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The meeting was called to order at 8:10 a.m. Senator Close was in the Chair.

PRESENT:	Senator	Close
	Senator	Hernstadt
	Senator	Don Ashworth
	Senator	Dodge
	Senator	Ford
	Senator	Raggio
	Senator	Sloan

ABSENT: None

AB 192 Requires publication of list of persons paroled or pardoned.

Warden Charles Woolf, Director of the Department of Prisons, stated that they are in support of the bill but would like to request two amendments. On line 20 deleting "as of January 1", after "the amount of time actually served in the state prison. On line 24 delete, "as of January 1", after "the amount of credit allowed for good behavior." It gives a more acurate picture of just exactly what we are talking about in terms of time.

Senator Close asked what this change would do as far as the bill is concerned.

Mr. Woolf stated that they project right down to the day the individual leaves the facility, and if the language of January 1 was left in there, it would not be consistent with the practice.

Senator Close stated that yesterday the Committee was discussing the home visit and it was the consensus that it would take place between the time the person became eligible for parole and was paroled, or more specifically, after the time the Parole Board has said this man can be paroled. We know that there is a time lag, but our question is how much?

Mr. Woolf stated that there is a minimum of 60 days. It could go up to 6 months, but normally the board is seeing people 60 days ahead of their eligibility.

Senator Close stated that they wanted to allow the visit at the end of the person's prison term, when he was more stable and secure. He asked when does the person become eligible for parole?

Warden Woolf stated that this is when they have served the minimum of their sentence. This is usually one quarter of their time.

Senator Raggio stated that he had talked with Bryn Armstrong of the Parole Board, and that they are eligible after one-

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> fourth of their sentence is served, however it is the practice to give notice then to come in for their hearing. At the hearing they will not set a release date. They set a release date upon the availability of a program for them. They don't set the date if it is going to be longer than 3 years actual. They will just turn them down and deny them, but the release date will not be longer then 3 years from the date of the hearing.

Warden Woolf stated that he would like the Committee to take into consideration the individuals that are discharged. The inmate that is sentenced to one year and is not eligible for parole. These people are more responsive to this type of program.

Senator Close stated that Jan Wilson would be calling the warden to get some language in this bill to cover the person that is sentenced to one year and never goes before the parole board.

> Senator Ford moved that <u>AB 192</u> be passed out of Committee with an "amend and do pass" recommendation.

Seconded by Senator Ashworth.

Motion carried unanimously.

<u>AB 255</u> Provides for interest on judgments from accrual of cause of action and increases rate.

Kent Robison, Attorney in Reno, Nevada, stated he is appearing for the Nevada Trial Lawyers Association, who is in support of this bill. It would increase the interest rate on judgments from 7% to 8% per annum and allow interest to run from the day the complaint is served upon the parties. The Association feels it would encourage settlements and the litigation would be resolved in a more timely fashion, particularly when an adverse party is delaying the litigation and using the money he duly owes until resolution of the case. They also feel that the 8% interest rate brings it up to a rate more in line with the inflation rate.

Senator Ashworth stated he would be in favor of pushing the interest rate back, to even the time the accident was committed, but he is opposed to taking on the interest rate prospectively.

Mr. Robison stated that presently that is the law. On future medical damages, generally, we are required to use the present cash value. If the actual economic loss in the future is going to be a hundred thousand dollars, the defense is entitled to present evidence to reduce the present cash value. Therefore, he feels increasing the interest would be more reasonable. If a person has medical bills that they are



looking to pay in the future, he feels the social factors that are going to appear between now and the time those bills actually become due, the 1% will accommodate that.

Senator Dodge stated that if there is a money claim, someone owes you a bill, you finally get to court three years later, why wouldn't it be more rational to say it ought to run from the time the claim was incurred.

Mr. Robison stated that the original bill was drafted that way, but the Assembly amended that out.

Senator Hernstadt asked what about the case where the fellow gets hit and he goes to the insurance company, they pay for the damages, it is their money and they don't get the interest. This bill would save the insurance companies money because in subrogation they could get the interest and that could make the insurance companies rich.

Mr. Robison stated that he felt it should. It is their money that was paid on the claim.

Senator Close asked what this would do to the court calenders. Many times the insurance companies delay and delay because they don't have to pay the interest on the money. They don't have to pay the money out of their pockets until the matter finally comes to trial.

Mr. Robison stated that there was an argument made before the Assembly Judiciary Committee, that this bill would encourage delay of law suits, because lawyers and claiments would allow this thing to be delayed and take their 8% instead of settling. He stated he cannot accept that argument because when the interest rate is running from the date the action is served upon them, there is much more inducement to settle in a timely fashion.

George Vargas, Member of the Insurance Association, stated that they feel that this bill is not sound public policy and therefore he would urge the Committee to kill this bill. He stated that interest on contingent liability does not occur There are only about 6 states that have any very often. statute in connection with the subject matter of this bill. In the states that do have a statute, their decisions go around in various ways. Decisions that have come down in these states make no distinction between prejudgment and post judge-The conclusions are that if it is held that ment interest. the amount of the prejudgment insurance is damages, as some cases hold, then of course that amount of that is subject to the policy limit. If you have a 15/30 policy limit, any imposition of prejudgment interest beyond that policy limit is going to fall upon the insured person. Therefore, it is not entirely a subject of the insurance companies paying. The insurance companies have three objectives in determining how to cover these costs. First is raising rates, secondly withdrawing from the field in writing this type of insurance, and

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last, of course, is going broke. Wherever these statutes are inclined to enhance the plaintiff's recovery, it falls back on to the insurance consuming public. The money is really a contingent liability, it is not really money that belongs to the plaintiff at this point. As long as there is a law suit against someone that is a contingent liability on their part, and if that person goes to borrow money at a bank and is required to submit a financial statement, he should in all honesty and in accordance with the requirements of federal law, disclose that contingent interest. If it developes that the contingent interest never really materializes, then because he has been subjected to it during this time, it has affected his financial statements and maybe this statute in fairness should provide 8% payable by the plaintiff to the defendant, because his contingent liability is not established.

Senator Hernstadt asked if the insurance companies set up a reserve for the amount of the claims against them.

Mr. Vargas stated that this is required by law.

Senator Hernstadt stated that if a case should go for two years, and you have to set up a reserve to cover this 8% interest, wouldn't the insurance companies have to increase their rates to the consumer.

Mr. Vargas stated that he would assume that they would. There has to be a reserve, and if there isn't they will get into trouble, not only with the Insurance Commissioner, but as a matter of practical finances. He felt it would be all right to raise the rate if it were applied to an absolute liability rather than a contingent liability. He stated he would also like to point out that this state has never had a prejudgment interest.

Jim Banner, Assemblyman, stated that this bill came about from one of the sub-committees that was held last session. As an example, if I had a daughter going to school with an \$850.00 car, someone went through a stop sign and totaled that car and the person was cited, it became a problem then for the father to replace the automobile so that the daughter could continue going to school. Now, I go to the credit union and withdraw the \$850.00 to replace the car. From that moment I am loosing interest on the \$850.00. This claim dragged on, all the time I am loosing money on this interest. As it finally ended up, I had to get an attorney, I got my \$850.00, the attorney got his contingency fee, but I lost that interest up to the point of that settlement. He stated he felt that if the insurance company knew they were going to have to pay that 8% interest, it would be an inducement for them to settle sooner, and probably before an attorney would have to be hired. In the case sited above there was no question about the liability, and they would have paid off in the first instance.

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> Fred Hillerby, representing the Nevada Hospital Association, stated that they have some concern over this bill because of the implications to malpractice insurance. One of the concerns is over the amount of interest running from the date of the summons because of the amount of time that occurs between the claim and settlement. Another concern is what if the hospital offers to settle and the settlement is refused and then the judgment comes in and it obviates the offer to settle. Another concern is the future damages. These are things that are built into the award and to assess an interest on that from the time of the claim seems to be inappropriate.

> Senator Close stated that perhaps something could be written in the bill to provide that if a formal offer of judgment was made, that interest would not be allowed from the time of the filing of the complaint.

Senator Ashworth stated he felt that the offer of settlement should be covered too because of a situation where an individual comes in and they say we will give you \$300,000 right now. Then say the judgment comes in at \$275,000, that should cut the interest off right there because the person has had the opportunity to pick that money up.

Dick Garrett, Farmers Insurance Group, stated thaty by law they are required to take so much money out and establish a reserve and that money is then committed. He stated that the reserves are invested but that the money is tied up.

Senator Dodge stated that then they aren't really out the money. He questioned if the full amount was taken out or if a lesser amount was taken out, figuring that the interest would cover it.

Mr. Garrett stated that it is evaluated. They know about how many cases are going to run above the average, and how many will run below, but there is an average.

Senator Hernstadt asked if in setting the rates to the consumer, does the amount payable into the surplus fund become a factor in the rate making process.

Mr. Garrett stated that it was, However, what they have done instead of raising rates was to cut down on the writing.

Virgil Anderson, representing the Automobile Association, stated that as one of the major auto insurors in the state, they are opposed to the concept of paying interest as proposed in this bill. They see it as a severe impacting cost factor which will have to be passed on to the consumer.

Dave Gamble, Attorney, representing the Trial Lawyers Association, stated that he would like to comment on the interest. If a person has a chunk of money, he can invest it and get at least 10% or 11% for it. Because of this he feels it is

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> unrealistic that the plaintiff will delay settling the claim to collect the 8%. He pointed out that the insurance companies do collect interest on their reserve, they just don't put it in a checking account waiting to write a check for the amount. Even if they don't settle that claim, they are still collecting on that money until the judgment comes in.

After some discussion it was agreed by the Committee that it should be amended, incorporating the offer of settlement and also no interest on future damages. Also if the offer were rejected and the verdict were less, there would be no prejudgment interest.

Senator Ashworth moved that <u>AB 255</u> be passed out of Committee with an "amend and do pass" recommendation.

Seconded by Senator Sloan.

The vote was unanimous. Senator Raggio abstained, and Senator Hernstadt absent for the vote.

<u>SB 442</u> Increases limitation on value of property subject to homestead exemption.

> Senator Wilbur Faiss stated that this bill merely increases the homestead exemption from the present \$25,000.00 to \$50,000.00. He did have one question, however, and that is if this law could be keyed to the inflation rate and then reviewed every 5 years.

Senator Ashworth stated that it would be just as easy to put the amount up as it was needed.

Senator Close stated that they would re-notice this bill for a later date as it was removed from the agenda.

No action was taken at this time.

<u>SB 452</u> Makes appropriation to Supreme Court of Nevada to establish judicial uniform information system and removes certain reporting requirements.

Senator Dodge stated that this statistical gathering thing is so badly needed from the standpoint of this Committee trying to assess the need of judgeships and the workloads in the court system, that he felt the responsible thing to do would be to support the bill and send it over to Finance.

Senator Close stated that the Legislature will never be able to get a handle on the workload or the need for judges, unless there is some good statistical information to back it up.

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Senator Dodge moved that <u>SB 452</u> be passed out of Committee with a "do pass and re-refer to Finance" recommendation.

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Seconded by Senator Sloan.

Motion carried unanimously. Senator Hernstadt was absent for the vote.

<u>SB 437</u> Requires counties to provide counseling and medical treatment to victims of sexual assault. (See minutes of April 18, for testimony and discussion.)

> Senator Sloan questioned whether a criminal complaint should be a condition precedent to getting the money because many times the assailant is unkown.

Senator Dodge stated he had gotten a letter from the Churchill County Commissioners in opposition to the bill. They stated in their letter that there has never been a sexual assault in their county in over four years.

Senator Sloan stated that then it wouldn't cost them anything. If there ever should be a case of sexual assault, the woman in Churchill County is just as entitled to compensation as the woman raped in Reno or Las Vegas.

Senator Raggio stated that there should be some language to avoid the false claim. The party should have at least filed a criminal report with the appropriate law enforcement agency.

The Committee agreed that it should be amended to cover the filing of a criminal report as a prerequisite to qualify for payment. The emergency treatment and coverage for it takes place regardless. Take out section 1 and leave in section 2 with a limit of \$1,000, inclusive of both medical and counseling, and permit both the husband and wife to be involved in the counseling. Modify line 19, deleting, "complaint against the alleged offender is" and insert, "the filing of the criminal report with the appropriate law enforcement agency."

Senator Ashworth moved that <u>SB 437</u> be passed out of Committee with an "amend and do pass" recommendation.

Seconded by Senator Hernstadt.

Motion carried unanimously.

<u>AB 459</u> Authorizes arresting officer to release under certain circumstances person arrested without warrant.

> Bob Barengo, Assemblyman, stated that this was requested by the Department of Parole and Probation. They have found that there have been occasions where a person on parole and probation is believed to have violated his parole or probation. An officer goes out and arrests him, on further investigation it is found that he should not have been arrested in the first place, so they let him go. On checking the statutes the Department has found that they do not have the authority

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to release him. So the Department felt this bill should be introduced to get this into the statutes.

Senator Sloan moved that <u>AB 459</u> be passed out of Committee with a "do pass" recommendation.

Seconded by Senator Raggio.

Motion carried unanimously. Senators Dodge and Hernstadt were absent for the vote.

<u>AB 457</u> Enable court to order restitution as additional penalty for crimes against property. (See minutes of April 3, for testimony and discussion.)

Senator Ashworth stated he had a problem with this bill, as he feels that you are comingling civil and criminal procedures.

Senator Raggio stated that he doesn't think that you can execute on a quasi-civil action unless we write some language in here so that portion of the judgment may be enforceable.

Russ MacDonald stated that he feels that the county has the right to civil damages, but here you have a conviction with execution by incarceration and at the same time you have to come up with \$5,000.00 in addition to doing the one-to-five.

Senator Close asked how could you fix the damages. Does the judge just pick a figure out of the air, because there is no proof during the criminal trial of what the damages are.

Senator Raggio stated that he felt this could affect the victim's right to bring a separate action.

Senator Ashworth moved that <u>AB 457</u> be "indefinitely postponed."

Seconded by Senator Hernstadt.

Motion carried unanimously. Senator Raggio was absent for the vote.

<u>SB 321</u> Authorizes judicial review of corporate takeover bids. (See minutes of March 23 and 28, for testimony, discussion and action.)

Russ MacDonald, stated that he had submitted a letter from Mr. Hawkins on the proposed amendments. (See attachment A.)

After a short discussion it was the consensus of the Committee to do away with the first amendment and only go with the extention of the 20 days to 30 days.

AJR 17 Requests Congress to call a convention limited to proposing amendment to Constitution to restrict abortion.

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Senator Ford moved that AJR 17 be "indefinitely postponed.

Seconded by Senator Hernstadt.

Senator Ashworth stated that he was certainly against killing it in Committee. He stated that the Senate as a whole should have the opportunity to vote on this measure.

Senator Ford stated that she felt this could be addressed right here in Committee, as there have been other controversial issues that have been dealt with right here.

Senator Ashworth stated that his feeling is that pressure has been put on the Committee by some of the members of the Senate that do not want to vote on this issue on the floor.

Senator Sloan stated that there could be a lot of issues, wire tapping is one of them, that a lot of people would like to see how the others voted, if it is carried to the floor. "I think we have a responsibility to do what we think is right in this Committee. This is probably the toughest issue that I have had to confront since I have been up here. I am personally against abortion, but I don't really think that is what this resolution addresses itself to. We have the entanglement of the constitutional convention, the whole problem of whether you are going to be able to limit the Then you have the question of there being no convention. provision here for an exception for rape and incest and the life of the mother, that was discussed with the Assembly. What convinced me finally, is not really the choice between abortion and no abortion, but if you put this into the United Stated Constitution, you are going to force people to go back to illegal abortions. I am voting against this because I feel that I am doing the correct thing, and I am certainly not doing it to get anyone off the hook.

Senator Hernstadt stated that as far as putting this out on the floor, his understanding is that that is what the Committees are all about. "Many times we kill ticklish legislation in any Committee in order to avoid lengthy floor fights and lengthy discussions. If in the judgment of this Committee that is what they want to do, to dispose of the matter here and now, that will free up our energies so that we get through other important legislation that is pending. I am not belittling this, but we can attend to other matters and adjourn more quickly, with better quality of legislation on other matters."

Senator Close stated that he would support this measure. "I saw the photos and pictures, and it appalls me to see what are really young lives being done away with. There is no question in my mind that these could be living human beings, if it were not for the fact that they were aborted. It is appalling to me that in a nation such as America, we not only

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permit but encourage this to go on. I agree with Mike, that illegal abortions are occurring. When that happens the life of the person being aborted can be jeopardized, but on the other hand there is the life of the child to be considered, and those certainly could have been children that could have lived if proper medical care had been given to them, in most instances. I would not oppose an amendment to this resolution to permit some leeway in the area of where the life of the mother is in jeopardy. I think we could amend it as far as rape and incest depending on the state's attitude, but to completely reject this at this time, I feel is inappropriate."

Senator Hernstadt stated that he doesn't feel that anyone on this Committee is in favor of people running out and getting abortions. There was testimony that before abortion was legal in the United States, 10% of the females that committed suicide were pregnant. There was also testimony about the backroom abortionist, which also has to be taken into account. A woman has a right to her own body and what goes on there. If it is banned it will once again beome a rich versus poor issue. The rich will fly somewhere else and the poor woman will be forced to bear a child, even in the case of rape or incest, under this bill.

Senator Raggio moved for the question.

The vote was as follows.

AYE:

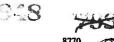
Senator Ashworth Senator Hernstadt Senator Sloan Senator Close Senator Raggio NAY: Senator Ford Senator Dodge

Senator Dodge stated that of all the subjects he has had to face in the legislature, he has agonized more over this than any other. "The decision of the Supreme Court sort of put my concern to rest, as far as my own decision. I have always felt that abortion was an unfortunate commentary on the mores of our socity, but nonetheless, it is a fact that we have to recognize whether we agree with it morally or not. As far as the resolution is concerned, I do not feel that the subject matter is of a constitutional magnitude, and I am not going to support the motion."

Senator Ford stated she would like to read her testimony to the Committee and have it entered into the minutes. (See attachment B.)

Senator Raggio moved to vote on the original motion for the record.

The motion to indefinitely postpone AJR 17 passed, the vote was as follows:



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AYE: Senator Ford Senator Hernstadt Senator Dodge Senator Sloan NAY: Senator Close Senator Ashworth Senator Raggio

<u>SB 292</u> Provides for periodic payments of certain damages recoverd in malpractice claims against providers of health care. (See minutes of March 15, 28, 29 and May 3 for testimony and discussion.)

> Senator Close stated that he is going to advise the Assembly that we will concur with their raising the 20 to 30, but that we still feel that their proposal is one that encourages litigation and frustrates takeover.

Senator Dodge stated that he felt there was a basic determination to be made, and that is if the Committee wants to process the bill at all.

Senator Raggio stated that he is against processing it. The reason is that an identical bill has already been killed in the Assembly Judiciary, and he feels the Committee is just spinning its wheels.

Senator Close stated that it would not be identical, to begin with the \$50,000 has been raised to \$100,000. Now we have to solve the question of interest in the annuity situation. He stated he would like to know if it was the consesus of the Committee to process this, or they should kill it right now.

The Committee voted to process <u>SB 292</u>, the vote was as follows:

AYE:			NAY	Ζ:					
Senator	Close		Ser	nator	Ra	aggio)		
Senator	Dodge		Ser	nator	As	shwor	th		
Senator	Ford								•
Senator	Sloan								
Se	enator	Hernstadt	was	abser	nt	for	the	vote	•

AB 479

Provides injunctive relief in certain situations of domestic violence.

(See minutes of April 18, for testimony and discussion.)

Senator Sloan stated that Jan Stewart has researched this as to the misdemeanor penalty for a violation of a T.R.O. and as a result, took it out of the obscenity bills because he feels that it is unconstitutional.

Jan Stewart, Assemblyman, stated that there are decisions on both sides of this issue. There have been areas of the law where there has been an order for family support, and if you violated such an order it would be a misdemeanor. That has been both sustained and declared unconstitutional. The objec-

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> tion was that in the nature of a civil proceeding, the requirement of proof is much different than in a criminal proceeding, and you are using a civil proceeding to determine the burden of proof. This is not as stringent as in a criminal proceeding where it has to be proof beyond a reasonable doubt.

Senator Dodge stated that he felt a specific hearing procedure should be written in to cover the rights of the person being restrained. If it covered a very short time span, that should satisfy the due process situation.

Mr. Stewart stated that under present law a person with a T.R.O. can immediately apply to the court for a hearing.

Senator Close stated he could see a lot of problems with the bill. First of all on line 6 it states, "by blood or marriage." If a divorce takes place then this no longer applies. Also on line 7 it states "is residing with them", how long do you have to reside with the person.

Mr. Stewart stated that there was some concern on that and if it had been a criminal statute the Assembly would be very much concerned with it, but this is a civil injunction.

Senator Close stated that this is by affidavit, without hearing, and you could have a person removed from his own house.

Senator Ashworth stated that the point of the statute was to keep the person from being beat up again, so what is the difference if it is his home, or her home, or whose home.

Senator Dodge stated he might go for the three days, but doesn't feel you can remove someone from his own property for 30 days.

No action was taken on this bill at this time.

The meeting was adjourned at 10:58 a.m.

Respectfully submitted, inn Virginia C. Letts, Secretary

APPROVED:

Senator Melvin D. Close, Jr., Chairman

ROBERT Z. HAWKINS OF COUNSEL

BRYCE RHODES PRINCE A. HAWKINS F. DE ARMOND SHARP GENE R. BARBAGELATA JOHN B. RHODES M.CRAIG HAASE HAWKINS, RHODES, SHARP & BARBAGELATA

COUNSELORS AND ATTORNEYS AT LAW SECURITY NATIONAL BANK BUILDING ONE EAST LIBERTY STREET P. O BOX 750 RENO, NEVADA 89504

TELEPHONE [702] 786-4646

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April 19, 1979.

Senator Melvin D. Close, Jr., Chairman, Senate Judiciary Committee, Carson City, Nevada 89701

SB 321 -- Corporate Takeovers

Dear Mel:

We have been trying to find a solution which would protect our client, those of its 24,000 shareholders who might not wish to sell, and its 32,000 employees (of which 6,000 are also stockholders) from suddenly becoming a Japanese subsidiary or the like.

In lieu of the automatic stay pending judicial review to which the Senate objected, I asked the Assembly Judiciary Committee to consider two other amendments subject to the possibility of Senate concurrence.

First, an amendment of NRS 78.3771(1)(b) to require the offeror to make a representation that the bid was fair and equitable, and to disclose all material information with respect to that representation. The offerees can then evaluate the offer and know how the value was fixed. The offeror corporation has this information, having studied its target for three to six months. If it is not taking into consideration the value of underlying assets, for instance 2,000,000 acres of owned timber, then management of the target can point this out to its stockholders, and the stockholders can consider whether they want to hold out for a better offer. We think that a corporation which intends to take over another corporation, can reasonably be expected to represent that its offer is fair, and to disclose the information upon which the determination was based.

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-2-Senator Melvin D. Close, Jr., Chairman, Senate Judiciary Committee. 4/19/79.

Second, and independently of the above, an amendment to NRS 78.3778, that when there has not been compliance with the provisions of the takeover bid statute, injunctive relief may be obtained upon a proper showing.

Here, as in all civil cases, the burden would be upon the applicant to convince the court that what had occurred, made a proper case for issuance of a temporary restraining order, preliminary injunction or final injunction. For instance, if a takeover bid were made without any filing having been made with the resident agent, that could and should be enjoined. This remedy is inherently available, in my opinion, with or without a specific recital, but most of the other 35 states with takeover statutes do expressly refer to the possibility of injunctive relief. Our suggested language was taken directly from Illinois and New Jersey, both big commercial states with recently-enacted statutes. Again, this is not an automatic stay to which the Senate objected, but is an application where the applicant has the burden of convincing the court of the merit of relief. If the applicant can't carry that burden, then there is no stay.

Whether or not this second amendment is approved, we would like to see the first amendment made, as without it, we believe the bill is no better than existing law. We would also appreciate a change from 20 to 30 days in Section 4, which the Senate appeared willing to approve, but which wouldn't have been necessary if the original bill had been adopted.

I am asking Russ McDonald to try to meet with the Committee to obtain some sort of a concensus which we could then transmit to Karen Hayes. Enclosed is a copy of my letter of April 16th which proposed the amendments to the Assembly Judiciary Committee.

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Senator Melvin D. Close, Jr., Chairman, Senate Judiciary Committee. 4/19/79.

The people from California were very favorably impressed with the Nevada Legislative Committee procedures.

Sincerely,

Prince A. Hawkins.

PAH:GHF Enc.

cc - Senators Ashworth, Dodge, Ford, Hernstadt, Raggio, Sloan, and Chairman Karen Hayes.

TELEPHONE

[702] 786-4646

ROBERT Z, HAWKINS OF COUNSEL BRYCE RHODES PRINCE A. HAWKINS F. DE ARMOND SHARP GENE R. BARBAGELATA JOHN B. RHODES M. CRAIG HAASE

HAWKINS, RHODES, SHARP & BARBAGELATA

COUNSELORS AND ATTORNEYS AT LAW SECURITY NATIONAL BANK BUILDING ONE EAST LIBERTY STREET P. O. BOX 750 RENO, NEVADA 89504

April 16, 1979.

Mrs. Karen Hayes, Chairman, Assembly Judiciary Committee, Carson City, Nevada 89701

Re: SB 321 - Corporate Takeover Bids.

Dear Mrs. Hayes:

The above bill was introduced by Senator Young at my request, and at the hearing April 19th I and one or more other witnesses will appear in support of the bill.

The purpose of the bill was to afford the stockholders of Nevada corporations targeted for takeover, an opportunity for judicial review of compliance with disclosure requirements and the fairness of the takeover bid. As introduced, there would have been an automatic stay of the offer, if a petition in opposition were filed in the District Court, until the court acted. The Senate Committee believed that an automatic stay pending hearing would defeat the takeover due to the time that would elapse before the judge acted. It therefore eliminated the former Section 6 from the bill, which leaves a Nevada corporation without any real protection.

Thirty-six states have anti-takeover statutes, and twelve provide for a review for fairness. In lieu of the automatic stay to which the Senate objected, we would like to substitute an amendment to Section 4 which would require the offeror to make a representation that the bid was fair and equitable, and disclose all material information, and a changed Section 6 which would confirm that injunctive relief was available for violation of the takeover statute, but would not provide for any automatic stay. We are endeavoring to ascertain whether these provisions would be acceptable to the Senate Judiciary Committee.

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-2-Mrs. Karen Hayes, Chairman, Assembly Judiciary Committee. 4/16/79.

These amendments would read as follows:

Sec. 4, NRS 78, 3771, Lines 19-26

78.3771. 1. At least <u>30</u> days prior to the making of a takeover bid, the offeror shall file with the resident agent of the offeree <u>corporation</u> a statement containing the following information:

(a) The name, address and business experience of the offeror and each associate of the offeror;

(b) The terms and conditions of the takeover bid which shall include the applicable provisions of NRS 78.3772, and a representation that the bid is fair and equitable to the offerees and all other security holders of the offeree corporation, and all material information with respect thereto.

Sec. 6, NRS 78.3778, Lines 39 et seq.:

1. Whenever any person has engaged or is about to engage in any act or practice constituting a violation of NRS 78.376 to 78.3778, inclusive the offeree corporation or any security holder of the offeree corporation may bring an action to enjoin such person from continuing or doing any such act or practice, or to enforce compliance with NRS 78.376 to NRS 38.3778, inclusive. Upon a proper showing, the court may grant a permanent or preliminary injunction or temporary restraining order or may order rescission of any sales, tenders for sale, purchases, or tenders for purchase of securities determined to be unlawful. -3-Mrs. Karen Hayes, Chairman, Assembly Judiciary Committee. 4/16/79.

> 2. Any offeror who makes a takeover bid which does not comply with the provisions of NRS 78.3771 and 78.3772 is guilty of a gross misdemeanor.

<u>3.</u> Each offer in violation of NRS 78.376 to 78.3778, inclusive, by advertisement or to a particular offeree constitutes a separate offense under this section.

The statutes of Illinois (9.8/78) and New Jersey (4/27/77), which are big commercial states, contain an identical provision for injunctive relief at the instance of the offeree corporation or its security holders (Section 12(b); Section 49:5-12(b).

Sincerely,

ra Hours

Prince A. Hawkins.

PAH:GHF



SENATOR JEAN FORD'S TESTIMONY ON AJR 17

I think I can come at this question from a little different perspective than the rest of you.

Have talked with many other women on this issue--they and I take abortion and motherhood very seriously. I fully respect the moral convictions of each person on this issue. As we know, the conflict surrounds various beliefs on the beginning of life.

I feel the overwhelming majority of Americans believe that while abortion is the last and least desirable means of terminating unwanted pregnancies, it should be kept safe and legal until the idealistic time when education, medical research, and human behavior combine to make abortion obsolete.

I really object to this resolution calling for government - the federal government, no less - to dictate to us in this area relating to innermost personal beliefs and private conduct.

Any attempt to enforce the "right to life" of the fetus "person" would involve not only a wholesale invasion of the right of privacy of all women of childbearing age, but would necessitate a federal law enforcement apparatus which would threaten the privacy of all of us.

The pictures that Mel talks about will still be there - the result of illegal abortion. Government has never stopped abortion and no law ever will. Laws can only succeed in making it dangerous or inconvenient or expensive for them. I feel that women are going to determine their reproductive lives as they wish; this is the essence of dignity and personal freedom.

I treasure my daughters as all children should be treasured; women should not have to bear children because they are accidents or duties or someone else's expectations.

I am not pro-abortion; I am not anti-life. I am for each woman's right to make this decision for herself.

S. B. 437

SENATE BILL NO. 437-COMMITTEE ON JUDICIARY

April 9, 1979

Referred to Committee on Judiciary

SUMMARY—Requires counties to provide counseling and medical treatment to victims of sexual assault. (BDR 16-1750) FISCAL NOTE: Effect on Local Government: Yes.

Effect on the State or on Industrial Insurance: No.

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

AN ACT relating to victims of sexual assault; requiring counties to provide counseling and medical treatment to the victims; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

SECTION 1. NRS 217.290 is hereby amended to read as follows:

217.290 The board of county commissioners of any county may each county shall provide by ordinance for the counseling and medical treatment of victims of sexual assault in accordance with the provisions 3 of NRS 217.280 to 217.350, inclusive.

SEC. 2. NRS 217.310 is hereby amended to read as follows:

217.310 1. Any victim of sexual assault or spouse of such a victim 7 8 who suffers emotional trauma as a result of the sexual assault may, upon 9 submitting an affidavit as required by subsection 2, apply to the board of 10 county commissioners in the county where the sexual assault occurred for treatment at county expense. 11

12 2. The board [may] shall approve an application for treatment upon 13 receiving an affidavit from the applicant declaring that: 14

(a) The applicant is a victim of sexual assault or spouse of such a victim;

(b) The sexual assault occurred in the county; and

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(c) The applicant has suffered emotional trauma as a result of the sexual assault.

19 3. The filing of a criminal complaint against the alleged offender is 20 a prerequisite to qualify for treatment under the provisions of this 21 section.

3)

S. B. 452

SENATE BILL NO. 452-COMMITTEE ON JUDICIARY

April 11, 1979

Referred to Committee on Judiciary

SUMMARY-Makes appropriation to supreme court of Nevada to establish judicial uniform information system and removes certain reporting requirements. (BDR 1-1118)

FISCAL NOTE: Effect on Local Government: No. Effect on the State or on Industrial Insurance: Contains Appropriation.



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

AN ACT making an appropriation from the state general fund to the supreme court of Nevada for the purpose of establishing a judicial uniform information system; removing requirement on chief judges in certain judicial districts to submit monthly report; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

SECTION 1. NRS 3.025 is hereby amended to read as follows:

3.025 1. For the second and eighth judicial districts, district judges shall, on the first judicial day of each year, choose from among the judges of each district a chief judge. 2. The chief judge shall:

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(a) Assign cases to each judge in the district;

(b) Prescribe the hours of court; and

8 (c) Adopt such other rules and regulations as are necessary for the 9 orderly conduct of court business.

[3. On or before the 15th day of the month following, the chief judge shall submit a written report to the clerk of the supreme court each month, showing:

(a) Those cases which are pending and undecided and to which judge such cases have been assigned;

(b) The type and number of cases each judge considered during the preceding month:

(c) The number of cases submitted to each judge during the preceding month;

(d) The number of cases decided by each judge during the preceding month; and

(e) The number of full judicial days in which each judge appeared in court or in chambers in performance of his duties during the preceding month.]

Contact the Research Library for Original bill is <u>2</u> pages long a copy of the complete bill.

A. B. 192

CO

ASSEMBLY BILL NO. 192—ASSEMBLYMEN HAYES AND BARENGO

JANUARY 24, 1979

Referred to Committee on Judiciary

SUMMARY---Requires publication of list of persons paroled or pardoned. (BDR 16-807) FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: Effect less than \$2,000.

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

AN ACT relating to pardons and paroles; requiring the publication of a list of persons paroled or pardoned; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

SECTION 1. NRS 213.1085 is hereby amended to read as follows:

213.1085 1. The board shall appoint an executive secretary, who shall be in the unclassified service of the state.

2. The executive secretary shall be selected on the basis of his training, experience, capacity and interest in correctional services.

3. The board shall supervise the activities of the executive secretary.

4. The executive secretary shall be the secretary of the board and shall perform such duties in connection therewith as the board may require, including but not limited to [, preparing]:

(a) Preparing the agenda for board meetings and answering correspondence from prisoners in the state prison.

(b) Preparing each year a list of each person pardoned and paroled that year, indicating:

(1) The county in which he was sentenced;

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15 16 (2) The length of his original sentence; and

(3) The actual time served before his parole or pardon.

17 The executive secretary shall publish the list annually in each county in 18 which one of the persons on the list was sentenced.

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