations "Prof. L.L.C.," "Prof. LLC," "P.L.L.C.," "PLLC," or
45 the word "Chartered" or the abbreviation "Chtd.," or "Limited" or



1 the abbreviation "Ltd." The name of a professional limited-liability
2 company must contain the last name of one or more of its current or
3 former members.

4 4. The professional entity may render professional services and
5 exercise its authorized powers under a fictitious name if the
6 professional entity has first registered the name in the manner
7 required by chapter 602 of NRS.

8 **Sec. 58.** NRS 89.070 is hereby amended to read as follows:

9 89.070 1. Except as otherwise provided in this section and
10 NRS 623.349:

11 (a) No professional entity may issue any of its owner's interest
12 to anyone other than a natural person who is licensed to render the
13 same specific professional services as those for which the
14 professional entity was formed.

15 (b) No owner may enter into a voting trust agreement or any
16 other type of agreement vesting another person with the authority to
17 exercise the voting power of any or all of his owner's interest,
18 unless the other person is licensed to render the same specific
19 professional services as those for which the professional entity was
20 formed.

21 (c) No owner's interest may be sold or transferred except to a
22 natural person who is eligible to be an owner or to the personal
23 representative or estate of a deceased or legally incompetent
24 stockholder. The personal representative or estate of the owner may
25 continue to own the owner's interest for a reasonable period, but
26 may not participate in any decisions concerning the rendering of
27 professional services.

28 ↪ The articles, bylaws or operating agreement of the professional
29 entity may provide specifically for additional restrictions on the
30 transfer of an owner's interest and may provide for the redemption
31 or purchase of the owner's interest by the professional entity, its
32 owners or an eligible individual account plan complying with the
33 requirements of subsection 2 at prices and in a manner specifically
34 set forth. An owner may transfer his owner's interest in the
35 professional entity or any other interest in the assets of the
36 professional entity to a revocable trust if he acts as trustee of
37 the revocable trust and any person who acts as cotrustee and is not
38 licensed to perform the services for which the professional entity
39 was formed does not participate in any decisions concerning the
40 rendering of those services.

41 2. Except as otherwise provided in NRS 623.349, a person not
42 licensed to render the professional services for which the
43 professional entity was formed may own a beneficial interest in any
44 of the assets, including an owner's interest, held for his account by
45 an eligible individual account plan sponsored by the professional



1 entity for the benefit of its employees, which is intended to qualify
2 under section 401 of the Internal Revenue Code, 26 U.S.C. § 401, if
3 the terms of the trust are such that the total number of shares which
4 may be distributed for the benefit of persons not licensed to render
5 the professional services for which the professional entity was
6 formed is less than a controlling interest and:

7 (a) The trustee of the trust is licensed to render the same specific
8 professional services as those for which the professional entity was
9 formed; or

10 (b) The trustee is not permitted to participate in any decisions
11 concerning the rendering of professional services in his capacity as
12 trustee.

13 ➔ A trustee who is individually an owner may participate in his
14 individual capacity as an owner, manager, director or officer in any
15 decision.

16 3. Except as otherwise provided in subsection 4, a professional
17 entity in which all the owners who are natural persons are licensed
18 to render the same specific professional service may acquire and
19 hold an owner's interest in another professional entity or in a similar
20 entity organized pursuant to the corresponding law of another
21 state, only if all the owners who are natural persons of the
22 professional entity whose stock is acquired are licensed in
23 that professional entity's state of formation to render the same
24 specific professional service as the owners who are natural persons
25 of the professional entity that acquires the owner's interest.

26 4. A professional entity practicing pursuant to NRS 623.349 in
27 which all the owners are natural persons, regardless of whether or
28 not the natural persons are licensed to render the same specific
29 professional service, may acquire and hold an owner's interest in
30 another professional entity or in a similar entity organized pursuant
31 to the corresponding law of another state if control and two-thirds
32 ownership of the business organization or association that is
33 acquired is held by persons registered or licensed pursuant to the
34 applicable provisions of chapter 623, 623A or 625 of NRS. As used
35 in this subsection, "control" has the meaning ascribed to it in
36 NRS 623.349.

37 5. *An attorney may form a legal services professional entity*
38 *that is organized or incorporated in the State of Nevada with one*
39 *or more natural persons, each of whom is a member in good*
40 *standing and eligible to practice before the bar of any jurisdiction*
41 *of the United States, and such legal services entity may issue an*
42 *owner's interest to a natural person who is a member in good*
43 *standing and eligible to practice before the bar of any jurisdiction*
44 *of the United States provided that at least one attorney admitted by*
45 *the Supreme Court of the State of Nevada to practice law as a*



1 *member of the State Bar of Nevada owns an owner's interest in*
2 *the professional entity.*

3 **6.** Any act in violation of this section is void and does not pass
4 any rights or privileges or vest any powers, except to an innocent
5 person who is not an owner and who has relied on the effectiveness
6 of the action.

7 **Sec. 59.** Chapter 92A of NRS is hereby amended by adding
8 thereto a new section to read as follows:

9 *“Senior executive” means the chief executive officer, chief*
10 *operating officer, chief financial officer or anyone in charge of a*
11 *principal business unit or function of a domestic corporation.*

12 **Sec. 60.** NRS 92A.005 is hereby amended to read as follows:

13 92A.005 As used in this chapter, unless the context otherwise
14 requires, the words and terms defined in NRS 92A.007 to 92A.097,
15 inclusive, *and section 59 of this act* have the meanings ascribed to
16 them in those sections.

17 **Sec. 61.** NRS 92A.180 is hereby amended to read as follows:

18 92A.180 1. A parent domestic corporation, whether or not for
19 profit, parent domestic limited-liability company, unless otherwise
20 provided in the articles of organization or operating agreement, or
21 parent domestic limited partnership owning at least 90 percent of the
22 outstanding shares of each class of a subsidiary corporation entitled
23 to vote on a merger, 90 percent of the percentage or other interest in
24 the capital and profits of a subsidiary limited-liability company then
25 owned by each class of members entitled to vote on a merger or 90
26 percent of the percentage or other interest in the capital and profits
27 of a subsidiary limited partnership then owned by both the general
28 partners and each class of limited partners entitled to vote on a
29 merger may merge the subsidiary into itself without approval of the
30 owners of the owner's interests of the parent domestic corporation,
31 *parent* domestic limited-liability company or *parent* domestic
32 limited partnership or the owners of the owner's interests of ~~fa~~ *the*
33 subsidiary domestic corporation, subsidiary domestic limited-
34 liability company or subsidiary domestic limited partnership.

35 2. A parent domestic corporation, whether or not for profit,
36 parent domestic limited-liability company, unless otherwise
37 provided in the articles of organization or operating agreement, or
38 parent domestic limited partnership owning at least 90 percent of the
39 outstanding shares of each class of a subsidiary corporation entitled
40 to vote on a merger, 90 percent of the percentage or other interest in
41 the capital and profits of a subsidiary limited-liability company then
42 owned by each class of members entitled to vote on a merger, or 90
43 percent of the percentage or other interest in the capital and profits
44 of a subsidiary limited partnership then owned by both the general
45 partners and each class of limited partners entitled to vote on a



1 merger may merge with and into the subsidiary without approval of
2 the owners of the owner's interests of the subsidiary domestic
3 corporation, subsidiary domestic limited-liability company or
4 subsidiary domestic limited partnership.

5 3. The board of directors of a parent corporation, the managers
6 of a parent limited-liability company with managers unless
7 otherwise provided in the operating agreement, all members of a
8 parent limited-liability company without managers unless otherwise
9 provided in the operating agreement, or all general partners of a
10 parent limited partnership shall adopt a plan of merger that sets
11 forth:

12 (a) The names of the parent and subsidiary; and

13 (b) The manner and basis of converting the owner's interests of
14 the disappearing entity into the owner's interests, obligations or
15 other securities of the surviving or any other entity or into cash or
16 other property in whole or in part.

17 4. The parent shall mail a copy or summary of the plan of
18 merger to each owner of the subsidiary who does not waive the
19 mailing requirement in writing.

20 5. Articles of merger under this section may not contain
21 amendments to the constituent documents of the surviving entity
22 except that the name of the surviving entity may be changed.

23 6. The articles of incorporation of a domestic corporation, the
24 articles of organization of a domestic limited-liability company, the
25 certificate of limited partnership of a domestic limited partnership or
26 the certificate of trust of a domestic business trust may forbid that
27 entity from entering into a merger pursuant to this section.

28 **Sec. 62.** NRS 92A.205 is hereby amended to read as follows:

29 92A.205 1. After a plan of conversion is approved as
30 required by this chapter, if the resulting entity is a domestic
31 entity, the constituent entity shall deliver to the Secretary of State
32 for filing:

33 (a) Articles of conversion setting forth:

34 (1) The name and jurisdiction of organization of the
35 constituent entity and the resulting entity; and

36 (2) That a plan of conversion has been adopted by the
37 constituent entity in compliance with the law of the jurisdiction
38 governing the constituent entity.

39 (b) The charter document of the domestic resulting entity
40 required by the applicable provisions of chapter 78, 78A, **82**, 86,
41 87A, 88, 88A or 89 of NRS.

42 (c) The information required pursuant to NRS 77.310.

43 2. After a plan of conversion is approved as required by this
44 chapter, if the resulting entity is a foreign entity, the constituent



1 entity shall deliver to the Secretary of State for filing articles of
2 conversion setting forth:

3 (a) The name and jurisdiction of organization of the constituent
4 entity and the resulting entity;

5 (b) That a plan of conversion has been adopted by the
6 constituent entity in compliance with the laws of this State; and

7 (c) The address of the resulting entity where copies of process
8 may be sent by the Secretary of State.

9 3. If the entire plan of conversion is not set forth in the articles
10 of conversion, the filing party must include in the articles of
11 conversion a statement that the complete signed plan of conversion
12 is on file at the registered office or principal place of business of the
13 resulting entity or, if the resulting entity is a domestic limited
14 partnership, the office described in paragraph (a) of subsection 1 of
15 NRS 87A.215 or paragraph (a) of subsection 1 of NRS 88.330.

16 4. If the conversion takes effect on a later date specified in the
17 articles of conversion pursuant to NRS 92A.240, the charter
18 document to be filed with the Secretary of State pursuant to
19 paragraph (b) of subsection 1 must state the name and the
20 jurisdiction of the constituent entity and that the existence of the
21 resulting entity does not begin until the later date.

22 5. Any records filed with the Secretary of State pursuant to this
23 section must be accompanied by the fees required pursuant to this
24 title for filing the charter document.

25 **Sec. 63.** NRS 92A.270 is hereby amended to read as follows:

26 92A.270 1. Any undomesticated organization may become
27 domesticated in this State as a domestic entity by:

28 (a) Paying to the Secretary of State the fees required pursuant to
29 this title for filing the charter document; and

30 (b) Filing with the Secretary of State:

31 (1) Articles of domestication which must be signed by an
32 authorized representative of the undomesticated organization
33 approved in compliance with subsection 6;

34 (2) The appropriate charter document for the type of
35 domestic entity; and

36 (3) The information required pursuant to NRS 77.310.

37 2. The articles of domestication must set forth the:

38 (a) Date when and the jurisdiction where the undomesticated
39 organization was first formed, incorporated, organized or otherwise
40 created;

41 (b) Name of the undomesticated organization immediately
42 before filing the articles of domestication;

43 (c) Name and type of domestic entity as set forth in its charter
44 document pursuant to subsection 1; and



1 (d) Jurisdiction that constituted the principal place of business or
2 central administration of the undomesticated organization, or any
3 other equivalent thereto pursuant to applicable law,
4 → immediately before filing the articles of domestication.

5 3. Upon filing the articles of domestication and the charter
6 document with the Secretary of State, and the payment of the
7 requisite fee for filing the charter document of the domestic entity,
8 the undomesticated organization is domesticated in this State as the
9 domestic entity described in the charter document filed pursuant to
10 subsection 1. The existence of the domestic entity begins on the date
11 the undomesticated organization began its existence in the
12 jurisdiction in which the undomesticated organization was first
13 formed, incorporated, organized or otherwise created.

14 4. The domestication of any undomesticated organization does
15 not affect any obligations or liabilities of the undomesticated
16 organization incurred before its domestication.

17 5. The filing of the charter document of the domestic entity
18 pursuant to subsection 1 does not affect the choice of law applicable
19 to the undomesticated organization. From the date the charter
20 document of the domestic entity is filed, the law of this State applies
21 to the domestic entity to the same extent as if the undomesticated
22 organization was organized and created as a domestic entity on that
23 date.

24 6. Before filing articles of domestication, the domestication
25 must be approved in the manner required by:

26 (a) The document, instrument, agreement or other writing
27 governing the internal affairs of the undomesticated organization
28 and the conduct of its business; and

29 (b) Applicable foreign law.

30 7. When a domestication becomes effective, all rights,
31 privileges and powers of the undomesticated organization, all
32 property owned by the undomesticated organization, all debts due to
33 the undomesticated organization, and all causes of action belonging
34 to the undomesticated organization are vested in the domestic entity
35 and become the property of the domestic entity to the same extent as
36 vested in the undomesticated organization immediately before
37 domestication. The title to any real property vested by deed or
38 otherwise in the undomesticated organization is not reverted or
39 impaired by the domestication. All rights of creditors and all liens
40 upon any property of the undomesticated organization are preserved
41 unimpaired and all debts, liabilities and duties of an undomesticated
42 organization that has been domesticated attach to the domestic entity
43 resulting from the domestication and may be enforced against it to
44 the same extent as if the debts, liability and duties had been incurred
45 or contracted by the domestic entity.



1 8. When an undomesticated organization is domesticated, the
2 domestic entity resulting from the domestication is for all purposes
3 deemed to be the same entity as the undomesticated organization.
4 Unless otherwise agreed by the owners of the undomesticated
5 organization or as required pursuant to applicable foreign law, the
6 domestic entity resulting from the domestication is not required to
7 wind up its affairs, pay its liabilities or distribute its assets. The
8 domestication of an undomesticated organization does not constitute
9 the dissolution of the undomesticated organization. The
10 domestication constitutes a continuation of the existence of the
11 undomesticated organization in the form of a domestic entity. If,
12 following domestication, an undomesticated organization that has
13 become domesticated pursuant to this section continues its existence
14 in the foreign country or foreign jurisdiction in which it was existing
15 immediately before the domestication, the domestic entity and the
16 undomesticated organization are for all purposes a single entity
17 formed, incorporated, organized or otherwise created and existing
18 pursuant to the laws of this State and the laws of the foreign country
19 or other foreign jurisdiction.

20 9. As used in this section, “undomesticated organization”
21 means any incorporated organization, private law corporation,
22 whether or not organized for business purposes, public law
23 corporation, *limited-liability company*, general partnership,
24 registered limited-liability partnership, limited partnership or
25 registered limited-liability limited partnership, proprietorship, joint
26 venture, foundation, business trust, real estate investment trust,
27 common-law trust or any other unincorporated business formed,
28 organized, created or the internal affairs of which are governed by
29 the laws of any foreign country or jurisdiction other than the United
30 States, the District of Columbia or another state, territory,
31 possession, commonwealth or dependency of the United States.

32 **Sec. 64.** NRS 92A.320 is hereby amended to read as follows:

33 92A.320 “Fair value,” with respect to a dissenter’s shares,
34 means the value of the shares ~~immediately~~ *determined:*

35 1. *Immediately* before the effectuation of the corporate action
36 to which he objects, excluding any appreciation or depreciation in
37 anticipation of the corporate action unless exclusion would be
38 inequitable ~~H~~;

39 2. *Using customary and current valuation concepts and*
40 *techniques generally employed for similar businesses in the*
41 *context of the transaction requiring appraisal; and*

42 3. *Without discounting for lack of marketability or minority*
43 *status.*



1 **Sec. 65.** NRS 92A.340 is hereby amended to read as follows:
2 92A.340 Interest payable pursuant to NRS 92A.300 to
3 92A.500, inclusive, must be computed from the effective date of the
4 action until the date of payment, at the ~~average rate currently paid~~
5 ~~by the entity on its principal bank loans or, if it has no bank loans, at~~
6 ~~a rate that is fair and equitable under all of the circumstances.]~~ *rate*
7 *of interest most recently established pursuant to NRS 99.040.*

8 **Sec. 66.** NRS 92A.380 is hereby amended to read as follows:
9 92A.380 1. Except as otherwise provided in NRS 92A.370
10 and 92A.390, any stockholder is entitled to dissent from, and obtain
11 payment of the fair value of his shares in the event of any of the
12 following corporate actions:

13 (a) Consummation of a ~~conversion or~~ plan of merger to which
14 the domestic corporation is a constituent entity:

15 (1) If approval by the stockholders is required for the
16 ~~conversion or~~ merger by NRS 92A.120 to 92A.160, inclusive, or
17 the articles of incorporation, regardless of whether the stockholder is
18 entitled to vote on the ~~conversion or~~ plan of merger; or

19 (2) If the domestic corporation is a subsidiary and is merged
20 with its parent pursuant to NRS 92A.180.

21 (b) *Consummation of a plan of conversion to which the*
22 *domestic corporation is a constituent entity as the corporation*
23 *whose subject owner's interests will be converted.*

24 (c) Consummation of a plan of exchange to which the domestic
25 corporation is a constituent entity as the corporation whose subject
26 owner's interests will be acquired, if his shares are to be acquired in
27 the plan of exchange.

28 ~~(e)~~ (d) Any corporate action taken pursuant to a vote of the
29 stockholders to the extent that the articles of incorporation, bylaws
30 or a resolution of the board of directors provides that voting or
31 nonvoting stockholders are entitled to dissent and obtain payment
32 for their shares.

33 ~~(d)~~ (e) *Accordance of full voting rights to control shares, as*
34 *defined in NRS 78.3784, only to the extent provided for pursuant*
35 *to NRS 78.3793.*

36 (f) Any corporate action not described in ~~paragraph (a), (b) or~~
37 ~~(e)~~ *this subsection* that will result in the stockholder receiving
38 money or scrip instead of fractional shares except where the
39 stockholder would not be entitled to receive such payment pursuant
40 to NRS 78.205, 78.2055 or 78.207.

41 2. A stockholder who is entitled to dissent and obtain payment
42 pursuant to NRS 92A.300 to 92A.500, inclusive, may not challenge
43 the corporate action creating his entitlement unless the action is
44 unlawful or fraudulent with respect to him or the domestic
45 corporation.



1 3. From and after the effective date of any corporate action
2 described in subsection 1, no stockholder who has exercised his
3 right to dissent pursuant to NRS 92A.300 to 92A.500, inclusive, is
4 entitled to vote his shares for any purpose or to receive payment of
5 dividends or any other distributions on shares. This subsection does
6 not apply to dividends or other distributions payable to stockholders
7 on a date before the effective date of any corporate action from
8 which the stockholder has dissented.

9 **Sec. 67.** NRS 92A.390 is hereby amended to read as follows:

10 92A.390 1. There is no right of dissent with respect to a plan
11 of merger, *conversion* or exchange in favor of stockholders of any
12 class or series which ~~[, at the]~~ is:

13 (a) *A covered security under section 18(b)(1)(A) or (B) of the*
14 *Securities Act of 1933, 15 U.S.C. § 77r(b)(1)(A) or (B), as*
15 *amended;*

16 (b) *Traded in an organized market and has at least 2,000*
17 *stockholders and a market value of at least \$20,000,000, exclusive*
18 *of the value of such shares held by the corporation's subsidiaries,*
19 *senior executives, directors and beneficial stockholders owning*
20 *more than 10 percent of such shares; or*

21 (c) *Issued by an open end management investment company*
22 *registered with the Securities and Exchange Commission under*
23 *the Investment Company Act of 1940 and which may be redeemed*
24 *at the option of the holder at net asset value,*

25 ~~↳ unless the articles of incorporation of the corporation issuing~~
26 ~~the class or series provide otherwise.~~

27 2. *The applicability of subsection 1 must be determined as of:*

28 (a) ~~The record date fixed to determine the stockholders entitled~~
29 ~~to receive notice of and to vote at the meeting [at which the plan of~~
30 ~~merger or exchange is to be acted on, were either listed on a national~~
31 ~~securities exchange, included in the national market system by the~~
32 ~~National Association of Securities Dealers, Inc., or held by at least~~
33 ~~2,000 stockholders of record, unless:~~

34 ~~—(a) The articles of incorporation of the corporation issuing the~~
35 ~~shares provide otherwise;] of stockholders to act upon the~~
36 ~~corporate action requiring dissenter's rights; or~~

37 (b) ~~[The holders of the class or series are required under the plan~~
38 ~~of merger or exchange to accept for the shares anything except:~~

39 ~~—(1) Cash, owner's interests or owner's interests and cash in~~
40 ~~lieu of fractional owner's interests of:~~

41 ~~—(I) The surviving or acquiring entity; or~~

42 ~~—(II) Any other entity which, at the effective date of the~~
43 ~~plan of merger or exchange, were either listed on a national~~
44 ~~securities exchange, included in the national market system by the~~



1 ~~National Association of Securities Dealers, Inc., or held of record by~~
2 ~~a least 2,000 holders of owner's interests of record; or~~

3 ~~—— (2) A combination of cash and owner's interests of the kind~~
4 ~~described in sub-subparagraphs (I) and (II) of subparagraph (1) of~~
5 ~~paragraph (b);~~

6 ~~—2.1 The day before the effective date of such corporate action~~
7 ~~if there is no meeting of stockholders.~~

8 *3. Subsection 1 is not applicable and dissenter's rights are*
9 *available pursuant to NRS 92A.380 for the holders of any class or*
10 *series of shares who are required by the terms of the corporate*
11 *action requiring dissenter's rights to accept for such shares*
12 *anything other than cash or shares of any class or any series of*
13 *shares of any corporation, or any other proprietary interest of any*
14 *other entity, that satisfies the standards set forth in subsection 1 at*
15 *the time the corporate action becomes effective.*

16 *4. There is no right of dissent for any holders of stock of the*
17 *surviving domestic corporation if the plan of merger does not*
18 *require action of the stockholders of the surviving domestic*
19 *corporation under NRS 92A.130.*

20 *5. There is no right of dissent for any holders of stock or the*
21 *parent domestic corporation if the plan of merger does not require*
22 *action of the stockholders of the parent domestic corporation*
23 *under NRS 92A.180.*

24 **Sec. 68.** NRS 92A.400 is hereby amended to read as follows:

25 92A.400 1. A stockholder of record may assert dissenter's
26 rights as to fewer than all of the shares registered in his name only if
27 he dissents with respect to all shares *of the class or series*
28 beneficially owned by any one person and notifies the subject
29 corporation in writing of the name and address of each person on
30 whose behalf he asserts dissenter's rights. The rights of a partial
31 dissenter under this subsection are determined as if the shares as to
32 which he dissents and his other shares were registered in the names
33 of different stockholders.

34 2. A beneficial stockholder may assert dissenter's rights as to
35 shares held on his behalf only if:

36 (a) He submits to the subject corporation the written consent of
37 the stockholder of record to the dissent not later than the time the
38 beneficial stockholder asserts dissenter's rights; and

39 (b) He does so with respect to all shares of which he is the
40 beneficial stockholder or over which he has power to direct the vote.

41 **Sec. 69.** NRS 92A.410 is hereby amended to read as follows:

42 92A.410 1. If a proposed corporate action creating
43 dissenters' rights is submitted to a vote at a stockholders' meeting,
44 the notice of the meeting must state that stockholders are *, are not* or
45 may be entitled to assert dissenters' rights under NRS 92A.300



1 to 92A.500, inclusive . ~~[, and be accompanied by a copy of those~~
2 ~~sections.]~~ *If the domestic corporation concludes that dissenter's*
3 *rights are or may be available, a copy of NRS 92A.300 to 92A.500,*
4 *inclusive, must accompany the meeting notice sent to those record*
5 *stockholders entitled to exercise dissenter's rights.*

6 2. If the corporate action creating dissenters' rights is taken by
7 written consent of the stockholders or without a vote of the
8 stockholders, the domestic corporation shall notify in writing all
9 stockholders entitled to assert dissenters' rights that the action was
10 taken and send them the dissenter's notice described in
11 NRS 92A.430.

12 **Sec. 70.** NRS 92A.420 is hereby amended to read as follows:

13 92A.420 1. If a proposed corporate action creating
14 dissenters' rights is submitted to a vote at a stockholders' meeting, a
15 stockholder who wishes to assert dissenter's rights ~~[,]~~ *with respect*
16 *to any class or series of shares:*

17 (a) Must deliver to the subject corporation, before the vote is
18 taken, written notice of his intent to demand payment for his shares
19 if the proposed action is effectuated; and

20 (b) Must not vote ~~[his shares]~~, *or cause or permit to be voted,*
21 *any of his shares of such class or series* in favor of the proposed
22 action.

23 2. If a proposed corporate action creating dissenters' rights is
24 taken by written consent of the stockholders, a stockholder who
25 wishes to assert dissenters' rights *with respect to any class or series*
26 *of shares* must not consent to or approve the proposed corporate
27 action ~~[,]~~ *with respect to such class or series.*

28 3. A stockholder who does not satisfy the requirements of
29 subsection 1 or 2 and NRS 92A.400 is not entitled to payment for
30 his shares under this chapter.

31 **Sec. 71.** NRS 92A.430 is hereby amended to read as follows:

32 92A.430 1. The subject corporation shall deliver a written
33 dissenter's notice to all stockholders entitled to assert dissenters'
34 rights.

35 2. The dissenter's notice must be sent no later than 10 days
36 after the ~~[effectuation]~~ *effective date* of the corporate action ~~[,]~~
37 *specified in NRS 92A.380,* and must:

38 (a) State where the demand for payment must be sent and where
39 and when certificates, if any, for shares must be deposited;

40 (b) Inform the holders of shares not represented by certificates
41 to what extent the transfer of the shares will be restricted after the
42 demand for payment is received;

43 (c) Supply a form for demanding payment that includes the date
44 of the first announcement to the news media or to the stockholders
45 of the terms of the proposed action and requires that the person



1 asserting dissenter's rights certify whether or not he acquired
2 beneficial ownership of the shares before that date;

3 (d) Set a date by which the subject corporation must receive the
4 demand for payment, which may not be less than 30 nor more than
5 60 days after the date the notice is delivered ~~[;]~~ and *state that the*
6 *stockholder shall be deemed to have waived the right to demand*
7 *payment with respect to the shares unless the form is received by*
8 *the subject corporation by such specified date; and*

9 (e) Be accompanied by a copy of NRS 92A.300 to 92A.500,
10 inclusive.

11 **Sec. 72.** NRS 92A.440 is hereby amended to read as follows:

12 92A.440 1. A stockholder ~~[to whom]~~ *who receives a*
13 *dissenter's notice [is sent] pursuant to NRS 92A.430 and who*
14 *wishes to exercise dissenter's rights* must:

15 (a) Demand payment;

16 (b) Certify whether he or the beneficial owner on whose behalf
17 he is dissenting, as the case may be, acquired beneficial ownership
18 of the shares before the date required to be set forth in the
19 dissenter's notice for this certification; and

20 (c) Deposit his certificates, if any, in accordance with the terms
21 of the notice.

22 2. ~~[The stockholder who demands payment and deposits his~~
23 ~~certificates, if any, before the proposed corporate action is taken~~
24 ~~retains all other rights of a stockholder until those rights are~~
25 ~~cancelled or modified by the taking of the proposed corporate~~
26 ~~action.]~~ *If a stockholder fails to make the certification required by*
27 *paragraph (b) of subsection 1, the subject corporation may elect to*
28 *treat the stockholder's shares as after-acquired shares under*
29 *NRS 92A.470.*

30 3. *Once a stockholder deposits that stockholder's certificates*
31 *or, in the case of uncertified shares makes demand for payment,*
32 *that stockholder loses all rights as a stockholder, unless the*
33 *stockholder withdraws pursuant to subsection 4.*

34 4. *A stockholder who has complied with subsection 1 may*
35 *nevertheless decline to exercise dissenter's rights and withdraw*
36 *from the appraisal process by so notifying the subject corporation*
37 *in writing by the date set forth in the dissenter's notice pursuant to*
38 *NRS 92A.430. A stockholder who fails to so withdraw from the*
39 *appraisal process may not thereafter withdraw without the subject*
40 *corporation's written consent.*

41 5. The stockholder who does not demand payment or deposit
42 his certificates where required, each by the date set forth in the
43 dissenter's notice, is not entitled to payment for his shares under this
44 chapter.



1 **Sec. 73.** NRS 92A.450 is hereby amended to read as follows:
2 92A.450 ~~[1.]~~ The subject corporation may restrict the transfer
3 of shares not represented by a certificate from the date the demand
4 for their payment is received.

5 ~~[2.—The person for whom dissenter’s rights are asserted as to~~
6 ~~shares not represented by a certificate retains all other rights of a~~
7 ~~stockholder until those rights are cancelled or modified by the~~
8 ~~taking of the proposed corporate action.]~~

9 **Sec. 74.** NRS 92A.460 is hereby amended to read as follows:
10 92A.460 1. Except as otherwise provided in NRS 92A.470,
11 within 30 days after receipt of a demand for payment, the subject
12 corporation shall pay *in cash to* each dissenter who complied with
13 NRS 92A.440 the amount the subject corporation estimates to be
14 the fair value of his shares, plus accrued interest. The obligation of
15 the subject corporation under this subsection may be enforced by the
16 district court:

17 (a) Of the county where the *subject* corporation’s principal
18 office is located;

19 (b) If the *subject* corporation’s principal office is not located in
20 this State, in ~~[Carson City; or]~~ *the county in which the*
21 *corporation’s registered office is located; or*

22 (c) At the election of any dissenter residing or having its
23 principal *or registered* office in this State, of the county where the
24 dissenter resides or has its principal *or registered* office.

25 ➤ The court shall dispose of the complaint promptly.

26 2. The payment must be accompanied by:

27 (a) The subject corporation’s balance sheet as of the end of a
28 fiscal year ending not more than 16 months before the date of
29 payment, a statement of income for that year, a statement of changes
30 in the stockholders’ equity for that year *or, where such financial*
31 *statements are not reasonably available, then such reasonably*
32 *equivalent financial information* and the latest available ~~[interim]~~
33 *quarterly* financial statements, if any;

34 (b) A statement of the subject corporation’s estimate of the fair
35 value of the shares; *and*

36 (c) ~~[An explanation of how the interest was calculated;~~
37 ~~—(d)]~~ A statement of the dissenter’s rights to demand payment
38 under NRS 92A.480 ~~[1.]~~ and *that if any such stockholder does not*
39 *do so within the period specified, such stockholder shall be*
40 *deemed to have accepted such payment in full satisfaction of the*
41 *corporation’s obligations under this chapter.*

42 ~~[(e) A copy of NRS 92A.300 to 92A.500, inclusive.]~~

43 **Sec. 75.** NRS 92A.470 is hereby amended to read as follows:
44 92A.470 1. A subject corporation may elect to withhold
45 payment from a dissenter unless he was the beneficial owner of the



1 shares before the date set forth in the dissenter's notice as the *first*
2 date of ~~[the first]~~ *any* announcement to the news media or to the
3 stockholders of the terms of the proposed action.

4 2. To the extent the subject corporation elects to withhold
5 payment, *within 30 days* after ~~[taking the proposed action, it shall~~
6 ~~estimate the fair value of the shares, plus accrued interest, and shall~~
7 ~~offer to pay this amount to each dissenter who agrees to accept it in~~
8 ~~full satisfaction of his demand. The]~~ *receipt of a demand for*
9 *payment, the* subject corporation shall ~~[send with its offer a~~
10 ~~statement of its estimate of the fair value of the shares, an~~
11 ~~explanation of how the interest was calculated, and a statement of~~
12 ~~the dissenters' right to demand payment pursuant to NRS 92A.480.]~~
13 *notify the dissenters described in subsection 1:*

14 (a) *Of the information required by paragraph (a) of subsection*
15 *2 of NRS 92A.460;*

16 (b) *Of the subject corporation's estimate of fair value pursuant*
17 *to paragraph (b) of subsection 2 of NRS 92A.460;*

18 (c) *That they may accept the subject corporation's estimate of*
19 *fair value, plus interest, in full satisfaction of their demands or*
20 *demand appraisal under NRS 92A.480;*

21 (d) *That those stockholders who wish to accept such an offer*
22 *must so notify the subject corporation of their acceptance of the*
23 *offer within 30 days after receipt of such offer; and*

24 (e) *That those stockholders who do not satisfy the*
25 *requirements for demanding appraisal under NRS 92A.480 shall*
26 *be deemed to have accepted the subject corporation's offer.*

27 3. *Within 10 days after receiving the stockholder's*
28 *acceptance pursuant to subsection 2, the subject corporation shall*
29 *pay in cash the amount offered under paragraph (b) of subsection*
30 *2 to each stockholder who agreed to accept the subject*
31 *corporation's offer in full satisfaction of the stockholder's*
32 *demand.*

33 4. *Within 40 days after sending the notice described in*
34 *subsection 2, the subject corporation shall pay in cash the amount*
35 *offered under paragraph (b) of subsection 2 to each stockholder*
36 *described in paragraph (e) of subsection 2.*

37 **Sec. 76.** NRS 92A.480 is hereby amended to read as follows:
38 92A.480 1. A dissenter *paid pursuant to NRS 92A.460 who*
39 *is dissatisfied with the amount of the payment* may notify the
40 subject corporation in writing of his own estimate of the fair value
41 of his shares and the amount of interest due, and demand payment of
42 his estimate, less any payment pursuant to NRS 92A.460 . ~~[, or]~~ *A*
43 *dissenter offered payment pursuant to NRS 92A.470 who is*
44 *dissatisfied with the offer may* reject the offer pursuant to NRS
45 92A.470 and demand payment of the fair value of his shares and



1 interest due . ~~[, if he believes that the amount paid pursuant to NRS~~
2 ~~92A.460 or offered pursuant to NRS 92A.470 is less than the fair~~
3 ~~value of his shares or that the interest due is incorrectly calculated.]~~

4 2. A dissenter waives his right to demand payment pursuant to
5 this section unless he notifies the subject corporation of his demand
6 *to be paid the dissenter's stated estimate of fair value plus interest*
7 *under subsection 1* in writing within 30 days after *receiving* the
8 subject ~~[corporation]~~ *corporation's payment or offer of payment*
9 *under NRS 92A.460 or 92A.470 and is entitled only to the payment*
10 made or offered . ~~[payment for his shares.]~~

11 **Sec. 77.** NRS 92A.490 is hereby amended to read as follows:

12 92A.490 1. If a demand for payment remains unsettled, the
13 subject corporation shall commence a proceeding within 60 days
14 after receiving the demand and petition the court to determine the
15 fair value of the shares and accrued interest. If the subject
16 corporation does not commence the proceeding within the 60-day
17 period, it shall pay each dissenter whose demand remains unsettled
18 the amount demanded ~~[]~~ *by each dissenter pursuant to NRS*
19 *92A.480 plus interest.*

20 2. A subject corporation shall commence the proceeding in the
21 district court of the county where its principal office is located ~~[]~~ *in*
22 *this State.* If the principal office of the subject corporation is not
23 located in the State, it shall commence the proceeding in the county
24 where the principal office of the domestic corporation merged with
25 or whose shares were acquired by the foreign entity was located. If
26 the principal office of the subject corporation and the domestic
27 corporation merged with or whose shares were acquired is not
28 located in this State, the subject corporation shall commence the
29 proceeding in the district court in ~~[Carson City.]~~ *the county in*
30 *which the corporation's registered office is located.*

31 3. The subject corporation shall make all dissenters, whether or
32 not residents of Nevada, whose demands remain unsettled, parties to
33 the proceeding as in an action against their shares. All parties must
34 be served with a copy of the petition. Nonresidents may be served
35 by registered or certified mail or by publication as provided by law.

36 4. The jurisdiction of the court in which the proceeding is
37 commenced under subsection 2 is plenary and exclusive. The court
38 may appoint one or more persons as appraisers to receive evidence
39 and recommend a decision on the question of fair value. The
40 appraisers have the powers described in the order appointing them,
41 or any amendment thereto. The dissenters are entitled to the same
42 discovery rights as parties in other civil proceedings.

43 5. Each dissenter who is made a party to the proceeding is
44 entitled to a judgment:



1 (a) For the amount, if any, by which the court finds the fair
2 value of his shares, plus interest, exceeds the amount paid by the
3 subject corporation; or

4 (b) For the fair value, plus accrued interest, of his after-acquired
5 shares for which the subject corporation elected to withhold
6 payment pursuant to NRS 92A.470.

7 **Sec. 78.** NRS 92A.500 is hereby amended to read as follows:

8 92A.500 1. The court in a proceeding to determine fair value
9 shall determine all of the costs of the proceeding, including the
10 reasonable compensation and expenses of any appraisers appointed
11 by the court. The court shall assess the costs against the subject
12 corporation, except that the court may assess costs against all or
13 some of the dissenters, in amounts the court finds equitable, to the
14 extent the court finds the dissenters acted arbitrarily, vexatiously or
15 not in good faith in demanding payment.

16 2. The court may also assess the fees and expenses of the
17 counsel and experts for the respective parties, in amounts the court
18 finds equitable:

19 (a) Against the subject corporation and in favor of all dissenters
20 if the court finds the subject corporation did not substantially
21 comply with the requirements of NRS 92A.300 to 92A.500,
22 inclusive; or

23 (b) Against either the subject corporation or a dissenter in favor
24 of any other party, if the court finds that the party against whom the
25 fees and expenses are assessed acted arbitrarily, vexatiously or not
26 in good faith with respect to the rights provided by NRS 92A.300 to
27 92A.500, inclusive.

28 3. If the court finds that the services of counsel for any
29 dissenter were of substantial benefit to other dissenters similarly
30 situated, and that the fees for those services should not be assessed
31 against the subject corporation, the court may award to those
32 counsel reasonable fees to be paid out of the amounts awarded to the
33 dissenters who were benefited.

34 4. In a proceeding commenced pursuant to NRS 92A.460, the
35 court may assess the costs against the subject corporation, except
36 that the court may assess costs against all or some of the dissenters
37 who are parties to the proceeding, in amounts the court finds
38 equitable, to the extent the court finds that such parties did not act in
39 good faith in instituting the proceeding.

40 5. *To the extent the subject corporation fails to make a*
41 *required payment pursuant to NRS 92A.460, 92A.470 or 92A.480,*
42 *the dissenter may bring a cause of action directly for the amount*
43 *owed and, to the extent the dissenter prevails, is entitled to recover*
44 *all expenses of the suit.*



1 **6.** This section does not preclude any party in a proceeding
2 commenced pursuant to NRS 92A.460 or 92A.490 from applying
3 the provisions of N.R.C.P. 68 or NRS 17.115.

4 **Sec. 79.** NRS 104.9620 is hereby amended to read as follows:

5 104.9620 1. Except as otherwise provided in subsection 7, a
6 secured party may accept collateral in full or partial satisfaction of
7 the obligation it secures only if:

8 (a) The debtor consents to the acceptance under subsection 3;

9 (b) The secured party does not receive, within the time set forth
10 in subsection ~~5~~ 4, a notification of objection to the proposal
11 authenticated by:

12 (1) A person to which the secured party was required to send
13 a proposal under NRS 104.9621; or

14 (2) Any other person, other than the debtor, holding an
15 interest in the collateral subordinate to the security interest that is
16 the subject of the proposal;

17 (c) If the collateral is consumer goods, the collateral is not in the
18 possession of the debtor when the debtor consents to the acceptance;
19 and

20 (d) Subsection 5 does not require the secured party to dispose of
21 the collateral.

22 2. A purported or apparent acceptance of collateral under this
23 section is ineffective unless:

24 (a) The secured party consents to the acceptance in an
25 authenticated record or sends a proposal to the debtor; and

26 (b) The conditions of subsection 1 are met.

27 3. For purposes of this section:

28 (a) A debtor consents to an acceptance of collateral in partial
29 satisfaction of the obligation it secures only if he agrees to the terms
30 of the acceptance in a record authenticated after default; and

31 (b) A debtor consents to an acceptance of collateral in full
32 satisfaction of the obligation it secures only if he agrees to the terms
33 of the acceptance in a record authenticated after default or the
34 secured party:

35 (1) Sends to the debtor after default a proposal that is
36 unconditional or subject only to a condition that collateral not in the
37 possession of the secured party be preserved or maintained;

38 (2) In the proposal, proposes to accept collateral in full
39 satisfaction of the obligation it secures; and

40 (3) Does not receive a notification of objection authenticated
41 by the debtor within 20 days after the proposal is sent.

42 4. To be effective under paragraph (b) of subsection 1, a
43 notification of objection must be received by the secured party:



1 (a) In the case of a person to which the proposal was sent
2 pursuant to NRS 104.9621, within 20 days after notification was
3 sent to him; and

4 (b) In other cases:

5 (1) Within 20 days after the last notification was sent
6 pursuant to NRS 104.9621; or

7 (2) If a notification was not sent, before the debtor consents
8 to the acceptance under subsection 3.

9 5. A secured party that has taken possession of collateral shall
10 dispose of the collateral pursuant to NRS 104.9610 within the time
11 specified in subsection 6 if:

12 (a) Sixty percent of the cash price has been paid in the case of a
13 purchase-money security interest in consumer goods; or

14 (b) Sixty percent of the principal amount of the obligation
15 secured has been paid in the case of a non-purchase-money security
16 interest in consumer goods.

17 6. To comply with subsection 5, the secured party shall dispose
18 of the collateral:

19 (a) Within 90 days after taking possession; or

20 (b) Within any longer period to which the debtor and all
21 secondary obligors have agreed in an agreement to that effect
22 entered into and authenticated after default.

23 7. In a consumer transaction, a secured party may not accept
24 collateral in partial satisfaction of the obligation it secures.

25 **Sec. 80.** NRS 602.020 is hereby amended to read as follows:

26 602.020 1. A certificate filed pursuant to NRS 602.010 or a
27 renewal certificate filed pursuant to NRS 602.035 must state the
28 assumed or fictitious name under which the business is being
29 conducted or is intended to be conducted, and if conducted by:

30 (a) A natural person:

31 (1) His full name;

32 (2) The street address of his residence or business; and

33 (3) If the mailing address is different from the street address,
34 the mailing address of his residence or business;

35 (b) An artificial person : ~~required to make annual filings with~~
36 ~~the Secretary of State to retain its good standing.;~~

37 (1) Its name ; ~~as it appears in the records of the Secretary of~~
38 ~~State.;~~ and

39 (2) Its mailing address;

40 (c) A general partnership:

41 (1) The full name of each partner who is a natural person;

42 (2) The street address of the residence or business of each
43 partner who is a natural person;



1 (3) If the mailing address is different from the street address,
2 the mailing address of the residence or business of each partner who
3 is a natural person; and

4 (4) If one or more of the partners is an artificial person
5 described in paragraph (b), the information required by paragraph
6 (b) for each such partner; or

7 (d) A trust:

8 (1) The full name of each trustee of the trust;

9 (2) The street address of the residence or business of each
10 trustee of the trust; and

11 (3) If the mailing address is different from the street address,
12 the mailing address of the residence or business of each trustee of
13 the trust.

14 2. The certificate must be:

15 (a) Signed:

16 (1) In the case of a natural person, by him;

17 (2) In the case of an artificial person ~~[required to make~~
18 ~~annual filings with the Secretary of State to retain its good standing,~~
19 ~~by a person required to sign the annual filing;]~~ , *by an officer,*
20 *director, manager, general partner, trustee or other natural person*
21 *having the authority to bind the artificial person to a contract;*

22 (3) In the case of a general partnership, by each of the
23 partners who is a natural person [;] and , if one or more of the
24 partners is an artificial person described in subparagraph (2), by ~~[an~~
25 ~~officer of the corporation or a person required to sign the annual~~
26 ~~filing;]~~ *the person described in subparagraph (2);* or

27 (4) In the case of a trust, by each of the trustees; and

28 (b) Notarized, unless the board of county commissioners of the
29 county adopts an ordinance providing that the certificate may be
30 filed without being notarized.

31 3. *No county clerk may refuse to file the certificate because*
32 *the artificial person or persons conducting the business have not*
33 *qualified to do business under title 7 of NRS.*

34 4. *As used in this section:*

35 (a) *“Artificial person” means any organization organized*
36 *under the law of the United States, any foreign country, or a state,*
37 *province, territory, possession, commonwealth or dependency of*
38 *the United States or any foreign country, and as to which the*
39 *government, state, province, territory, possession, commonwealth*
40 *or dependency must maintain a record showing the organization*
41 *to have been organized.*

42 (b) *“Record” means information which is inscribed on a*
43 *tangible medium or which is stored in an electronic or other*
44 *medium and is retrievable in perceivable form.*



1 **Sec. 81.** NRS 604A.710 is hereby amended to read as follows:

2 604A.710 1. For the purpose of discovering violations of this
3 chapter or securing information lawfully required under this chapter,
4 the Commissioner or his duly authorized representatives may at any
5 time investigate the business and examine the books, accounts,
6 papers and records used therein of:

7 (a) Any licensee;

8 (b) Any other person engaged in the business of making loans or
9 participating in such business as principal, agent, broker or
10 otherwise;

11 (c) Any registered agent who represents a licensee or any other
12 person engaged in the business of making loans; and

13 (d) Any person who the Commissioner has reasonable cause to
14 believe is violating or is about to violate any provision of this
15 chapter, whether or not the person claims to be within the authority
16 or beyond the scope of this chapter.

17 2. For the purpose of examination, the Commissioner or his
18 authorized representatives shall have and be given free access to the
19 offices and places of business, and the files, safes and vaults of such
20 persons.

21 3. The investigation of a registered agent pursuant to
22 subsection 1, including, without limitation, any books, accounts,
23 papers and records used therein, must be kept confidential except to
24 the extent necessary to enforce any provision of this chapter.

25 4. For the purposes of this section, any person who advertises
26 for, solicits or holds himself out as willing to make any deferred
27 deposit loan, high-interest loan or title loan is presumed to be
28 engaged in the business of making loans.

29 5. *This section does not entitle the Commissioner or his*
30 *authorized representatives to investigate the business or examine*
31 *the books, accounts, papers and records of any attorney who is not*
32 *a person described in paragraph (a), (b) or (d) of subsection 1,*
33 *other than examination of those books, accounts, papers and*
34 *records maintained by such attorney in his capacity as a registered*
35 *agent, and then only to the extent such books, accounts, papers*
36 *and records are not subject to any privilege in NRS 49.035 to*
37 *49.115, inclusive.*

38 **Sec. 82.** NRS 675.380 is hereby amended to read as follows:

39 675.380 1. For the purpose of discovering violations of this
40 chapter or of securing information lawfully required under this
41 chapter, the Commissioner or his duly authorized representatives
42 may at any time investigate the business and examine the books,
43 accounts, papers and records used therein of:

44 (a) Any licensee;



1 (b) Any other person engaged in the business described in NRS
2 675.060 or participating in such business as principal, agent, broker
3 or otherwise;

4 (c) Any registered agent who represents a licensee or any other
5 person engaged in the business described in NRS 675.060; and

6 (d) Any person who the Commissioner has reasonable cause to
7 believe is violating or is about to violate any provision of this
8 chapter, whether or not the person claims to be within the authority
9 or beyond the scope of this chapter.

10 2. For the purpose of examination the Commissioner or his
11 authorized representatives shall have and be given free access to the
12 offices and places of business, files, safes and vaults of such
13 persons.

14 3. The investigation of a registered agent pursuant to
15 subsection 1, including, without limitation, any book, accounts,
16 papers and records used therein must be kept confidential except to
17 the extent necessary to enforce any provision of this chapter.

18 4. For the purposes of this section, any person who
19 advertises for, solicits or holds himself out as willing to make loan
20 transactions is presumed to be engaged in the business described in
21 NRS 675.060.

22 *5. This section does not entitle the Commissioner or his*
23 *authorized representatives to investigate the business or examine*
24 *the books, accounts, papers and records of any attorney who is not*
25 *a person described in paragraph (a), (b) or (d) of subsection 1,*
26 *other than examination of those books, accounts, papers and*
27 *records maintained by such attorney in his capacity as a registered*
28 *agent, and then only to the extent such books, accounts, papers*
29 *and records are not subject to any privilege in NRS 49.035 to*
30 *49.115, inclusive.*

31 **Sec. 83.** NRS 82.183 is hereby repealed.

TEXT OF REPEALED SECTION

82.183 List or statement to be maintained at registered office or principal place of business; requirement to assist in criminal investigation; failure to comply; regulations.

1. A corporation shall maintain at its registered office or principal place of business in this State:

- (a) A current list of its owners of record; or
- (b) A statement indicating where such a list is maintained.

2. The corporation shall:



(a) Provide the Secretary of State with the name and contact information of the custodian of the list described in subsection 1. The information required pursuant to this paragraph shall be kept confidential by the Secretary of State.

(b) Provide written notice to the Secretary of State within 10 days after any change in the information contained in the list described in subsection 1.

3. Upon the request of any law enforcement agency in the course of a criminal investigation, the Secretary of State may require a corporation to:

(a) Submit to the Secretary of State, within 3 business days, a copy of the list required to be maintained pursuant to subsection 1; or

(b) Answer any interrogatory submitted by the Secretary of State that will assist in the criminal investigation.

4. If a corporation fails to comply with any requirement pursuant to subsection 3, the Secretary of State may take any action necessary, including, without limitation, the suspension or revocation of the right of the corporation to transact business in this State.

5. The Secretary of State shall not reinstate or revive the right of a corporation to transact business in this State that was revoked or suspended pursuant to subsection 4 unless:

(a) The corporation complies with the requirements of subsection 3; or

(b) The law enforcement agency conducting the investigation advises the Secretary of State to reinstate or revive the right of the corporation to transact business in this State.

6. The Secretary of State may adopt regulations to administer the provisions of this section.

