

Digest for Adopted Regulation R_070-11

Existing law authorizes the Secretary of State to instruct the district attorney with jurisdiction or the Attorney General to institute proceedings in a court of competent jurisdiction to recover a fine of not less than \$1,000 but not more than \$10,000 if a business entity is purporting to do business in this State as an entity but has willfully failed or neglected to file with the Secretary of State the applicable document which authorizes the entity to transact business in this State. Existing law also authorizes the Secretary of State to adopt regulations to administer the provisions governing these fines. (NRS 78.047, 80.055, 82.5234, 86.213, 86.548, 87.445, 87.5405, 87A.237, 87A.610, 87A.632, 87A.652, 88.352, 88.600, 88.6062, 88.6087, 88A.215, 88A.750, 89.215)

This regulation adopts provisions governing the circumstances under which a person is subject to the fine and the procedures the Secretary of State will follow to determine whether to instruct a district attorney or the Attorney General to institute proceedings to recover the fine. **Section 2** of this regulation defines the circumstances under which the Secretary of State may instruct a district attorney or the Attorney General to institute proceedings to recover the fine against a domestic corporation. Under **section 2**, the Secretary of State may make such an instruction if a person: (1) is purporting to be organized as a domestic corporation or is doing business as a domestic corporation but has willfully failed or neglected to file with the Secretary of State articles of incorporation; or (2) is doing business in this State as a domestic corporation while its right to transact business in this State has been revoked or otherwise terminated. **Section 3** of this regulation sets forth the manner in which a person may report to the Secretary of State that a person may be subject to the fine. **Section 4** of this regulation authorizes the

Secretary of State to take certain actions to investigate a complaint that a person may be subject to the fine and to refer the complaint to other regulatory or enforcement agencies. **Section 5** of this regulation sets forth the actions the Secretary of State may take if he or she determines that a complaint warrants further investigation or action. Under **section 5**, if the Secretary of State determines that a person is subject to the fine, he or she may demand that the person file the documents and pay the fees and penalties necessary to bring the entity into compliance with existing law. If the person does not take these actions, the Secretary of State may refer the matter to the appropriate district attorney or the Attorney General to institute proceedings to require the filing of the documents and the payment of any fees, penalties and fines required by existing law.

Sections 6-45 of this regulation adopt these provisions for foreign corporations and the other types of domestic and foreign entities which existing law authorizes to transact business in this State.