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PROPOSED AMENDMENT TO
SENATE BILL NO. 124

PREPARED FOR SENATOR TITUS
MARCH 20, 2003

PREPARED BY THE LEGAL DIVISION

NOTE: THIS DOCUMENT SHOWS PROPOSED AMENDMENTS IN CONCEPTUAL FORM. THE LANGUAGE AND ITS PLACEMENT IN THE OFFICIAL AMENDMENT MAY DIFFER.

Delete sections 1 to 5, inclusive, and insert the following new sections:

Section 1. NRS 78.150 is hereby amended to read as follows:

78.150 1. A corporation organized pursuant to the laws of this state shall, on or before the first day of the second month after the filing of its articles of incorporation with the Secretary of State, file with the Secretary of State a list, on a form furnished by him, containing:

- (a) The name of the corporation. ~~{ }~~
- (b) The file number of the corporation, if known. ~~{ }~~
- (c) The names and titles of the president, secretary, treasurer and of all the directors of the corporation. ~~{ }~~
- (d) The mailing or street address, either residence or business, of each officer and director listed, following the name of the officer or director. ~~{ }~~
- (e) The name and street address of the resident agent of the corporation. ~~{ and }~~
- (f) *If the corporation is a publicly traded company:*
 - (1) *The name of the independent auditor used by the corporation and a description of any other service, if any, performed for the corporation during the previous 24 months by the independent auditor, its parent corporation or a subsidiary or corporate affiliate of the independent auditor or its parent corporation.*
 - (2) *The date of the last report prepared for the corporation by the independent auditor. The corporation shall attach a copy of the report to the statement.*
 - (3) *The annual compensation paid to each member of the board of directors and each executive officer, including the number of any shares or options for shares that were not available to other employees of the corporation.*
 - (4) *A description of any loans made to a member of the board of directors by the corporation at a preferential loan rate during the previous 24 months, including the amount and terms of the loans.*
 - (5) *A statement indicating whether any bankruptcy was filed by the corporation, its executive officers, or members of the board of directors within the previous 10 years.*
 - (6) *A statement indicating whether any member of the board of directors or executive officer of the corporation was convicted of fraud during the previous 10 years.*
 - (7) *A statement indicating whether the corporation violated any federal security laws or any security or banking provision of Nevada law during the previous 10 years for which the corporation was found liable in an action before a federal or state court or regulatory agency or a self-regulatory organization in which a judgment over \$10,000 was entered.*

(g) The signature of an officer of the corporation certifying that the list is true, complete and accurate.

2. The corporation shall annually thereafter, on or before the last day of the month in which the anniversary date of incorporation occurs in each year, file with the Secretary of State, on a form furnished by him, an annual list containing all of the information required in subsection 1.

3. Each list required by subsection 1 or 2 must be accompanied by a declaration under penalty of perjury that the corporation has complied with the provisions of chapter 364A of NRS.

4. Upon filing the list required by:

(a) Subsection 1, the corporation shall pay to the Secretary of State a fee of \$165.

(b) Subsection 2, the corporation shall pay to the Secretary of State a fee of \$85.

5. *In addition to the fee required by subsection 4, upon filing the list required by subsection 1 or 2, the corporation shall pay to the Secretary of State a fee of \$3 to be deposited in the Secretary of State's Operating General Fund Budget Account and used for the purpose set forth in section 3 of this act.*

6. The Secretary of State shall, 60 days before the last day for filing each annual list required by subsection 2, cause to be mailed to each corporation which is required to comply with the provisions of NRS 78.150 to 78.185, inclusive, and which has not become delinquent, a notice of the ~~{fee}~~ fees due pursuant to ~~{subsection}~~ subsections 4 and 5 and a reminder to file the annual list required by subsection 2. Failure of any corporation to receive a notice or form does not excuse it from the penalty imposed by law.

~~{6.}~~ 7. If the list to be filed pursuant to the provisions of subsection 1 or 2 is defective in any respect or the fee required by subsection 4, 5 or ~~{8}~~ 9 is not paid, the Secretary of State may return the list for correction or payment.

~~{7.}~~ 8. An annual list for a corporation not in default which is received by the Secretary of ~~{State}~~ more than 60 days before its due date shall be deemed an amended list for the previous year and must be accompanied by a fee of ~~{85}~~ \$88 for filing. A payment submitted pursuant to this subsection does not satisfy the requirements of subsection 2 for the year to which the due date is applicable.

~~{8.}~~ 9. If the corporation is an association as defined in NRS 116.110315, the Secretary of State shall not accept the filing required by this section unless it is accompanied by evidence of the payment of the fee required to be paid pursuant to NRS 116.31155 that is provided to the association pursuant to subsection 4 of that section.

10. *As used in this section:*

(a) *"Executive officer" includes the five most highly compensated officers of the company, excluding any officer who is also a member of the board of directors.*

(b) *"Publicly traded company" means a company with securities that are either listed or admitted to trading on a national or foreign exchange, or is the subject of two-way quotations, such as both bid and asked prices, that is regularly published by one or more broker-dealers in the National Daily Quotation Service or a similar service.*

Sec. 2. NRS 80.110 is hereby amended to read as follows:

80.110 1. Each foreign corporation doing business in this state shall, on or before the first day of the second month after the filing of its certificate of corporate existence with the Secretary of State, and annually thereafter on or before the last day of the month in which the anniversary

date of its qualification to do business in this state occurs in each year, file with the Secretary of State a list, on a form furnished by him, that contains:

(a) The names of its president, secretary and treasurer or their equivalent, and all of its directors . ~~†~~

(b) A designation of its resident agent in this state . ~~† and~~

(c) *If the corporation is a publicly traded company:*

(1) *The name of the independent auditor used by the corporation and a description of any other service, if any, performed for the corporation during the previous 24 months by the independent auditor, its parent corporation or a subsidiary or corporate affiliate of the independent auditor or its parent corporation.*

(2) *The date of the last report prepared for the corporation by the independent auditor. The corporation shall attach a copy of the report to the statement.*

(3) *The annual compensation paid to each member of the board of directors and each executive officer, including the number of any shares or options for shares that were not available to other employees of the corporation.*

(4) *A description of any loans made to a member of the board of directors by the corporation at a preferential loan rate during the previous 24 months, including the amount and terms of the loans.*

(5) *A statement indicating whether any bankruptcy was filed by the corporation, its executive officers, or members of the board of directors within the previous 10 years.*

(6) *A statement indicating whether any member of the board of directors or executive officer of the corporation was convicted of fraud during the previous 10 years.*

(7) *A statement indicating whether the corporation violated any federal security laws or any security or banking provision of Nevada law during the previous 10 years for which the corporation was found liable in an action before a federal or state court or regulatory agency or a self-regulatory organization in which a judgment over \$10,000 was entered.*

(d) The signature of an officer of the corporation.

FLUSH Each list filed pursuant to this subsection must be accompanied by a declaration under penalty of perjury that the foreign corporation has complied with the provisions of chapter 364A of NRS.

2. Upon filing:

(a) The initial list required by subsection 1, the corporation shall pay to the Secretary of State a fee of \$165.

(b) Each annual list required by subsection 1, the corporation shall pay to the Secretary of State a fee of \$85.

3. *In addition to the fee required by subsection 2, upon filing the initial list required by subsection 1 or each annual list required by subsection 1, the corporation shall pay to the Secretary of State a fee of \$5 to be deposited in the Secretary of State's Operating General Fund Budget Account and used for the purpose set forth in section 3 of this act.*

4. The Secretary of State shall, 60 days before the last day for filing each annual list required by subsection 1, cause to be mailed to each corporation required to comply with the provisions of NRS 80.110 to 80.170, inclusive, which has not become delinquent, the blank forms to be completed and filed with him. Failure of any corporation to receive the forms does not excuse it from the penalty imposed by the provisions of NRS 80.110 to 80.170, inclusive.

[4.] 5. An annual list for a corporation not in default which is received by the Secretary of State more than 60 days before its due date shall be deemed an amended list for the previous year and does not satisfy the requirements of subsection 1 for the year to which the due date is applicable.

6. *As used in this section:*

(a) *“Executive officer” includes the five most highly compensated officers of the company, excluding any officer who is also a member of the board of directors.*

(b) *“Publicly traded company” means a company with securities that are either listed or admitted to trading on a national or foreign exchange, or is the subject of two-way quotations, such as both bid and asked prices, that is regularly published by one or more broker-dealers in the National Daily Quotation Service or a similar service.*

Sec. 3. Chapter 225 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *Not later than January 1, 2005, the Secretary of State shall establish an online database to make available to the public, free of charge, the information contained in the lists filed with the Secretary of State pursuant to NRS 78.150 and 80.110.*

2. *Fees deposited in the Secretary of State’s Operating General Fund Budget Account pursuant to subsection 5 of NRS 78.150 and subsection 3 of NRS 80.110 must be used to develop and maintain the online database established pursuant to this section.*