
SENATE BILL NO. 436—COMMITTEE ON JUDICIARY

MARCH 24, 2003

Referred to Committee on Judiciary

SUMMARY—Makes various changes to provisions pertaining to business. (BDR 7-982)

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; authorizing the use of electronic records by a corporation under certain circumstances; adding definitions and clarifying various definitions pertaining to records, documents and signatures; revising certain provisions pertaining to corporations, including reinstatement, the number of directors and officers, the bylaws, liability of directors and officers, inspection of financial records, proxies, meetings, amendment of articles, business combinations and procedures for dissolution after issuance of stock or beginning of business; revising various provisions pertaining to limited-liability companies, including clarifying when business is being transacted in this state, charging orders, names, contracting of debts and signing of deeds and mortgages and correction of inaccurate records; revising various provisions pertaining to business trusts; revising various provisions pertaining to mergers, conversions and exchanges of business entities; revising certain provisions pertaining to the Uniform Commercial Code; revising certain provisions pertaining to recording of certain documents pertaining to real property; revising various provisions pertaining to the use of fictitious names; making various other changes to provisions pertaining to business; and providing other matters properly relating thereto.



* S B 4 3 6 *

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

- 1 **Section 1.** Chapter 78 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 and 3 of this act.
- 3 **Sec. 2. 1.** *Any records maintained by a corporation in its*
4 *regular course of business, including, without limitation, its stock*
5 *ledger, books of account and minute books, may be kept on, by*
6 *means of or be in the form of, any information processing system*
7 *or other information storage device or medium.*
- 8 **2.** *A corporation shall convert within a reasonable time any*
9 *records kept in the manner described in subsection 1 into clear*
10 *and legible paper form upon the request of any person entitled to*
11 *inspect the records maintained by the corporation pursuant to any*
12 *provision of this chapter.*
- 13 **3.** *A clear and legible paper form produced from records kept*
14 *in the manner described in subsection 1 is admissible in evidence*
15 *and accepted for all other purposes to the same extent as an*
16 *original paper record with the same information provided that the*
17 *paper form portrays the record accurately.*
- 18 **Sec. 3. 1.** *No record or signature maintained by a*
19 *corporation is required to be created, generated, sent,*
20 *communicated, received, stored or otherwise processed or used by*
21 *electronic means or in electronic form.*
- 22 **2.** *The corporation may refuse to accept or conduct any*
23 *transaction or create, generate, send, communicate, receive, store*
24 *or otherwise process, use or accept any record or signature by*
25 *electronic means or in electronic form.*
- 26 **Sec. 4.** NRS 78.010 is hereby amended to read as follows:
27 78.010 1. As used in this chapter:
28 (a) "Approval" and "vote" as describing action by the directors
29 or stockholders mean the vote of directors in person or by written
30 consent or of stockholders in person, by proxy or by written consent.
31 (b) "Articles," "articles of incorporation" and "certificate of
32 incorporation" are synonymous terms and unless the context
33 otherwise requires, include all certificates filed pursuant to NRS
34 78.030, **78.180, 78.185**, 78.1955, 78.209, 78.380, 78.385 , ~~and~~
35 78.390 , **78.725 and 78.730** and any articles of merger, conversion,
36 exchange or domestication filed pursuant to NRS 92A.200 to
37 92A.240, inclusive, or 92A.270. Unless the context otherwise
38 requires, these terms include restated articles and certificates of
39 incorporation.
40 (c) "Directors" and "trustees" are synonymous terms.
41 (d) "Receiver" includes receivers and trustees appointed by a
42 court as provided in this chapter or in chapter 32 of NRS.



1 (e) *“Record” means information that is inscribed on a tangible*
2 *medium or that is stored in an electronic or other medium and is*
3 *retrievable in perceivable form.*

4 (f) “Registered office” means the office maintained at the street
5 address of the resident agent.

6 ~~(g)~~ (g) “Resident agent” means the agent appointed by the
7 corporation upon whom process or a notice or demand authorized
8 by law to be served upon the corporation may be served.

9 ~~(g)~~ (h) “Sign” means to affix a signature to a ~~document.~~
10 ~~(h)~~ *record.*

11 (i) “Signature” means a name, word, *symbol* or mark executed
12 or *otherwise* adopted, *or a record encrypted or similarly processed*
13 *in whole or in part*, by a person with the present ~~intention to~~
14 ~~authenticate a document.~~ *intent to identify himself and adopt or*
15 *accept a record.* The term includes, without limitation, an electronic
16 signature as defined in NRS 719.100.

17 ~~(j)~~ (j) “Stockholder of record” means a person whose name
18 appears on the stock ledger of the corporation.

19 ~~(k)~~ (k) “Street address” of a resident agent means the actual
20 physical location in this state at which a resident agent is available
21 for service of process.

22 2. General terms and powers given in this chapter are not
23 restricted by the use of special terms, or by any grant of special
24 powers contained in this chapter.

25 **Sec. 5.** NRS 78.027 is hereby amended to read as follows:

26 78.027 The Secretary of State may microfilm any ~~document~~
27 *record* which is filed in his office ~~by~~ *with respect to* a corporation
28 pursuant to this chapter and may return the original ~~document~~
29 *record* to the corporation.

30 **Sec. 6.** NRS 78.028 is hereby amended to read as follows:

31 78.028 No ~~document~~ *record* which is written in a language
32 other than English may be filed or submitted for filing in the Office
33 of the Secretary of State pursuant to the provisions of this chapter
34 unless it is accompanied by a verified translation of that ~~document~~
35 *record* into the English language.

36 **Sec. 7.** NRS 78.029 is hereby amended to read as follows:

37 78.029 Before the issuance of stock an incorporator, and after
38 the issuance of stock an officer, of a corporation may authorize the
39 Secretary of State in writing to replace any page of a ~~document~~
40 *record* submitted for filing ~~,~~ on an expedited basis, before the
41 actual filing, and to accept the page as if it were part of the
42 ~~originally signed filing.~~ *original record.*

43 **Sec. 8.** NRS 78.0295 is hereby amended to read as follows:

44 78.0295 1. A corporation may correct a ~~document filed by~~
45 *record filed in* the *Office of the* Secretary of State with respect to



1 the corporation if the ~~{document}~~ *record* contains an inaccurate
2 ~~{record}~~ *description* of a corporate action ~~{described in the~~
3 ~~document}~~ or *if the record* was defectively ~~{executed,}~~ *signed,*
4 attested, sealed, verified or acknowledged.

5 2. To correct a ~~{document,}~~ *record,* the corporation shall:
6 (a) Prepare a certificate of correction which:
7 (1) States the name of the corporation;
8 (2) Describes the ~~{document,}~~ *record,* including, without
9 limitation, its filing date;
10 (3) Specifies the inaccuracy or defect;
11 (4) Sets forth the inaccurate or defective portion of the
12 ~~{document}~~ *record* in an accurate or corrected form; and
13 (5) Is signed by an officer of the corporation.
14 (b) Deliver the certificate to the Secretary of State for filing.
15 (c) Pay a filing fee of \$150 to the Secretary of State.
16 3. A certificate of correction is effective on the effective date
17 of the ~~{document}~~ *record* it corrects except as to persons relying on
18 the uncorrected ~~{document}~~ *record* and adversely affected by the
19 correction. As to those persons, the certificate is effective when
20 filed.

21 **Sec. 9.** NRS 78.030 is hereby amended to read as follows:

22 78.030 1. One or more persons may establish a corporation
23 for the transaction of any lawful business, or to promote or conduct
24 any legitimate object or purpose, pursuant and subject to the
25 requirements of this chapter, by:

26 (a) ~~{Executing}~~ *Signing* and filing in the Office of the Secretary
27 of State articles of incorporation; and

28 (b) Filing a certificate of acceptance of appointment, ~~{executed}~~
29 *signed* by the resident agent of the corporation, in the Office of the
30 Secretary of State.

31 2. The articles of incorporation must be as provided in NRS
32 78.035, and the Secretary of State shall require them to be in the
33 form prescribed. If any articles are defective in this respect, the
34 Secretary of State shall return them for correction.

35 **Sec. 10.** NRS 78.035 is hereby amended to read as follows:

36 78.035 The articles of incorporation must set forth:

37 1. The name of the corporation. A name appearing to be that of
38 a natural person and containing a given name or initials must not be
39 used as a corporate name except with an additional word or words
40 such as "Incorporated," "Limited," "Inc.," "Ltd.," "Company,"
41 "Co.," "Corporation," "Corp.," or other word which identifies it as
42 not being a natural person.

43 2. The name of the person designated as the corporation's
44 resident agent, the street address of the resident agent where process



1 may be served upon the corporation, and the mailing address of the
2 resident agent if different from the street address.

3 3. The number of shares the corporation is authorized to issue
4 and, if more than one class or series of stock is authorized, the
5 classes, the series and the number of shares of each class or series
6 which the corporation is authorized to issue, unless the articles
7 authorize the board of directors to fix and determine in a resolution
8 the classes, series and numbers of each class or series as provided in
9 NRS 78.195 and 78.196.

10 4. The ~~number,~~ names and ~~post-office box~~ mailing or street
11 addresses, either residence or business, of the first board of directors
12 or trustees, together with any desired provisions relative to the right
13 to change the number of directors as provided in NRS 78.115.

14 5. The name and ~~post-office box~~ mailing or street address,
15 either residence or business , of each of the incorporators
16 ~~executing~~ signing the articles of incorporation.

17 **Sec. 11.** NRS 78.039 is hereby amended to read as follows:

18 78.039 1. The name proposed for a corporation must be
19 distinguishable on the records of the Secretary of State from the
20 names of all other artificial persons formed, organized, registered or
21 qualified pursuant to the provisions of this title that are on file in the
22 Office of the Secretary of State and all names that are reserved in
23 the Office of the Secretary of State pursuant to the provisions of this
24 title. If a proposed name is not so distinguishable, the Secretary of
25 State shall return the articles of incorporation containing the
26 proposed name to the incorporator, unless the ~~written,~~
27 ~~acknowledged~~ signed consent of the holder of the name on file or
28 reserved name to use the same name or the requested similar name
29 accompanies the articles of incorporation.

30 2. For the purposes of this section and NRS 78.040, a proposed
31 name is not distinguishable from a name on file or reserved name
32 solely because one or the other contains distinctive lettering, a
33 distinctive mark, a trademark or a trade name, or any combination of
34 these.

35 3. The name of a corporation whose charter has been revoked,
36 which has merged and is not the surviving entity or whose existence
37 has otherwise terminated is available for use by any other artificial
38 person.

39 4. The Secretary of State may adopt regulations that interpret
40 the requirements of this section.

41 **Sec. 12.** NRS 78.040 is hereby amended to read as follows:

42 78.040 1. The Secretary of State, when requested so to do,
43 shall reserve, for a period of 90 days, the right to use any name
44 available under NRS 78.039, for the use of any proposed
45 corporation. During the period, a name so reserved is not available



1 for use or reservation by any other artificial person forming,
2 organizing, registering or qualifying in the Office of the Secretary of
3 State pursuant to the provisions of this title without the ~~written,~~
4 ~~acknowledged~~ *signed* consent of the person at whose request the
5 reservation was made.

6 2. The use by any other artificial person of a name in violation
7 of subsection 1 or NRS 78.039 may be enjoined, even if the
8 ~~document~~ *record* under which the artificial person is formed,
9 organized, registered or qualified has been filed by the Secretary of
10 State.

11 **Sec. 13.** NRS 78.060 is hereby amended to read as follows:

12 78.060 1. Any corporation organized under the provisions of
13 this chapter:

14 (a) Has all the rights, privileges and powers conferred by this
15 chapter.

16 (b) Has such rights, privileges and powers as may be conferred
17 upon corporations by any other existing law.

18 (c) May at any time exercise those rights, privileges and powers,
19 when not inconsistent with the provisions of this chapter, or with the
20 purposes and objects for which the corporation is organized.

21 (d) Unless otherwise provided in its articles, has perpetual
22 existence.

23 2. Every corporation, by virtue of its existence as such, is
24 entitled:

25 (a) To have succession by its corporate name until dissolved and
26 its affairs are wound up according to law.

27 (b) To sue and be sued in any court of law or equity.

28 (c) To make contracts.

29 ~~(d) To hold, purchase and convey real and personal estate and~~
30 ~~to mortgage or lease any such real and personal estate with its~~
31 ~~franchises. The power to hold real and personal estate includes the~~
32 ~~power to take it by devise or bequest in this state, or in any other~~
33 ~~state, territory or country.~~

34 ~~(e)~~ To appoint such officers and agents as the affairs of the
35 corporation require, and to allow them suitable compensation.

36 ~~(f)~~ *(e)* To make bylaws not inconsistent with the Constitution
37 or laws of the United States, or of this state, for the management,
38 regulation and government of its affairs and property, the transfer of
39 its stock, the transaction of its business, and the calling and holding
40 of meetings of its stockholders.

41 ~~(g)~~ *(f)* To wind up and dissolve itself, or be wound up or
42 dissolved, in the manner mentioned in this chapter.

43 ~~(h)~~ *(g)* Unless otherwise provided in the articles, to engage in
44 any lawful activity.



1 **Sec. 14.** NRS 78.065 is hereby amended to read as follows:
2 78.065 1. Every corporation, by virtue of its existence as
3 such, shall have power to adopt and use a common seal or stamp,
4 and alter the same at pleasure.

5 2. The use of a seal or stamp by a corporation on any corporate
6 ~~{documents}~~ *record* is not necessary. The corporation may use a seal
7 or stamp, if it desires, but such use or nonuse ~~{shall}~~ *must* not in any
8 way affect the legality of the ~~{document.}~~ *record*.

9 **Sec. 15.** NRS 78.070 is hereby amended to read as follows:
10 78.070 Subject to such limitations, if any, as may be contained
11 in its articles of incorporation, every corporation has the following
12 powers:

13 1. To borrow money and contract debts when necessary for the
14 transaction of its business, or for the exercise of its corporate rights,
15 privileges or franchises, or for any other lawful purpose of its
16 incorporation ~~{;} and~~ to issue bonds, promissory notes, bills of
17 exchange, debentures, and other obligations and evidences of
18 indebtedness, payable at a specified time or times, or payable upon
19 the happening of a specified event or events, whether secured by
20 mortgage, pledge or other security, or unsecured, for money
21 borrowed, or in payment for property purchased ~~{;} or~~ acquired, or
22 for any other lawful object.

23 2. To guarantee, purchase, hold, take, obtain, receive, subscribe
24 for, own, use, dispose of, sell, exchange, lease, lend, assign,
25 mortgage, pledge, or otherwise acquire, transfer or deal in or with
26 bonds or obligations of, or shares, securities or interests in or issued
27 by, any person, government, governmental agency or political
28 subdivision of government, and to exercise all the rights, powers
29 and privileges of ownership of such an interest, including the right
30 to vote, if any.

31 3. To purchase, hold, sell, pledge and transfer shares of its own
32 stock, and use therefor its property or money.

33 4. To conduct business, have one or more offices, and hold,
34 purchase, *lease*, mortgage, ~~{and}~~ convey *and take by devise or*
35 *bequest* real and personal property in this state, and in any of the
36 several states, territories, possessions and dependencies of the
37 United States, the District of Columbia, Puerto Rico and any foreign
38 countries.

39 5. To do everything necessary and proper for the
40 accomplishment of the objects enumerated in its articles of
41 incorporation or necessary or incidental to the protection and benefit
42 of the corporation, and, in general, to carry on any lawful business
43 necessary or incidental to the attainment of the objects of the
44 corporation, whether or not the business is similar in nature to the
45 objects set forth in the articles of incorporation, except that:



1 (a) A corporation created under the provisions of this chapter
2 does not possess the power of issuing bills, notes or other evidences
3 of debt for circulation of money; and

4 (b) This chapter does not authorize the formation of banking
5 corporations to issue or circulate money or currency within this
6 state, or outside of this state, or at all, except the federal currency, or
7 the notes of banks authorized under the laws of the United States.

8 6. To make donations for the public welfare or for charitable,
9 scientific or educational purposes.

10 7. To enter into any relationship with another person in
11 connection with any lawful activities.

12 **Sec. 16.** NRS 78.095 is hereby amended to read as follows:

13 78.095 1. Within 30 days after changing the location of his
14 office from one address to another in this state, a resident agent shall
15 ~~execute~~ *sign* a certificate setting forth:

16 (a) The names of all the corporations represented by the resident
17 agent;

18 (b) The address at which the resident agent has maintained the
19 registered office for each of such corporations; and

20 (c) The new address to which the resident agency will be
21 transferred and at which the resident agent will thereafter maintain
22 the registered office for each of the corporations recited in the
23 certificate.

24 2. Upon the filing of the certificate in the Office of the
25 Secretary of State , the registered office in this state of each of the
26 corporations recited in the certificate is located at the new address of
27 the resident agent thereof as set forth in the certificate.

28 **Sec. 17.** NRS 78.097 is hereby amended to read as follows:

29 78.097 1. A resident agent who desires to resign shall file
30 with the Secretary of State a signed statement for each corporation
31 that he is unwilling to continue to act as the agent of the corporation
32 for the service of process. A resignation is not effective until the
33 signed statement is filed with the Secretary of State.

34 2. The statement of resignation may contain a statement of the
35 affected corporation appointing a successor resident agent for that
36 corporation. A certificate of acceptance ~~executed~~ *signed* by the
37 new resident agent, stating the full name, complete street address
38 and, if different from the street address, mailing address of the new
39 resident agent, must accompany the statement appointing a
40 successor resident agent.

41 3. Upon the filing of the statement of resignation with the
42 Secretary of State , the capacity of the resigning person as resident
43 agent terminates. If the statement of resignation contains no
44 statement by the corporation appointing a successor resident agent,
45 the resigning resident agent shall immediately give written notice,



1 by mail, to the corporation of the filing of the statement and its
2 effect. The notice must be addressed to any officer of the
3 corporation other than the resident agent.

4 4. If a resident agent dies, resigns or removes from the State,
5 the corporation, within 30 days thereafter, shall file with the
6 Secretary of State a certificate of acceptance ~~executed~~ signed by
7 the new resident agent. The certificate must set forth the full name
8 and complete street address of the new resident agent for the service
9 of process, and may have a separate mailing address, such as post
10 office box, which may be different from the street address.

11 5. A corporation that fails to file a certificate of acceptance
12 ~~executed~~ signed by the new resident agent within 30 days after the
13 death, resignation or removal of its former resident agent shall be
14 deemed in default and is subject to the provisions of NRS 78.170
15 and 78.175.

16 **Sec. 18.** NRS 78.105 is hereby amended to read as follows:

17 78.105 1. A corporation shall keep a copy of the following
18 records at its registered office:

19 (a) A copy certified by the Secretary of State of its articles of
20 incorporation, and all amendments thereto;

21 (b) A copy certified by an officer of the corporation of its
22 bylaws and all amendments thereto; and

23 (c) A stock ledger or a duplicate stock ledger, revised annually,
24 containing the names, alphabetically arranged, of all persons who
25 are stockholders of the corporation, showing their places of
26 residence, if known, and the number of shares held by them
27 respectively. In lieu of the stock ledger or duplicate stock ledger,
28 the corporation may keep a statement setting out the name of the
29 custodian of the stock ledger or duplicate stock ledger, and the
30 present and complete ~~post office address, including street and~~
31 ~~number, if any,~~ mailing or street address where the stock ledger or
32 duplicate stock ledger specified in this section is kept.

33 2. ~~[A corporation shall maintain the records required by~~
34 ~~subsection 1 in written form or in another form capable of~~
35 ~~conversion into written form within a reasonable time.~~

36 ~~3.]~~ Any person who has been a stockholder of record of a
37 corporation for at least 6 months immediately preceding his
38 demand, or any person holding, or thereunto authorized in writing
39 by the holders of, at least 5 percent of all of its outstanding shares,
40 upon at least 5 days' written demand is entitled to inspect in person
41 or by agent or attorney, during usual business hours, the records
42 required by subsection 1 and make copies therefrom. Holders of
43 voting trust certificates representing shares of the corporation must
44 be regarded as stockholders for the purpose of this subsection. Every
45 corporation that neglects or refuses to keep the records required by



1 subsection 1 open for inspection, as required in this subsection, shall
2 forfeit to the State the sum of \$25 for every day of such neglect or
3 refusal.

4 ~~[4.]~~ 3. If any corporation willfully neglects or refuses to make
5 any proper entry in the stock ledger or duplicate copy thereof, or
6 neglects or refuses to permit an inspection of the records required by
7 subsection 1 upon demand by a person entitled to inspect them, or
8 refuses to permit copies to be made therefrom, as provided in
9 subsection ~~[3.]~~ 2, the corporation is liable to the person injured for
10 all damages resulting to him therefrom.

11 ~~[5.]~~ 4. When the corporation keeps a statement in the manner
12 provided for in paragraph (c) of subsection 1, the information
13 contained thereon must be given to any stockholder of the
14 corporation demanding the information, when the demand is made
15 during business hours. Every corporation that neglects or refuses to
16 keep a statement available, as in this subsection required, shall
17 forfeit to the State the sum of \$25 for every day of such neglect or
18 refusal.

19 ~~[6.]~~ 5. In every instance where an attorney or other agent of the
20 stockholder seeks the right of inspection, the demand must be
21 accompanied by a power of attorney ~~[executed]~~ signed by the
22 stockholder authorizing the attorney or other agent to inspect on
23 behalf of the stockholder.

24 ~~[7.]~~ 6. The right to copy records under subsection ~~[3]~~ 2
25 includes, if reasonable, the right to make copies by photographic,
26 xerographic or other means.

27 ~~[8.]~~ 7. The corporation may impose a reasonable charge to
28 recover the costs of labor and materials and the cost of copies of any
29 ~~[documents]~~ records provided to the stockholder.

30 **Sec. 19.** NRS 78.115 is hereby amended to read as follows:

31 78.115 The business of every corporation must be managed
32 ~~[by]~~ *under the direction of* a board of directors or trustees, all of
33 whom must be natural persons who are at least 18 years of age. A
34 corporation must have at least one director, and may provide in its
35 articles of incorporation or in its bylaws for a fixed number of
36 directors or a variable number of directors, ~~[within a fixed~~
37 ~~minimum and maximum,]~~ and for the manner in which the number
38 of directors may be increased or decreased. Unless otherwise
39 provided in the articles of incorporation, directors need not be
40 stockholders.

41 **Sec. 20.** NRS 78.120 is hereby amended to read as follows:

42 78.120 1. Subject only to such limitations as may be
43 provided by this chapter, or the articles of incorporation of the
44 corporation, the board of directors has full control over the affairs of
45 the corporation.



1 2. ~~Subject~~ *Except as otherwise provided in this subsection*
2 *and subject* to the bylaws, if any, adopted by the stockholders, the
3 directors may make the bylaws of the corporation. *Unless otherwise*
4 *prohibited by any bylaw adopted by the stockholders, the directors*
5 *may adopt, amend or repeal any bylaw, including any bylaw*
6 *adopted by the stockholders. The articles of incorporation may*
7 *grant the authority to adopt bylaws exclusively to the directors.*

8 3. The selection of a period for the achievement of corporate
9 goals is the responsibility of the directors.

10 **Sec. 21.** NRS 78.125 is hereby amended to read as follows:

11 78.125 1. Unless it is otherwise provided in the articles of
12 incorporation, the board of directors may designate one or more
13 committees which, to the extent provided in the resolution or
14 resolutions or in the bylaws of the corporation, have and may
15 exercise the powers of the board of directors in the management of
16 the business and affairs of the corporation.

17 2. ~~The committee or committees must have such name or~~
18 ~~names as may be stated in the bylaws of the corporation or as may~~
19 ~~be determined from time to time by resolution adopted by the board~~
20 ~~of directors.~~

21 ~~3.~~ Each committee must include at least one director. Unless
22 the articles of incorporation or the bylaws provide otherwise, the
23 board of directors may appoint natural persons who are not directors
24 to serve on committees.

25 ~~4.~~ 3. The board of directors may designate one or more
26 directors as alternate members of a committee to replace any
27 member who is disqualified or absent from a meeting of the
28 committee. The bylaws of the corporation may provide that, unless
29 the board of directors appoints alternate members pursuant to this
30 subsection, the member or members of a committee present at a
31 meeting and not disqualified from voting, whether or not the
32 member or members constitute a quorum, may unanimously appoint
33 another member of the board of directors to act at the meeting in the
34 place of an absent or disqualified member of the committee.

35 **Sec. 22.** NRS 78.135 is hereby amended to read as follows:

36 78.135 1. The statement in the articles of incorporation of the
37 objects, purposes, powers and authorized business of the corporation
38 constitutes, as between the corporation and its directors, officers or
39 stockholders, an authorization to the directors and a limitation upon
40 the actual authority of the representatives of the corporation. Such
41 limitations may be asserted in a proceeding by a stockholder or the
42 State to enjoin the doing or continuation of unauthorized business
43 by the corporation or its officers, or both, in cases where third
44 parties have not acquired rights thereby, or to dissolve the
45 corporation, or in a proceeding by the corporation or by the



1 stockholders suing in a representative suit against the officers or
2 directors of the corporation for violation of their authority.

3 2. No limitation upon the business, purposes or powers of the
4 corporation or upon the powers of the stockholders, officers or
5 directors, or the manner of exercise of such powers, contained in or
6 implied by the articles may be asserted as between the corporation
7 or any stockholder and any third person.

8 3. Any contract or conveyance, otherwise lawful, made in the
9 name of a corporation, which is authorized or ratified by the
10 directors, or is done within the scope of the authority, actual or
11 apparent, given by the directors, binds the corporation, and the
12 corporation acquires rights thereunder, whether the contract is
13 ~~executed~~ signed or is wholly or in part executory.

14 **Sec. 23.** NRS 78.138 is hereby amended to read as follows:

15 78.138 1. Directors and officers shall exercise their powers in
16 good faith and with a view to the interests of the corporation.

17 2. In performing their respective duties, directors and officers
18 are entitled to rely on information, opinions, reports, books of
19 account or statements, including financial statements and other
20 financial data, that are prepared or presented by:

21 (a) One or more directors, officers or employees of the
22 corporation reasonably believed to be reliable and competent in the
23 matters prepared or presented;

24 (b) Counsel, public accountants, financial advisers, valuation
25 advisers, investment bankers or other persons as to matters
26 reasonably believed to be within the preparer's or presenter's
27 professional or expert competence; or

28 (c) A committee on which the director or officer relying thereon
29 does not serve, established in accordance with NRS 78.125, as to
30 matters within the committee's designated authority and matters on
31 which the committee is reasonably believed to merit
32 confidence,
33 but a director or officer is not entitled to rely on such information,
34 opinions, reports, books of account or statements if he has
35 knowledge concerning the matter in question that would cause
36 reliance thereon to be unwarranted.

37 3. Directors and officers, in deciding upon matters of business,
38 are presumed to act in good faith, on an informed basis and with a
39 view to the interests of the corporation.

40 4. Directors and officers, in exercising their respective powers
41 with a view to the interests of the corporation, may consider:

42 (a) The interests of the corporation's employees, suppliers,
43 creditors and customers;

44 (b) The economy of the State and Nation;

45 (c) The interests of the community and of society; and



1 (d) The long-term as well as short-term interests of the
2 corporation and its stockholders, including the possibility that these
3 interests may be best served by the continued independence of the
4 corporation.

5 5. Directors and officers are not required to consider the effect
6 of a proposed corporate action upon any particular group having an
7 interest in the corporation as a dominant factor.

8 6. The provisions of subsections 4 and 5 do not create or
9 authorize any causes of action against the corporation or its directors
10 or officers.

11 7. Except as otherwise provided in NRS 35.230, 90.660,
12 91.250, 452.200, 452.270, 668.045 and 694A.030, *or unless the*
13 *articles of incorporation or an amendment thereto, in each case*
14 *filed on or after October 1, 2003, provide for greater individual*
15 *liability*, a director or officer is not individually liable to the
16 corporation or its stockholders *or creditors* for any damages as a
17 result of any act or failure to act in his capacity as a director or
18 officer unless it is proven that:

19 (a) His act or failure to act constituted a breach of his fiduciary
20 duties as a director or officer; and

21 (b) His breach of those duties involved intentional misconduct,
22 fraud or a knowing violation of law.

23 **Sec. 24.** NRS 78.140 is hereby amended to read as follows:

24 78.140 1. A contract or other transaction is not void or
25 voidable solely because:

26 (a) The contract or transaction is between a corporation and:

27 (1) One or more of its directors or officers; or

28 (2) Another corporation, firm or association in which one or
29 more of its directors or officers are directors or officers or are
30 financially interested;

31 (b) A common or interested director or officer:

32 (1) Is present at the meeting of the board of directors or a
33 committee thereof which authorizes or approves the contract or
34 transaction; or

35 (2) Joins in the ~~execution~~ *signing* of a written consent
36 which authorizes or approves the contract or transaction pursuant to
37 subsection 2 of NRS 78.315; or

38 (c) The vote or votes of a common or interested director are
39 counted for the purpose of authorizing or approving the contract or
40 transaction,

41 if one of the circumstances specified in subsection 2 exists.

42 2. The circumstances in which a contract or other transaction is
43 not void or voidable pursuant to subsection 1 are:

44 (a) The fact of the common directorship, office or financial
45 interest is known to the board of directors or committee, and the



1 board or committee authorizes, approves or ratifies the contract or
2 transaction in good faith by a vote sufficient for the purpose without
3 counting the vote or votes of the common or interested director or
4 directors.

5 (b) The fact of the common directorship, office or financial
6 interest is known to the stockholders, and they approve or ratify the
7 contract or transaction in good faith by a majority vote of
8 stockholders holding a majority of the voting power. The votes of
9 the common or interested directors or officers must be counted in
10 any such vote of stockholders.

11 (c) The fact of the common directorship, office or financial
12 interest is not known to the director or officer at the time the
13 transaction is brought before the board of directors of the
14 corporation for action.

15 (d) The contract or transaction is fair as to the corporation at the
16 time it is authorized or approved.

17 3. Common or interested directors may be counted in
18 determining the presence of a quorum at a meeting of the board of
19 directors or a committee thereof which authorizes, approves or
20 ratifies a contract or transaction, and if the votes of the common or
21 interested directors are not counted at the meeting, then a majority
22 of the disinterested directors may authorize, approve or ratify a
23 contract or transaction.

24 4. Unless otherwise provided in the articles of incorporation or
25 the bylaws, the board of directors, without regard to personal
26 interest, may establish the compensation of directors for services in
27 any capacity. If the board of directors establishes the compensation
28 of directors pursuant to this subsection, such compensation is
29 presumed to be fair to the corporation unless proven unfair by a
30 preponderance of the evidence.

31 **Sec. 25.** NRS 78.165 is hereby amended to read as follows:

32 78.165 1. Every list required to be filed under the provisions
33 of NRS 78.150 to 78.185, inclusive, must, after the name of each
34 officer and director listed thereon, set forth the ~~post office box~~
35 *mailing* or street address, either residence or business, of each
36 officer and director.

37 2. If the addresses are not stated for each person on any list
38 offered for filing, the Secretary of State may refuse to file the list,
39 and the corporation for which the list has been offered for filing is
40 subject to all the provisions of NRS 78.150 to 78.185, inclusive,
41 relating to failure to file the list within or at the times therein
42 specified, unless a list is subsequently submitted for filing which
43 conforms to the provisions of NRS 78.150 to 78.185, inclusive.



1 **Sec. 26.** NRS 78.185 is hereby amended to read as follows:
2 78.185 1. Except as otherwise provided in subsection 2, if a
3 corporation applies to reinstate or revive its charter but its name has
4 been legally reserved or acquired by another artificial person
5 formed, organized, registered or qualified pursuant to the provisions
6 of this title whose name is on file with the Office of the Secretary of
7 State or reserved in the Office of the Secretary of State pursuant to
8 the provisions of this title, the corporation shall in its application for
9 reinstatement submit in writing to the Secretary of State some other
10 name under which it desires its corporate existence to be reinstated
11 or revived. If that name is distinguishable from all other names
12 reserved or otherwise on file, the Secretary of State shall issue to the
13 applying corporation a certificate of reinstatement or revival under
14 that new name. *Upon the issuance of a certificate of reinstatement*
15 *or revival under that new name, the articles of incorporation of*
16 *the applying corporation shall be deemed to reflect the new name*
17 *without the corporation having to comply with the provisions of*
18 *NRS 78.385, 78.390 or 78.403.*

19 2. If the applying corporation submits the ~~written,~~
20 ~~acknowledged~~ signed consent of the artificial person having a
21 name, or the person who has reserved a name, which is not
22 distinguishable from the old name of the applying corporation or a
23 new name it has submitted, it may be reinstated or revived under
24 that name.

25 3. For the purposes of this section, a proposed name is not
26 distinguishable from a name on file or reserved name solely because
27 one or the other contains distinctive lettering, a distinctive mark, a
28 trademark or a trade name, or any combination of these.

29 4. The Secretary of State may adopt regulations that interpret
30 the requirements of this section.

31 **Sec. 27.** NRS 78.195 is hereby amended to read as follows:

32 78.195 1. If a corporation desires to have more than one class
33 or series of stock, the articles of incorporation must prescribe, or
34 vest authority in the board of directors to prescribe, the classes,
35 series and the number of each class or series of stock and the voting
36 powers, designations, preferences, limitations, restrictions and
37 relative rights of each class or series of stock. If more than one class
38 or series of stock is authorized, the articles of incorporation or the
39 resolution of the board of directors passed pursuant to a provision of
40 the articles must prescribe a distinguishing designation for each
41 class and series. The voting powers, designations, preferences,
42 limitations, restrictions, relative rights and distinguishing
43 designation of each class or series of stock must be described in the
44 articles of incorporation or the resolution of the board of directors
45 before the issuance of shares of that class or series.



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

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

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

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

27 **Sec. 28.** NRS 78.196 is hereby amended to read as follows:

28 78.196 1. Each corporation must have:

29 (a) One or more classes or series of shares that together have
30 unlimited voting rights; and

31 (b) One or more classes or series of shares that together are
32 entitled to receive the net assets of the corporation upon
33 dissolution.

34 If the articles of incorporation provide for only one class of stock,
35 that class of stock has unlimited voting rights and is entitled to
36 receive the net assets of the corporation upon dissolution.

37 2. The articles of incorporation, or a resolution of the board of
38 directors pursuant thereto, may authorize one or more classes or
39 series of stock that:

40 (a) Have special, conditional or limited voting powers, or no
41 right to vote, except to the extent otherwise provided by this title;

42 (b) Are redeemable or convertible:

43 (1) At the option of the corporation, the stockholders or
44 another person, or upon the occurrence of a designated event;

45 (2) For cash, indebtedness, securities or other property; or



1 (3) In a designated amount or in an amount determined in
2 accordance with a designated formula or by reference to extrinsic
3 data or events;

4 (c) Entitle the stockholders to distributions calculated in any
5 manner, including dividends that may be cumulative, noncumulative
6 or partially cumulative;

7 (d) Have preference over any other class or series of shares with
8 respect to distributions, including dividends and distributions upon
9 the dissolution of the corporation;

10 (e) Have par value; or

11 (f) Have powers, designations, preferences, limitations,
12 restrictions and relative rights dependent upon any fact or event
13 which may be ascertained outside of the articles of incorporation or
14 the resolution if the manner in which the fact or event may operate
15 on such class or series of stock is stated in the articles of
16 incorporation or the resolution. *As used in this paragraph, "fact or
17 event" includes, without limitation, the existence of a fact or
18 occurrence of an event, including, without limitation, a
19 determination or action by a person, government, governmental
20 agency or political subdivision of a government.*

21 3. Unless otherwise provided in the articles of incorporation or
22 in a resolution of the board of directors establishing a class or series
23 of stock, shares which are subject to redemption and which have
24 been called for redemption are not deemed to be outstanding shares
25 for purposes of voting or determining the total number of shares
26 entitled to vote on a matter on and after the date on which:

27 (a) Written notice of redemption has been sent to the holders of
28 such shares; and

29 (b) A sum sufficient to redeem the shares has been irrevocably
30 deposited or set aside to pay the redemption price to the holders of
31 the shares upon surrender of any certificates.

32 4. The description of voting powers, designations, preferences,
33 limitations, restrictions and relative rights of the classes or series of
34 shares contained in this section is not exclusive.

35 **Sec. 29.** NRS 78.200 is hereby amended to read as follows:

36 78.200 **1.** A corporation may create and issue ~~[, whether in~~
37 ~~connection with the issue and sale of any shares of stock or other~~
38 ~~securities of the corporation,]~~ rights or options entitling the holders
39 thereof to purchase from the corporation any shares of its stock of
40 any class or classes ~~[,]~~ to be evidenced by or in such instrument or
41 instruments as are approved by the board of directors.

42 **2.** The terms upon which, the time or times, which may be
43 limited or unlimited in duration, at or within which, and the price or
44 prices, *including a formula by which such price or prices may be*
45 *determined*, at which any such shares may be purchased from the



1 corporation upon the exercise of any such ~~fa~~ right or option ~~must~~
2 *may* be fixed and stated in the articles of incorporation or in a
3 resolution or resolutions adopted by the board of directors providing
4 for the creation and issue of the rights or options, and, in every case,
5 set forth or incorporated by reference in the instrument or
6 instruments evidencing the rights or options. *The judgment of the*
7 *board of directors as to the consideration for such rights or*
8 *options issued is conclusive in the absence of actual fraud in the*
9 *transaction.*

10 *3. The board of directors may authorize one or more officers*
11 *of the corporation to:*

12 *(a) Designate the persons to be recipients of rights or options*
13 *created by the corporation; and*

14 *(b) Determine the number of rights or options to be received by*
15 *the persons designated pursuant to paragraph (a).*

16 *4. The authorization pursuant to subsection 3 must specify*
17 *the maximum number of rights or options the officer or officers*
18 *may award. The board of directors may not authorize an officer to*
19 *designate himself as a recipient of the rights or options.*

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

21 78.205 1. A corporation is not obligated to but may ~~execute~~
22 *sign* and deliver a certificate for or including a fraction of a share.

23 2. In lieu of ~~executing~~ *signing* and delivering a certificate for
24 a fraction of a share, a corporation may:

25 (a) Pay to any person otherwise entitled to become a holder of a
26 fraction of a share:

27 (1) The appraised value of that share if the appraisal was
28 properly demanded pursuant to this chapter or chapter 92A of NRS;
29 or

30 (2) If no appraisal was demanded or an appraisal was not
31 properly demanded, an amount in cash specified for that purpose as
32 the value of the fraction in the articles, plan of reorganization, plan
33 of merger or exchange, resolution of the board of directors, or other
34 instrument pursuant to which the fractional share would otherwise
35 be issued, or, if not specified, then as may be determined for that
36 purpose by the board of directors of the issuing corporation;

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

39 (c) ~~Execute~~ *Sign* and deliver registered or bearer scrip over the
40 manual or facsimile signature of an officer of the corporation or of
41 its agent for that purpose, exchangeable as provided on the scrip for
42 full share certificates, but the scrip does not entitle the holder to any
43 rights as a stockholder except as provided on the scrip. The scrip
44 may provide that it becomes void unless the rights of the holders are
45 exercised within a specified period and may contain any other



1 provisions or conditions that the corporation deems advisable.
2 Whenever any scrip ceases to be exchangeable for full share
3 certificates, the shares that would otherwise have been issuable as
4 provided on the scrip are deemed to be treasury shares unless the
5 scrip contains other provisions for their disposition.

6 3. The provisions of this section do not prevent a person who
7 holds a fractional share from disputing the appraised value of a
8 share pursuant to NRS 92A.300 to 92A.500, inclusive, if the person
9 is otherwise entitled to exercise such rights.

10 **Sec. 31.** NRS 78.2055 is hereby amended to read as follows:

11 78.2055 1. Unless otherwise provided in the articles of
12 incorporation, a corporation that desires to decrease the number of
13 issued and outstanding shares of a class or series held by each
14 stockholder of record at the effective date and time of the change
15 without correspondingly decreasing the number of authorized shares
16 of the same class or series may do so if:

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

20 (b) The proposal is approved by the vote of stockholders holding
21 a majority of the voting power of the affected class or series, or such
22 greater proportion as may be provided in the articles of
23 incorporation, regardless of limitations or restrictions on the voting
24 power of the affected class or series.

25 2. If the proposal required by subsection 1 is approved by the
26 stockholders entitled to vote, the corporation may reissue its stock in
27 accordance with the proposal after the effective date and time of the
28 change.

29 3. ~~HH~~ *Except as otherwise provided in this subsection, if* a
30 proposed decrease in the number of issued and outstanding shares of
31 any class or series would adversely alter or change any preference,
32 or any relative or other right given to any other class or series of
33 outstanding shares, then the decrease must be approved by the vote,
34 in addition to any vote otherwise required, of the *holders of* shares
35 representing a majority of the voting power of each class or series
36 whose preference or rights are adversely affected by the decrease, or
37 such greater proportion as may be provided in the articles of
38 incorporation, regardless of limitations or restrictions on the voting
39 power of the adversely affected class or series. *The decrease does*
40 *not have to be approved by the vote of the holders of shares*
41 *representing a majority of the voting power of each class or series*
42 *whose preference or rights are adversely affected by the decrease*
43 *if the articles of incorporation specifically deny the right to vote on*
44 *such a decrease.*



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

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

8 (b) Would otherwise be entitled to receive fractions of shares in
9 exchange for the cancellation of all their outstanding shares,
10 is subject to the provisions of NRS 92A.300 to 92A.500, inclusive.
11 If the proposal is subject to those provisions, any stockholder who is
12 obligated to accept money or scrip rather than receive a fraction of a
13 share resulting from the action taken pursuant to this section may
14 dissent in accordance with the provisions of NRS 92A.300 to
15 92A.500, inclusive, and obtain payment of the fair value of the
16 fraction of a share to which the stockholder would otherwise be
17 entitled.

18 **Sec. 32.** NRS 78.207 is hereby amended to read as follows:

19 78.207 1. Unless otherwise provided in the articles of
20 incorporation, a corporation that desires to change the number of
21 shares of a class or series, if any, of its authorized stock by
22 increasing or decreasing the number of authorized shares of the
23 class or series and correspondingly increasing or decreasing the
24 number of issued and outstanding shares of the same class or series
25 held by each stockholder of record at the effective date and time of
26 the change, may, except as otherwise provided in subsections 2 and
27 3, do so by a resolution adopted by the board of directors, without
28 obtaining the approval of the stockholders. The resolution may also
29 provide for a change of the par value, if any, of the same class or
30 series of the shares increased or decreased. After the effective date
31 and time of the change, the corporation may issue its stock in
32 accordance therewith.

33 2. A proposal to increase or decrease the number of authorized
34 shares of any class or series, if any, that includes provisions
35 pursuant to which only money will be paid or scrip will be issued to
36 stockholders who:

37 (a) Before the increase or decrease in the number of shares
38 becomes effective, in the aggregate hold 10 percent or more of the
39 outstanding shares of the affected class or series; and

40 (b) Would otherwise be entitled to receive fractions of shares in
41 exchange for the cancellation of all of their outstanding
42 shares,

43 must be approved by the vote of stockholders holding a majority of
44 the voting power of the affected class or series, or such greater



1 proportion as may be provided in the articles of incorporation,
2 regardless of limitations or restrictions on the voting power thereof.

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

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

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

25 (b) Would otherwise be entitled to receive a fraction of a share
26 in exchange for the cancellation of all of their outstanding
27 shares,

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

35 **Sec. 33.** NRS 78.220 is hereby amended to read as follows:

36 78.220 1. Subscriptions to the shares of a corporation,
37 whether made before or after its organization, must be paid in full at
38 such time or in such installments at such times as determined by the
39 board of directors. Any call made by the board of directors for
40 payment on subscriptions must be uniform as to all shares of the
41 same class or series.

42 2. If default is made in the payment of any installment or call,
43 the corporation may proceed to collect the amount due in the same
44 manner as any debt due the corporation. In addition, the corporation
45 may sell a sufficient number of the subscriber's shares at public



1 auction to pay for the installment or call and any incidental charges
2 incurred as a result of the sale. No penalty causing a forfeiture of a
3 subscription, of stock for which a subscription has been ~~executed,~~
4 *signed*, or of amounts paid thereon, may be declared against any
5 subscriber unless the amount due remains unpaid for 30 days after
6 written demand. Such written demand shall be deemed made when
7 it is mailed by registered or certified mail, return receipt requested,
8 to the subscriber's last known address. If any of the subscriber's
9 shares are sold at public auction, any excess of the proceeds over the
10 total of the amount due plus any incidental charges of the sale must
11 be paid to the subscriber or his legal representative. If an action is
12 brought to recover the amount due on a subscription or call, any
13 judgment in favor of the corporation must be reduced by the amount
14 of the net proceeds of any sale by the corporation of the subscriber's
15 stock.

16 3. All stock subject to a delinquent installment or call and all
17 amounts previously paid by a delinquent subscriber for the stock
18 must be forfeited to the corporation if an amount due from a
19 subscriber remains unpaid, the corporation has complied with the
20 requirements of subsection 2 and:

21 (a) A bidder does not purchase the subscriber's shares at public
22 auction; or

23 (b) The corporation does not collect the defaulted amount by an
24 action at law.

25 4. If a receiver of a corporation has been appointed, all unpaid
26 subscriptions must be paid at such times and in such installments as
27 the receiver or the court may direct, subject, however, to the
28 provisions of the subscription contract.

29 5. A subscription for shares of a corporation to be organized is
30 irrevocable for 6 months unless otherwise provided by the
31 subscription agreement or unless all of the subscribers consent to the
32 revocation of the subscription.

33 **Sec. 34.** NRS 78.257 is hereby amended to read as follows:

34 78.257 1. Any person who has been a stockholder of record
35 of any corporation and owns not less than 15 percent of all of the
36 issued and outstanding shares of the stock of such corporation or has
37 been authorized in writing by the holders of at least 15 percent of all
38 its issued and outstanding shares, upon at least 5 days' written
39 demand, is entitled to inspect in person or by agent or attorney,
40 during normal business hours, the books of account and all financial
41 records of the corporation, to make copies of records, and to conduct
42 an audit of such records. Holders of voting trust certificates
43 representing 15 percent of the issued and outstanding shares of the
44 corporation ~~shall be~~ *are* regarded as stockholders for the purpose
45 of this subsection. The right of stockholders to inspect the corporate



1 records may not be limited in the articles or bylaws of any
2 corporation.

3 2. All costs for making copies of records or conducting an
4 audit must be borne by the person exercising his rights set forth in
5 subsection 1.

6 3. The rights authorized by subsection 1 may be denied to any
7 stockholder upon his refusal to furnish the corporation an affidavit
8 that such inspection, copies or audit is not desired for any purpose
9 not related to his interest in the corporation as a stockholder. Any
10 stockholder or other person, exercising rights set forth in subsection
11 1, who uses or attempts to use information, ~~documents,~~ records or
12 other data obtained from the corporation, for any purpose not related
13 to the stockholder's interest in the corporation as a stockholder, is
14 guilty of a gross misdemeanor.

15 4. If any officer or agent of any corporation keeping records in
16 this state willfully neglects or refuses to permit an inspection of the
17 books of account and financial records upon demand by a person
18 entitled to inspect them, or refuses to permit an audit to be
19 conducted, as provided in subsection 1, the corporation shall forfeit
20 to the State the sum of \$100 for every day of such neglect or refusal,
21 and the corporation, officer or agent thereof is jointly and severally
22 liable to the person injured for all damages resulting to him.

23 5. A stockholder who brings an action or proceeding to enforce
24 any right set forth in this section or to recover damages resulting
25 from its denial:

26 (a) Is entitled to costs and reasonable attorney's fees, if he
27 prevails; or

28 (b) Is liable for such costs and fees, if he does not
29 prevail,
30 in the action or proceeding.

31 6. Except as otherwise provided in this subsection, the
32 provisions of this section do not apply to any corporation ~~listed and~~
33 ~~traded on any recognized stock exchange nor do they apply to any~~
34 ~~corporation~~ that furnishes to its stockholders a detailed, annual
35 financial statement ~~[-]~~ *or any corporation that has filed during the*
36 *preceding 12 months all reports required to be filed pursuant to*
37 *section 13 or section 15D of the Securities Exchange Act of 1934.*
38 A person who owns, or is authorized in writing by the owners of, at
39 least 15 percent of the issued and outstanding shares of the stock of
40 a corporation that has elected to be governed by subchapter S of the
41 Internal Revenue Code and whose shares are not listed or traded on
42 any recognized stock exchange is entitled to inspect the books of the
43 corporation pursuant to subsection 1 and has the rights, duties and
44 liabilities provided in subsections 2 to 5, inclusive.



1 **Sec. 35.** NRS 78.335 is hereby amended to read as follows:
2 78.335 1. Except as otherwise provided in this section, any
3 director or one or more of the incumbent directors may be removed
4 from office by the vote of stockholders representing not less than
5 two-thirds of the voting power of the issued and outstanding stock
6 entitled to ~~voting power~~ **vote**.

7 2. In the case of corporations which have provided in their
8 articles of incorporation for the election of directors by cumulative
9 voting, any director or directors who constitute fewer than all of the
10 incumbent directors may not be removed from office at any one
11 time or as the result of any one transaction under the provisions of
12 this section except upon the vote of stockholders owning sufficient
13 shares to prevent each director's election to office at the time of
14 removal.

15 3. The articles of incorporation may require the concurrence of
16 more than two-thirds of the voting power of the issued and
17 outstanding stock entitled to ~~voting power~~ **vote** in order to remove
18 one or more directors from office.

19 4. Whenever the holders of any class or series of shares are
20 entitled to elect one or more directors, unless otherwise provided in
21 the articles of incorporation, removal of any such director requires
22 only the proportion of votes, specified in subsection 1, of the holders
23 of that class or series, and not the votes of the outstanding shares as
24 a whole.

25 5. All vacancies, including those caused by an increase in the
26 number of directors, may be filled by a majority of the remaining
27 directors, though less than a quorum, unless it is otherwise provided
28 in the articles of incorporation.

29 6. Unless otherwise provided in the articles of incorporation,
30 when one or more directors give notice of his or their resignation to
31 the board, effective at a future date, the board may fill the vacancy
32 or vacancies to take effect when the resignation or resignations
33 become effective, each director so appointed to hold office during
34 the remainder of the term of office of the resigning director or
35 directors.

36 7. *The termination of a director shall not be deemed to*
37 *constitute a removal of the director pursuant to this section if the*
38 *articles or bylaws provide that the holders of any class or series of*
39 *shares are entitled to elect one or more directors under specified*
40 *circumstances and that, upon termination of those specified*
41 *circumstances, the right terminates and the directors elected by the*
42 *holders of the class or series of shares are no longer directors.*

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

44 78.350 1. Unless otherwise provided in the articles of
45 incorporation, or in the resolution providing for the issuance of the



1 stock adopted by the board of directors pursuant to authority
2 expressly vested in it by the provisions of the articles of
3 incorporation, every stockholder of record of a corporation is
4 entitled at each meeting of stockholders thereof to one vote for each
5 share of stock standing in his name on the records of the
6 corporation. If the articles of incorporation, or the resolution
7 providing for the issuance of the stock adopted by the board of
8 directors pursuant to authority expressly vested in it by the articles
9 of incorporation, provides for more or less than one vote per share
10 for any class or series of shares on any matter, every reference in
11 this chapter to a majority or other proportion of stock shall be
12 deemed to refer to a majority or other proportion of the voting
13 power of all of the shares or those classes or series of shares, as may
14 be required by the articles of incorporation, or in the resolution
15 providing for the issuance of the stock adopted by the board of
16 directors pursuant to authority expressly vested in it by the
17 provisions of the articles of incorporation, or the provisions of this
18 chapter.

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

38 3. *The board of directors may adopt a resolution prescribing*
39 *a date upon which the stockholders of record are entitled to give*
40 *written consent pursuant to NRS 78.320. The date prescribed by*
41 *the board of directors may not precede or be more than 10 days*
42 *after the date the resolution is adopted by the board of directors. If*
43 *the board of directors does not adopt a resolution prescribing a*
44 *date upon which the stockholders of record are entitled to give*
45 *written consent pursuant to NRS 78.320 and:*



1 (a) *No prior action by the board of directors is required by this*
2 *chapter, the date is the first date on which a valid, written consent*
3 *is delivered in accordance with the provisions of NRS 78.320.*

4 (b) *Prior action by the board of directors is required by this*
5 *chapter, the date is at the close of business on the day the board of*
6 *directors adopts the resolution.*

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

13 **Sec. 37.** NRS 78.355 is hereby amended to read as follows:

14 78.355 1. At any meeting of the stockholders of any
15 corporation any stockholder may designate another person or
16 persons to act as a proxy or proxies. If any stockholder designates
17 two or more persons to act as proxies, a majority of those persons
18 present at the meeting, or, if only one is present, then that one has
19 and may exercise all of the powers conferred by the stockholder
20 upon all of the persons so designated unless the stockholder
21 provides otherwise.

22 2. Without limiting the manner in which a stockholder may
23 authorize another person or persons to act for him as proxy pursuant
24 to subsection 1, the following constitute valid means by which a
25 stockholder may grant such authority:

26 (a) A stockholder may ~~execute~~ *sign* a writing authorizing
27 another person or persons to act for him as proxy. The proxy may be
28 limited to action on designated matters. ~~Execution may be~~
29 ~~accomplished by the signing of the writing by the stockholder or his~~
30 ~~authorized officer, director, employee or agent or by causing the~~
31 ~~signature of the stockholder to be affixed to the writing by any~~
32 ~~reasonable means, including, but not limited to, a facsimile~~
33 ~~signature.]~~

34 (b) A stockholder may authorize another person or persons to
35 act for him as proxy by transmitting or authorizing the transmission
36 of ~~a telegram, cablegram or other means of electronic transmission~~
37 *an electronic record* to the person who will be the holder of the
38 proxy or to a firm which solicits proxies or like agent who is
39 authorized by the person who will be the holder of the proxy to
40 receive the transmission. Any such ~~telegram, cablegram or other~~
41 ~~means of electronic transmission~~ *electronic record* must either set
42 forth or be submitted with information from which it can be
43 determined that the ~~telegram, cablegram or other electronic~~
44 ~~transmission~~ *electronic record* was authorized by the stockholder.
45 If it is determined that the ~~telegram, cablegram or other electronic~~



1 ~~transmission~~ *electronic record* is valid, the persons appointed by
2 the corporation to count the votes of stockholders and determine the
3 validity of proxies and ballots or other persons making those
4 determinations must specify the information upon which they relied.

5 3. Any copy, communication by ~~telecopier,~~ *electronic*
6 *transmission* or other reliable reproduction of the ~~writing or~~
7 ~~transmission~~ *record* created pursuant to subsection 2 ~~;~~ may be
8 substituted for the original ~~writing or transmission~~ *record* for any
9 purpose for which the original ~~writing or transmission~~ *record*
10 could be used, if the copy, communication by ~~telecopier,~~
11 *electronic transmission* or other reproduction is a complete
12 reproduction of the entire original ~~writing or transmission~~
13 ~~4. No~~ *record.*

14 4. *Except as otherwise provided in subsection 5, no* such
15 proxy is valid after the expiration of 6 months from the date of its
16 creation ~~[, unless it is coupled with an interest, or]~~ unless the
17 stockholder specifies in it the length of time for which it is to
18 continue in force, which may not exceed 7 years from the date of its
19 creation. Subject to these restrictions, any proxy properly created is
20 not revoked and continues in full force and effect until another
21 instrument or transmission revoking it or a properly created proxy
22 bearing a later date is filed with or transmitted to the secretary of
23 the corporation or another person or persons appointed by the
24 corporation to count the votes of stockholders and determine the
25 validity of proxies and ballots.

26 5. *A proxy shall be deemed irrevocable if the written*
27 *authorization states that the proxy is irrevocable and, only for as*
28 *long as it is coupled with an interest sufficient in law to support an*
29 *irrevocable power, such as the appointment as proxy of a pledgee,*
30 *a person who purchased or agreed to purchase the shares, a*
31 *creditor of the corporation who extended it credit under terms*
32 *requiring the appointment, an employee of the corporation whose*
33 *employment contract requires the appointment or a party to a*
34 *voting agreement created pursuant to subsection 3 of NRS 78.365.*
35 *A proxy made irrevocable pursuant to this subsection is revoked*
36 *when the interest with which it is coupled is extinguished. A*
37 *transferee for value of shares subject to an irrevocable proxy may*
38 *revoke the proxy if he did not know of its existence when he*
39 *acquired the shares and the existence of the irrevocable*
40 *appointment was not noted conspicuously on the certificate*
41 *representing the shares or on the information statement for shares*
42 *without certificates.*

43 **Sec. 38.** NRS 78.370 is hereby amended to read as follows:

44 78.370 1. If under the provisions of this chapter stockholders
45 are required or authorized to take any action at a meeting, the notice



1 of the meeting must be in writing and signed by the president or a
2 vice president, or the secretary ~~[]~~ or an assistant secretary, or by
3 such other natural person or persons as the bylaws may prescribe or
4 permit or the directors may designate.

5 2. The notice must state the purpose or purposes for which the
6 meeting is called, ~~[and]~~ the time when, and the place, which may be
7 within or without this state, where it is to be held ~~[]~~, *and the means*
8 *of electronic communications, if any, by which stockholders and*
9 *proxies shall be deemed to be present in person and vote.*

10 3. A copy of the notice must be delivered personally, ~~[or]~~
11 mailed postage prepaid *or given as provided in subsection 8* to each
12 stockholder of record entitled to vote at the meeting not less than 10
13 nor more than 60 days before the meeting. If mailed, it must be
14 directed to the stockholder at his address as it appears upon the
15 records of the corporation, and upon the mailing of any such notice
16 the service thereof is complete, and the time of the notice begins to
17 run from the date upon which the notice is deposited in the mail for
18 transmission to the stockholder. Personal delivery of any such notice
19 to any officer of a corporation or association, ~~[or]~~ to any member of
20 a *limited-liability company managed by its members, to any*
21 *manager of a limited-liability company managed by managers, to*
22 *any general partner of a partnership [] or to any trustee of a trust*
23 constitutes delivery of the notice to the corporation, association ~~[or]~~
24 *, limited-liability company, partnership [] or trust.*

25 4. The articles of incorporation or the bylaws may require that
26 the notice be also published in one or more newspapers.

27 5. Notice delivered or mailed to a stockholder in accordance
28 with the provisions of this section and the provisions, if any, of the
29 articles of incorporation or the bylaws is sufficient, and in the event
30 of the transfer of his stock after such delivery or mailing and before
31 the holding of the meeting it is not necessary to deliver or mail
32 notice of the meeting to the transferee.

33 6. ~~[Any stockholder may waive notice of any meeting by a~~
34 ~~writing signed by him, or his duly authorized attorney, either before~~
35 ~~or after the meeting.~~

36 ~~—7.]~~ Unless otherwise provided in the articles of incorporation or
37 the bylaws, if notice is required to be given, under any provision of
38 this chapter or the articles of incorporation or bylaws of any
39 corporation, to any stockholder to whom:

40 (a) Notice of two consecutive annual meetings, and all notices of
41 meetings or of the taking of action by written consent without a
42 meeting to him during the period between those two consecutive
43 annual meetings; or



1 (b) All, and at least two, payments sent by first-class mail of
2 dividends or interest on securities during a 12-month
3 period,
4 have been mailed addressed to him at his address as shown on the
5 records of the corporation and have been returned undeliverable, the
6 giving of further notices to him is not required. Any action or
7 meeting taken or held without notice to such a stockholder has the
8 same effect as if the notice had been given. If any such stockholder
9 delivers to the corporation a written notice setting forth his current
10 address, the requirement that notice be given to him is reinstated. If
11 the action taken by the corporation is such as to require the filing of
12 a certificate under any of the other sections of this chapter, the
13 certificate need not state that notice was not given to persons to
14 whom notice was not required to be given pursuant to this
15 subsection. *The giving of further notices to a stockholder is still
16 required for any notice returned as undeliverable if the notice was
17 given by electronic transmission.*

18 ~~18-~~ 7. Unless the articles of incorporation or bylaws otherwise
19 require, and except as otherwise provided in this subsection, if a
20 stockholders' meeting is adjourned to another date, time or place,
21 notice need not be given of the date, time or place of the adjourned
22 meeting if they are announced at the meeting at which the
23 adjournment is taken. If a new record date is fixed for the adjourned
24 meeting, notice of the adjourned meeting must be given to each
25 stockholder of record as of the new record date.

26 8. *Any notice to stockholders given by the corporation
27 pursuant to any provision of this chapter, chapter 92A of NRS, the
28 articles of incorporation or the bylaws is effective if given by a
29 form of electronic transmission consented to by the stockholder to
30 whom the notice is given. The consent is revocable by the
31 stockholder by written notice to the corporation. The consent is
32 revoked if:*

33 (a) *The corporation is unable to deliver by electronic
34 transmission two consecutive notices given by the corporation in
35 accordance with the consent; and*

36 (b) *The inability to deliver by electronic transmission becomes
37 known to the secretary, assistant secretary, transfer agent or other
38 agent of the corporation responsible for the giving of notice.
39 However, the inadvertent failure to treat the inability to deliver a
40 notice by electronic transmission as a revocation does not
41 invalidate any meeting or other action.*

42 9. *Notice given pursuant to subsection 8 shall be deemed
43 given if:*

44 (a) *By facsimile machine, when directed to a number at which
45 the stockholder has consented to receive notice;*



1 (b) *By electronic mail, when directed to an electronic mail*
2 *address at which the stockholder has consented to receive notice;*

3 (c) *By a posting on an electronic network together with*
4 *separate notice to the stockholder of the specific posting, upon the*
5 *later of:*

6 (1) *Such posting; and*

7 (2) *The giving of the separate notice; and*

8 (d) *By any other form of electronic transmission, when*
9 *directed to the stockholder.*

10 *In the absence of fraud, an affidavit of the secretary, assistant*
11 *secretary, transfer agent or other agent of the corporation that the*
12 *notice has been given by a form of electronic transmission is*
13 *prima facie evidence of the facts stated in the affidavit.*

14 10. *As used in this section, "electronic transmission" means*
15 *any form of communication not directly involving the physical*
16 *transmission of paper that:*

17 (a) *Creates a record that may be retained, retrieved and*
18 *reviewed by a recipient of the communication; and*

19 (b) *May be directly reproduced in paper form by the recipient*
20 *through an automated process.*

21 **Sec. 39.** NRS 78.375 is hereby amended to read as follows:

22 78.375 Whenever any notice whatever is required to be given
23 under the provisions of this chapter, a waiver thereof in *a signed*
24 writing ~~[- signed]~~ *or by transmission of an electronic record* by the
25 person or persons entitled to the notice, whether before or after the
26 time stated therein, shall be deemed equivalent thereto.

27 **Sec. 40.** NRS 78.378 is hereby amended to read as follows:

28 78.378 1. The provisions of NRS 78.378 to 78.3793,
29 inclusive, apply to any acquisition of a controlling interest in an
30 issuing corporation unless the articles of incorporation or bylaws of
31 the corporation in effect on the 10th day following the acquisition of
32 a controlling interest by an acquiring person provide that the
33 provisions of those sections do not apply to the corporation or to an
34 acquisition of a controlling interest specifically by types of existing
35 or future stockholders, whether or not identified.

36 2. The articles of incorporation, the bylaws or a resolution
37 adopted by the directors of the issuing corporation may impose
38 stricter requirements on the acquisition of a controlling interest in
39 the corporation than the provisions of NRS 78.378 to 78.3793,
40 inclusive.

41 3. The provisions of NRS 78.378 to 78.3793, inclusive, do not
42 restrict the directors of an issuing corporation from taking action to
43 protect the interests of the corporation and its stockholders,
44 including, but not limited to, adopting or ~~[- executing]~~ *signing* plans,
45 arrangements or instruments that deny rights, privileges, power or



1 authority to a holder of a specified number of shares or percentage
2 of share ownership or voting power.

3 **Sec. 41.** NRS 78.3791 is hereby amended to read as follows:

4 78.3791 Except as otherwise provided by the articles of
5 incorporation of the issuing corporation, a resolution of the
6 stockholders granting voting rights to the control shares acquired by
7 an acquiring person must be approved by:

8 1. The holders of a majority of the voting power of the
9 corporation; and

10 2. If the acquisition ~~[will result in any change of the kind~~
11 ~~described in subsection 2 of NRS 78.390,]~~ *would adversely alter or*
12 *change any preference or any relative or other right given to any*
13 *other class or series of outstanding shares,* the holders of a
14 majority of each class or series affected,
15 excluding those shares as to which any interested stockholder
16 exercises voting rights.

17 **Sec. 42.** NRS 78.380 is hereby amended to read as follows:

18 78.380 1. At least two-thirds of the incorporators or of the
19 board of directors of any corporation, ~~[before issuing any stock,]~~ *if*
20 *no voting stock of the corporation has been issued,* may amend the
21 articles of incorporation of the corporation by signing and filing
22 with the Secretary of State a certificate amending, modifying,
23 changing or altering the articles, in whole or in part. The certificate
24 must state that:

25 (a) The signers thereof are at least two-thirds of the
26 incorporators or of the board of directors of the corporation, and
27 state the name of the corporation; and

28 (b) As of the date of the certificate, no *voting* stock of the
29 corporation has been issued.

30 2. A certificate filed pursuant to this section is effective upon
31 filing the certificate with the Secretary of State or upon a later date
32 specified in the certificate, which must not be later than 90 days
33 after the certificate is filed.

34 3. If a certificate specifies an effective date and if no *voting*
35 stock of the corporation has been issued, the board of directors may
36 terminate the effectiveness of a certificate by filing a certificate of
37 termination with the Secretary of State that:

38 (a) Identifies the certificate being terminated;

39 (b) States that no *voting* stock of the corporation has been
40 issued;

41 (c) States that the effectiveness of the certificate has been
42 terminated;

43 (d) Is signed by at least two-thirds of the board of directors of
44 the corporation; and

45 (e) Is accompanied by the fee required pursuant to NRS 78.765.



1 4. This section does not permit the insertion of any matter not
2 in conformity with this chapter.

3 **Sec. 43.** NRS 78.385 is hereby amended to read as follows:

4 78.385 1. Any corporation ~~{having stock}~~ may amend its
5 articles of incorporation in any of the following respects:

6 (a) By addition to its corporate powers and purposes, or
7 diminution thereof, or both.

8 (b) By substitution of other powers and purposes, in whole or in
9 part, for those prescribed by its articles of incorporation.

10 (c) By increasing, decreasing or reclassifying its authorized
11 stock, by changing the number, par value, preferences, or relative,
12 participating, optional or other rights, or the qualifications,
13 limitations or restrictions of such rights, of its shares, or of any class
14 or series of any class thereof whether or not the shares are
15 outstanding at the time of the amendment, or by changing shares
16 with par value, whether or not the shares are outstanding at the time
17 of the amendment, into shares without par value or by changing
18 shares without par value, whether or not the shares are outstanding
19 at the time of the amendment, into shares with par value, either with
20 or without increasing or decreasing the number of shares, and upon
21 such basis as may be set forth in the certificate of amendment.

22 (d) By changing the name of the corporation.

23 (e) By making any other change or alteration in its articles of
24 incorporation that may be desired.

25 2. All such changes or alterations may be effected by one
26 certificate of amendment, ~~{}~~ but any articles of incorporation so
27 amended, changed or altered ~~{}~~ may contain only such provisions as
28 it would be lawful and proper to insert in original articles of
29 incorporation ~~{}~~ pursuant to NRS 78.035 and 78.037, if the original
30 articles were ~~{executed}~~ *signed* and filed at the time of making the
31 amendment.

32 **Sec. 44.** NRS 78.390 is hereby amended to read as follows:

33 78.390 1. Every amendment ~~{adopted pursuant}~~ to the
34 ~~{provisions of NRS 78.385}~~ *articles of incorporation* must be made
35 in the following manner:

36 (a) The board of directors must adopt a resolution setting forth
37 the amendment proposed ~~{and declaring its advisability.}~~ and either
38 call a special meeting of the stockholders entitled to vote on the
39 amendment or direct that the proposed amendment be considered at
40 the next annual meeting of the stockholders entitled to vote on the
41 amendment.

42 (b) At the meeting, of which notice must be given to each
43 stockholder entitled to vote pursuant to the provisions of this
44 section, a vote of the stockholders entitled to vote in person or by
45 proxy must be taken for and against the proposed amendment. If it



1 appears upon the canvassing of the votes that stockholders holding
2 shares in the corporation entitling them to exercise at least a
3 majority of the voting power, or such greater proportion of the
4 voting power as may be required in the case of a vote by classes or
5 series, as provided in subsections 2 and 4, or as may be required by
6 the provisions of the articles of incorporation, have voted in favor of
7 the amendment, an officer of the corporation shall sign a certificate
8 setting forth the amendment, or setting forth the articles of
9 incorporation as amended, and the vote by which the amendment
10 was adopted.

11 (c) The certificate so signed must be filed with the Secretary of
12 State.

13 2. ~~¶~~ *Except as otherwise provided in this subsection, if* any
14 proposed amendment would adversely alter or change any
15 preference or any relative or other right given to any class or series
16 of outstanding shares, then the amendment must be approved by the
17 vote, in addition to the affirmative vote otherwise required, of the
18 holders of shares representing a majority of the voting power of
19 each class or series adversely affected by the amendment regardless
20 of limitations or restrictions on the voting power thereof. *The*
21 *amendment does not have to be approved by the vote of the holders*
22 *of shares representing a majority of the voting power of each class*
23 *or series whose preference or rights are adversely affected by the*
24 *amendment if the articles of incorporation specifically deny the*
25 *right to vote on such an amendment.*

26 3. Provision may be made in the articles of incorporation
27 requiring, in the case of any specified amendments, a larger
28 proportion of the voting power of stockholders than that required by
29 this section.

30 4. Different series of the same class of shares do not constitute
31 different classes of shares for the purpose of voting by classes
32 except when the series is adversely affected by an amendment in a
33 different manner than other series of the same class.

34 5. The resolution of the stockholders approving the proposed
35 amendment may provide that at any time before the effective date of
36 the amendment, notwithstanding approval of the proposed
37 amendment by the stockholders, the board of directors may, by
38 resolution, abandon the proposed amendment without further action
39 by the stockholders.

40 6. A certificate filed pursuant to subsection 1 becomes
41 effective upon filing with the Secretary of State or upon a later date
42 specified in the certificate, which must not be later than 90 days
43 after the certificate is filed.

44 7. If a certificate filed pursuant to subsection 1 specifies an
45 effective date and if the resolution of the stockholders approving the



1 proposed amendment provides that the board of directors may
2 abandon the proposed amendment pursuant to subsection 5, the
3 board of directors may terminate the effectiveness of the certificate
4 by resolution and by filing a certificate of termination with the
5 Secretary of State that:

6 (a) Is filed before the effective date specified in the certificate
7 filed pursuant to subsection 1;

8 (b) Identifies the certificate being terminated;

9 (c) States that, pursuant to the resolution of the stockholders, the
10 board of directors is authorized to terminate the effectiveness of the
11 certificate;

12 (d) States that the effectiveness of the certificate has been
13 terminated;

14 (e) Is signed by an officer of the corporation; and

15 (f) Is accompanied by a filing fee of \$150.

16 **Sec. 45.** NRS 78.403 is hereby amended to read as follows:

17 78.403 1. A corporation may restate, or amend and restate, in
18 a single certificate the entire text of its articles of incorporation as
19 amended by filing with the Secretary of State a certificate signed by
20 an officer of the corporation which must set forth the articles as
21 amended to the date of the certificate. If the certificate alters or
22 amends the articles in any manner, it must comply with the
23 provisions of NRS 78.380, 78.385 and 78.390, as applicable, and
24 must be accompanied by:

25 (a) A resolution; or

26 (b) A form prescribed by the Secretary of State,
27 setting forth which provisions of the articles of incorporation on file
28 with the Secretary of State are being altered or amended.

29 2. If the certificate does not alter or amend the articles, it must
30 be signed by an officer of the corporation and state that he has been
31 authorized to ~~execute~~ sign the certificate by resolution of the board
32 of directors adopted on the date stated, and that the certificate
33 correctly sets forth the text of the articles of incorporation as
34 amended to the date of the certificate.

35 3. The following may be omitted from the restated articles:

36 (a) The names, addresses, signatures and acknowledgments of
37 the incorporators;

38 (b) The names and addresses of the members of the past and
39 present boards of directors; and

40 (c) The name and address of the resident agent.

41 4. Whenever a corporation is required to file a certified copy of
42 its articles, in lieu thereof it may file a certified copy of the most
43 recent certificate restating its articles as amended, subject to the
44 provisions of subsection 2, together with certified copies of all
45 certificates of amendment filed subsequent to the restated articles



1 and certified copies of all certificates supplementary to the original
2 articles.

3 **Sec. 46.** NRS 78.433 is hereby amended to read as follows:

4 78.433 NRS 78.411 to 78.444, inclusive, do not apply to any
5 combination of a resident domestic corporation:

6 1. Which does not, as of the date ~~[of acquiring shares.]~~ *that the*
7 *person first becomes an interested stockholder,* have a class of
8 voting shares registered with the Securities and Exchange
9 Commission under section 12 of the Securities Exchange Act,
10 unless the corporation's articles of incorporation provide otherwise.

11 2. Whose articles of incorporation have been amended to
12 provide that the resident domestic corporation is subject to NRS
13 78.411 to 78.444, inclusive, and which did not have a class of voting
14 shares registered with the Securities and Exchange Commission
15 under section 12 of the Securities Exchange Act on the effective
16 date of the amendment, if the combination is with *a person who*
17 *first became* an interested stockholder ~~[whose date of acquiring~~
18 ~~shares is]~~ before the effective date of the amendment.

19 **Sec. 47.** NRS 78.434 is hereby amended to read as follows:

20 78.434 NRS 78.411 to 78.444, inclusive, do not apply to any
21 combination of a resident domestic corporation:

22 1. Whose original articles of incorporation contain a provision
23 expressly electing not to be governed by NRS 78.411 to 78.444,
24 inclusive ~~[,]~~, *unless the articles of incorporation are subsequently*
25 *amended to provide that the corporation is subject to NRS 78.411*
26 *to 78.444, inclusive;*

27 2. *Whose articles of incorporation have been amended*
28 *pursuant to subsection 1 and the combination is with a person*
29 *who first became an interested stockholder before the effective*
30 *date of the amendment;*

31 3. Which, within 30 days after October 1, 1991, adopts an
32 amendment to its bylaws expressly electing not to be governed by
33 NRS 78.411 to 78.444, inclusive, which may be rescinded by
34 subsequent amendment of the bylaws; ~~for~~

35 ~~—3.]~~ 4. Which adopts an amendment to its articles of
36 incorporation, approved by the affirmative vote of the holders, other
37 than interested stockholders and their affiliates and associates, of a
38 majority of the outstanding voting power of the resident domestic
39 corporation, excluding the voting shares of interested stockholders
40 and their affiliates and associates, expressly electing not to be
41 governed by NRS 78.411 to 78.444, inclusive, but the amendment to
42 the articles of incorporation is not effective until 18 months after the
43 vote of the resident domestic corporation's stockholders and does
44 not apply to any combination of the resident domestic corporation
45 with *a person who first became* an interested stockholder ~~[whose~~



1 ~~date of acquiring shares is~~ on or before the effective date of the
2 amendment ~~[]~~; or

3 *5. Whose articles of incorporation were amended to contain a*
4 *provision expressly electing not to be governed by NRS 78.411 to*
5 *78.444, inclusive, before the date the corporation first became a*
6 *resident domestic corporation.*

7 **Sec. 48.** NRS 78.437 is hereby amended to read as follows:
8 78.437 NRS 78.411 to 78.444, inclusive, do not apply to any
9 combination with an interested stockholder who ~~[was]~~ :

- 10 *1. Was an interested stockholder on January 1, 1991 [] ; or*
11 *2. Who first became an interested stockholder on the date*
12 *that the resident domestic corporation first became a resident*
13 *domestic corporation solely as a result of the corporation*
14 *becoming a resident domestic corporation.*

15 **Sec. 49.** NRS 78.438 is hereby amended to read as follows:
16 78.438 1. Except as otherwise provided in NRS 78.433 to
17 78.437, inclusive, a resident domestic corporation may not engage
18 in any combination with any interested stockholder of the resident
19 domestic corporation for 3 years after the *date that the person first*
20 *became an* interested ~~[stockholder's date of acquiring shares]~~
21 *stockholder* unless the combination or the ~~[purchase of shares made~~
22 ~~by the]~~ *transaction by which the person first became an* interested
23 stockholder ~~[on the interested stockholder's date of acquiring~~
24 ~~shares]~~ is approved by the board of directors of the resident
25 domestic corporation before ~~[that date.]~~ *the date that the person*
26 *first became an interested stockholder.*

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

33 3. If a proposal in good faith to purchase shares is made in
34 writing to the board of directors of the resident domestic
35 corporation, the board of directors, unless it responds affirmatively
36 in writing within 30 days or such shorter period, if any, as may be
37 required by the Securities Exchange Act, is considered to have
38 disapproved the purchase.

39 **Sec. 50.** NRS 78.439 is hereby amended to read as follows:
40 78.439 A resident domestic corporation may not engage in any
41 combination with an interested stockholder of the resident domestic
42 corporation after the expiration of 3 years after ~~[his date of acquiring~~
43 ~~shares]~~ *the date that the person first became an interested*
44 *stockholder* other than a combination meeting all of the
45 requirements of the articles of incorporation of the resident domestic



1 corporation and either the requirements specified in subsection 1 or
2 2 or all of the requirements specified in NRS 78.441 to 78.444,
3 inclusive:

4 1. A combination approved by the board of directors of the
5 resident domestic corporation before the *date that the person first*
6 *became an* interested ~~[stockholder's date of acquiring shares, or as~~
7 ~~to which the purchase of shares made by the interested stockholder~~
8 ~~on that date had been approved by the board of directors of the~~
9 ~~resident domestic corporation before that date.]~~ *stockholder.*

10 2. A combination approved by the affirmative vote of the
11 holders of stock representing a majority of the outstanding voting
12 power not beneficially owned by the interested stockholder
13 proposing the combination, or any affiliate or associate of the
14 interested stockholder proposing the combination, at a meeting
15 called for that purpose no earlier than 3 years after the *date that the*
16 *person first became an* interested ~~[stockholder's date of acquiring~~
17 ~~shares.]~~ *stockholder.*

18 **Sec. 51.** NRS 78.441 is hereby amended to read as follows:

19 78.441 A combination engaged in with an interested
20 stockholder of the resident domestic corporation more than 3 years
21 after the *date that the person first became an* interested
22 ~~[stockholder's date of acquiring shares]~~ *stockholder* may be
23 permissible if the aggregate amount of the cash and the market
24 value, as of the date of consummation, of consideration other than
25 cash to be received per share by all of the holders of outstanding
26 common shares of the resident domestic corporation not beneficially
27 owned by the interested stockholder immediately before that date is
28 at least equal to the higher of the following:

29 1. The highest price per share paid by the interested
30 stockholder, at a time when he was the beneficial owner, directly or
31 indirectly, of 5 percent or more of the outstanding voting shares of
32 the ~~[resident domestic]~~ corporation, for any common shares of the
33 same class or series acquired by him within 3 years immediately
34 before the date of announcement with respect to the combination or
35 within 3 years immediately before, or in, the transaction in which he
36 became an interested stockholder, whichever is higher, plus, in
37 either case, interest compounded annually from the earliest date on
38 which the highest price per share was paid through the date of
39 consummation at the rate for one-year obligations of the United
40 States Treasury from time to time in effect, less the aggregate
41 amount of any dividends paid in cash and the market value of any
42 dividends paid other than in cash, per common share since the
43 earliest date, but no more may be subtracted than the amount of the
44 interest.



1 2. The market value per common share on the date of
2 announcement with respect to the combination or on the *date that*
3 *the person first became an* interested ~~{stockholder's date of~~
4 ~~acquiring shares,}~~ *stockholder*, whichever is higher, plus interest
5 compounded annually from that date through the date of
6 consummation at the rate for one-year obligations of the United
7 States Treasury from time to time in effect, less the aggregate
8 amount of any dividends paid in cash and the market value of any
9 dividends paid other than in cash, per common share since that date,
10 but no more may be subtracted than the amount of the interest.

11 **Sec. 52.** NRS 78.442 is hereby amended to read as follows:

12 78.442 A combination engaged in with an interested
13 stockholder of the resident domestic corporation more than 3 years
14 after the *date that the person first became an* interested
15 ~~{stockholder's date of acquiring shares}~~ *stockholder* may be
16 permissible if the aggregate amount of the cash and the market
17 value, as of the date of consummation, of consideration other than
18 cash to be received per share by all of the holders of outstanding
19 shares of any class or series of shares, other than common shares, of
20 the resident domestic corporation not beneficially owned by the
21 interested stockholder immediately before that date is at least equal
22 to the highest of the following, whether or not the interested
23 stockholder has previously acquired any shares of the class or series
24 of shares:

25 1. The highest price per share paid by the interested
26 stockholder, at a time when he was the beneficial owner, directly or
27 indirectly, of 5 percent or more of the outstanding voting shares of
28 the ~~{resident domestic}~~ corporation, for any shares of that class or
29 series of shares acquired by him within 3 years immediately before
30 the date of announcement with respect to the combination or within
31 3 years immediately before, or in, the transaction in which he
32 became an interested stockholder, whichever is higher, plus, in
33 either case, interest compounded annually from the earliest date on
34 which the highest price per share was paid through the date of
35 consummation at the rate for one-year obligations of the United
36 States Treasury from time to time in effect, less the aggregate
37 amount of any dividends paid in cash and the market value of any
38 dividends paid other than in cash, per share of the class or series of
39 shares since the earliest date, but no more may be subtracted than
40 the amount of the interest.

41 2. The highest preferential amount per share to which the
42 holders of shares of the class or series of shares are entitled in
43 the event of any voluntary liquidation, dissolution or winding up of
44 the resident domestic corporation, plus the aggregate amount of any
45 dividends declared or due to which the holders are entitled before



1 payment of the dividends on some other class or series of shares,
2 unless the aggregate amount of the dividends is included in the
3 preferential amount.

4 3. The market value per share of the class or series of shares on
5 the date of announcement with respect to the combination or on the
6 *date that the person first became an* interested ~~{stockholder's date~~
7 ~~of acquiring shares.}~~ *stockholder*, whichever is higher, plus interest
8 compounded annually from that date through the date of
9 consummation at the rate for one-year obligations of the United
10 States Treasury from time to time in effect, less the aggregate
11 amount of any dividends paid in cash and the market value of any
12 dividends paid other than in cash, per share of the class or series of
13 shares since that date, but no more may be subtracted than the
14 amount of the interest.

15 **Sec. 53.** NRS 78.444 is hereby amended to read as follows:

16 78.444 A combination may be permissible if after the *date that*
17 *the person first became an* interested ~~{stockholder's date of~~
18 ~~acquiring shares}~~ *stockholder* and before the date of consummation
19 with respect to the combination, the interested stockholder has not
20 become the beneficial owner of any additional voting shares of the
21 resident domestic corporation except:

22 1. As part of the transaction that resulted in his becoming an
23 interested stockholder;

24 2. By virtue of proportionate splitting of shares, dividends
25 distributed in shares, or other distributions of shares in respect of
26 shares not constituting a combination;

27 3. Through a combination meeting all of the conditions of NRS
28 78.439; or

29 4. Through a purchase at any price that, if the price had been
30 paid in an otherwise permissible combination whose date of
31 announcement and date of consummation were the date of the
32 purchase, would have satisfied the requirements of NRS 78.441,
33 78.442 and 78.443.

34 **Sec. 54.** NRS 78.580 is hereby amended to read as follows:

35 78.580 1. If the board of directors of any corporation
36 organized under this chapter, after the issuance of stock or the
37 beginning of business, decides that the corporation should be
38 dissolved, the board may adopt a resolution to that effect. If the
39 corporation has issued no stock, only the directors need to approve
40 the dissolution. If the corporation has issued stock, the directors
41 must recommend the dissolution to the stockholders. The
42 corporation shall notify each stockholder entitled to vote on the
43 dissolution, and the stockholders entitled to vote must approve the
44 dissolution.



1 2. If the dissolution is approved by the directors or both the
2 directors and stockholders, as respectively provided in subsection 1,
3 the corporation shall file *in the Office of the Secretary of State* a
4 certificate setting forth that the dissolution has been approved by the
5 directors, or by the directors and the stockholders, and a list of the
6 names and ~~[post office box]~~ *mailing* or street addresses, either
7 residence or business, of the corporation's president, secretary and
8 treasurer and all of its directors, certified by ~~[the president, or a vice~~
9 ~~president, and the secretary, or an assistant secretary, in the Office~~
10 ~~of the Secretary of State.]~~ *an officer of the corporation.*

11 3. *The dissolution takes effect upon the filing of the*
12 *certificate of dissolution or upon a later date specified in the*
13 *certificate, which must be not more than 90 days after the date on*
14 *which the certificate is filed.*

15 **Sec. 55.** NRS 78.725 is hereby amended to read as follows:

16 78.725 1. Any corporation organized and existing under the
17 laws of this state on April 1, 1925, may reincorporate under this
18 chapter, either under the same or a different name, by:

19 (a) Filing with the Secretary of State a certificate ~~[executed]~~
20 *signed* by its president and attested by its secretary and duly
21 authorized by a meeting of the stockholders called for that purpose,
22 setting forth the statements required in an original certificate of
23 incorporation by NRS 78.035; and

24 (b) Surrendering the existing charter or certificate of
25 incorporation of the corporation, and accepting the provisions of this
26 chapter.

27 2. Upon the filing of the certificate, the corporation shall be
28 deemed to be incorporated under this chapter and ~~[shall be]~~ *is*
29 entitled to and ~~[be possessed of]~~ *possesses* all the privileges,
30 franchises and powers as if originally incorporated under this
31 chapter. All the properties, rights and privileges theretofore
32 belonging to the corporation, which were acquired by gift, grant,
33 conveyance, assignment or otherwise, ~~[shall be and the same]~~ are
34 hereby ratified, approved and confirmed and assured to the
35 corporation with like effect and to all intents and purposes as if the
36 same had been originally acquired through incorporation under this
37 chapter.

38 3. Any corporation reincorporating under this chapter ~~[shall be]~~
39 *is* subject to all the contracts, duties and obligations theretofore
40 resting upon the corporation whose charter or certificate of
41 incorporation is thus surrendered or to which the corporation ~~[shall~~
42 ~~then be]~~ *is then* in any way liable.

43 **Sec. 56.** NRS 78.730 is hereby amended to read as follows:

44 78.730 1. Any corporation which did exist or is existing
45 under the laws of this state may, upon complying with the



1 provisions of NRS 78.180, procure a renewal or revival of its charter
2 for any period, together with all the rights, franchises, privileges and
3 immunities, and subject to all its existing and preexisting debts,
4 duties and liabilities secured or imposed by its original charter and
5 amendments thereto, or existing charter, by filing:

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

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

11 (2) The name of the person designated as the resident agent
12 of the corporation, his street address for the service of process, and
13 his mailing address if different from his street address.

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

17 (4) Whether or not the renewal or revival is to be perpetual,
18 and, if not perpetual, the time for which the renewal or revival is to
19 continue.

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

25 (b) A list of its president, secretary and treasurer and all of its
26 directors and their ~~[post-office box]~~ *mailing* or street addresses,
27 either residence or business.

28 2. A corporation whose charter has not expired and is being
29 renewed shall cause the certificate to be signed by ~~[its president or
30 vice-president and secretary or assistant secretary.]~~ *an officer of the
31 corporation.* The certificate must be approved by a majority of the
32 voting power of the shares.

33 3. A corporation seeking to revive its original or amended
34 charter shall cause the certificate to be signed by a person or persons
35 designated or appointed by the stockholders of the corporation. The
36 ~~[execution]~~ *signing* and filing of the certificate must be approved by
37 the written consent of stockholders of the corporation holding at
38 least a majority of the voting power and must contain a recital that
39 this consent was secured. If no stock has been issued, the certificate
40 must contain a statement of that fact, and a majority of the directors
41 then in office may designate the person to sign the certificate. The
42 corporation shall pay to the Secretary of State the fee required to
43 establish a new corporation pursuant to the provisions of this
44 chapter.



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

6 **Sec. 57.** NRS 78.750 is hereby amended to read as follows:

7 78.750 1. In any action commenced against any corporation
8 in any court of this state, service of process may be made in the
9 manner provided by law and rule of court for the service of civil
10 process.

11 2. Service of process on a corporation whose charter has been
12 revoked or which has been continued as a body corporate pursuant
13 to NRS 78.585 may be made by mailing copies of the process and
14 any associated ~~{documents}~~ records by certified mail, with return
15 receipt requested, to:

16 (a) The resident agent of the corporation, if there is one; and

17 (b) Each officer and director of the corporation as named in the
18 list last filed with the Secretary of State before the dissolution or
19 expiration of the corporation or the forfeiture of its charter.

20 The manner of serving process described in this subsection does not
21 affect the validity of any other service authorized by law.

22 **Sec. 58.** NRS 78.755 is hereby amended to read as follows:

23 78.755 1. The Secretary of State, for services relating to his
24 official duties and the records of his office, shall charge and collect
25 the fees designated in NRS 78.760 to 78.785, inclusive.

26 2. The Secretary of State may accept the filing of ~~{documents}~~
27 records by facsimile machine and employ new technology, as it is
28 developed, to aid in the performance of all duties required by law.
29 The Secretary of State may establish rules, fee schedules and
30 regulations not inconsistent with law, for filing ~~{documents}~~ records
31 by facsimile machine and for the adoption, employment and use of
32 new technology in the performance of his duties.

33 **Sec. 59.** NRS 78.785 is hereby amended to read as follows:

34 78.785 1. The fee for filing a certificate of change of location
35 of a corporation's registered office and resident agent, or a new
36 designation of resident agent, is \$30.

37 2. The fee for certifying articles of incorporation where a copy
38 is provided is \$20.

39 3. The fee for certifying a copy of an amendment to articles of
40 incorporation, or to a copy of the articles as amended, where a copy
41 is furnished, is \$20.

42 4. The fee for certifying an authorized printed copy of the
43 general corporation law as compiled by the Secretary of State is
44 \$20.

45 5. The fee for reserving a corporate name is \$20.



1 6. The fee for ~~executing~~ *signing* a certificate of corporate
2 existence which does not list the previous ~~documents~~ *records*
3 relating to the corporation, or a certificate of change in a corporate
4 name, is \$40.

5 7. The fee for ~~executing~~ *signing* a certificate of corporate
6 existence which lists the previous ~~documents~~ *records* relating to
7 the corporation is \$40.

8 8. The fee for ~~executing,~~ *signing*, certifying or filing any
9 certificate or ~~document~~ *record* not provided for in NRS 78.760 to
10 78.785, inclusive, is \$40.

11 9. The fee for copies made at the Office of the Secretary of
12 State is \$1 per page.

13 10. The fees for filing articles of incorporation, articles of
14 merger, or certificates of amendment increasing the basic surplus of
15 a mutual or reciprocal insurer must be computed pursuant to NRS
16 78.760, 78.765 and 92A.210, on the basis of the amount of basic
17 surplus of the insurer.

18 11. The fee for examining and provisionally approving any
19 ~~document~~ *record* at any time before the ~~document~~ *record* is
20 presented for filing is \$100.

21 **Sec. 60.** Chapter 78A of NRS is hereby amended by adding
22 thereto the provisions set forth as sections 61 to 64, inclusive, of this
23 act.

24 **Sec. 61.** *As used in this chapter, unless the context otherwise*
25 *requires, the words and terms defined in sections 62, 63 and 64 of*
26 *this act have the meanings ascribed to them in those sections.*

27 **Sec. 62.** *“Record” means information that is inscribed on a*
28 *tangible medium or that is stored in an electronic or other medium*
29 *and is retrievable in perceivable form.*

30 **Sec. 63.** *“Sign” means to affix a signature to a record.*

31 **Sec. 64.** *“Signature” means a name, word, symbol or mark*
32 *executed or otherwise adopted, or a record encrypted or similarly*
33 *processed in whole or in part, by a person with the present intent*
34 *to identify himself and adopt or accept a record. The term*
35 *includes, without limitation, an electronic signature as defined in*
36 *NRS 719.100.*

37 **Sec. 65.** NRS 78A.015 is hereby amended to read as follows:

38 78A.015 No ~~document~~ *record* which is written in a language
39 other than English may be filed or submitted for filing in the Office
40 of the Secretary of State pursuant to the provisions of this chapter
41 unless it is accompanied by a verified translation of that ~~document~~
42 *record* into the English language.

43 **Sec. 66.** NRS 78A.030 is hereby amended to read as follows:

44 78A.030 1. Any corporation organized under chapter 78 of
45 NRS may become a close corporation pursuant to this chapter by



1 ~~executing,~~ *signing*, filing and recording, in accordance with NRS
2 78.390, a certificate of amendment of the certificate of incorporation
3 which must:

4 (a) Contain a statement that the corporation elects to become a
5 close corporation; and

6 (b) Meet the requirements of paragraph (a) of subsection 2 of
7 NRS 78A.020.

8 2. Except as otherwise provided in subsection 3, the
9 amendment must be adopted in accordance with the requirements of
10 NRS 78.380 or 78.390.

11 3. If an amendment is adopted in accordance with the
12 requirements of NRS 78.390, it must be approved by a vote of the
13 holders of record of at least two-thirds of the shares of each class of
14 stock of the corporation that are outstanding and entitled to vote,
15 unless the articles of incorporation or bylaws require approval by a
16 greater proportion.

17 **Sec. 67.** NRS 78A.040 is hereby amended to read as follows:

18 78A.040 1. The following statement must appear
19 conspicuously on each share certificate issued by a close
20 corporation:

21
22 The rights of stockholders in a close corporation may differ
23 materially from the rights of shareholders in other
24 corporations. Copies of the certificate of incorporation,
25 bylaws, shareholders' agreements and other ~~documents,~~
26 *records*, any of which may restrict transfers of stock and
27 affect voting and other rights, may be obtained by a
28 shareholder on written request to the corporation.

29
30 2. A person claiming an interest in the shares of a close
31 corporation that has complied with the requirement of subsection 1
32 is bound by the ~~documents~~ *records* referred to in the notice. A
33 person claiming an interest in the shares of a close corporation that
34 has not complied with the requirement of subsection 1 is bound by
35 any ~~document~~ *record* that he or a person through whom he claims
36 has knowledge or notice.

37 3. A close corporation shall provide to any shareholder upon
38 his written request and without charge, copies of the provisions that
39 restrict transfer or affect voting or other rights of shareholders
40 appearing in the articles of incorporation, bylaws, shareholders'
41 agreements or voting trust agreements filed with the corporations.

42 4. Except as otherwise provided in subsection 5, the close
43 corporation may refuse to register the transfer of stock into the name
44 of a person to whom the stock of a close corporation has been
45 transferred if the person has, or is presumed to have, notice that the



1 transfer of the stock is in violation of a restriction on the transfer of
2 stock. If the close corporation refuses to register the transfer of stock
3 into the name of the transferee, the close corporation must notify the
4 transferee of its refusal and state the reasons therefor.

5 5. Subsection 4 does not apply if:

6 (a) The transfer of stock, even if contrary to the restrictions on
7 transfer of stock, has been consented to by all the stockholders of
8 the close corporation; or

9 (b) The close corporation has amended its certificate of
10 incorporation in accordance with NRS 78A.180.

11 6. The provisions of this section do not impair any rights of a
12 transferee to:

13 (a) Rescind the transaction by which he acquired the stock; or

14 (b) Recover under any applicable warranty.

15 7. As used in this section, "transfer" is not limited to a transfer
16 for value.

17 **Sec. 68.** NRS 78A.090 is hereby amended to read as follows:

18 78A.090 1. A close corporation may operate without a board
19 of directors if the certificate of incorporation contains a statement to
20 that effect.

21 2. An amendment to the certificate of incorporation eliminating
22 a board of directors must be approved:

23 (a) By all the shareholders of the corporation, whether or not
24 otherwise entitled to vote on amendments; or

25 (b) If no shares have been issued, by all subscribers for shares, if
26 any, or if none, by the incorporators.

27 3. While a corporation is operating without a board of directors
28 as authorized by subsection 1:

29 (a) All corporate powers must be exercised by or under the
30 authority of, and the business and affairs of the corporation managed
31 under the direction of, the shareholders.

32 (b) Unless the articles of incorporation provide otherwise:

33 (1) Action requiring the approval of the board of directors or
34 of both the board of directors and the shareholders is authorized if
35 approved by the shareholders; and

36 (2) Action requiring a majority or greater percentage vote of
37 the board of directors is authorized if approved by the majority or
38 greater percentage of votes of the shareholders entitled to vote on
39 the action.

40 (c) A requirement by a state or the United States that a
41 ~~document~~ *record* delivered for filing contain a statement that
42 specified action has been taken by the board of directors is satisfied
43 by a statement that the corporation is a close corporation without a
44 board of directors and that the action was approved by the
45 shareholders.



1 (d) The shareholders by resolution may appoint one or more
2 shareholders to sign ~~[documents]~~ *records* as designated directors.
3
4 4. An amendment to the articles of incorporation that deletes
5 the provision which eliminates a board of directors must be
6 approved by the holders of at least two-thirds of the votes of each
7 class or series of shares of the corporation, voting as separate voting
8 groups, whether or not otherwise entitled to vote on amendments.
9 The amendment must specify the number, names and mailing
10 addresses of the directors of the corporation or describe who will
11 perform the duties of the board of directors.

12 ~~[5.—As used in this section, “sign” means to execute or adopt a
13 name, word or mark, including, without limitation, an electronic
14 signature as defined in NRS 719.100, with the present intention to
15 authenticate a document.]~~

16 **Sec. 69.** NRS 78A.110 is hereby amended to read as follows:
17 78A.110 Notwithstanding any law to the contrary, a person
18 who holds more than one office in a close corporation may
19 ~~[execute.]~~ *sign*, acknowledge or verify in more than one capacity
20 any ~~[document]~~ *record* required to be ~~[executed.]~~ *signed*,
21 acknowledged or verified by the holders of two or more offices.

22 **Sec. 70.** NRS 78A.190 is hereby amended to read as follows:
23 78A.190 1. The status of a corporation as a close corporation
24 terminates if one or more of the provisions or conditions of this
25 chapter cease to exist or be fulfilled unless:

26 (a) Within 30 days after the occurrence of the event, or within
27 30 days after the event has been discovered by the corporation,
28 whichever is later, the corporation files with the Secretary of State
29 ~~[an executed]~~ *a signed* certificate stating that a specified provision
30 or condition included in the certificate of incorporation to qualify
31 the corporation as a close corporation has ceased to be applicable
32 and furnishes a copy of the certificate to each stockholder; and

33 (b) The corporation, concurrently with the filing of a certificate,
34 takes such steps as are necessary to correct the situation that
35 threatens the status as a close corporation, including the refusal to
36 register the transfer of stock which has been wrongfully transferred
37 as provided by NRS 78A.050 or commencing a proceeding under
38 subsection 2.

39 2. Upon the suit of the close corporation or any stockholder,
40 the court has jurisdiction to:

41 (a) Issue all orders necessary to prevent the corporation from
42 losing its status as a close corporation.

43 (b) Restore the status of the corporation as a close corporation
44 by enjoining or setting aside any act or threatened act on the part of
45 the corporation or a stockholder that would be inconsistent with any
of the provisions or conditions required or permitted by this chapter



1 to be stated in the certificate of incorporation of a close corporation,
2 unless it is an act approved in accordance with NRS 78A.050.

3 (c) Enjoin or set aside any transfer or threatened transfer of
4 stock of a close corporation that is contrary to the terms of the
5 certificate of incorporation or of any permitted restriction on
6 transfer.

7 (d) Enjoin any public offering or threatened public offering of
8 stock of the close corporation.

9 **Sec. 71.** Chapter 80 of NRS is hereby amended by adding
10 thereto the provisions set forth as sections 72 and 73 of this act.

11 **Sec. 72.** *“Record” means information that is inscribed on a*
12 *tangible medium or that is stored in an electronic or other medium*
13 *and is retrievable in perceivable form.*

14 **Sec. 73.** *“Sign” means to affix a signature to a record.*

15 **Sec. 74.** NRS 80.001 is hereby amended to read as follows:

16 80.001 As used in this chapter, unless the context otherwise
17 requires, the words and terms defined in NRS 80.003 and 80.004
18 *and sections 72 and 73 of this act* have the meanings ascribed to
19 them in those sections.

20 **Sec. 75.** NRS 80.003 is hereby amended to read as follows:

21 80.003 ~~“Signed” means to have executed or adopted~~
22 *“Signature” means a name, word, symbol or mark, including,*
23 *executed or otherwise adopted, or a record encrypted or similarly*
24 *processed in whole or in part, by a person with the present intent*
25 *to identify himself and adopt or accept a record. The term*
26 *includes, without limitation, an electronic signature as defined in*
27 *NRS 719.100 .* ~~[- with the present intention to authenticate a~~
28 ~~document.]~~

29 **Sec. 76.** NRS 80.005 is hereby amended to read as follows:

30 80.005 The Secretary of State may microfilm any ~~document~~
31 *record* which is filed in his office by a foreign corporation pursuant
32 to this chapter and may return the original ~~document~~ *record* to the
33 corporation.

34 **Sec. 77.** NRS 80.006 is hereby amended to read as follows:

35 80.006 Before the issuance of stock, an incorporator or, after
36 the issuance of stock, an officer of a foreign corporation may
37 authorize the Secretary of State in writing to replace any page of a
38 ~~document~~ *record* submitted for filing ~~[-]~~ on an expedited basis,
39 before the actual filing, and to accept the page as if it were part of
40 the ~~originally signed filing.~~ *original record.*

41 **Sec. 78.** NRS 80.007 is hereby amended to read as follows:

42 80.007 1. A foreign corporation may correct a ~~document~~
43 ~~filed by~~ *record filed in the Office of* the Secretary of State if the
44 ~~document~~ *record* contains an incorrect statement or was
45 defectively ~~executed.~~ *signed*, attested, sealed or verified.



- 1 2. To correct a ~~{document,}~~ *record*, the corporation shall:
- 2 (a) Prepare a certificate of correction which:
- 3 (1) States the name of the corporation;
- 4 (2) Describes the ~~{document,}~~ *record*, including, without
- 5 limitation, its filing date;
- 6 (3) Specifies the incorrect statement and the reason it is
- 7 incorrect or the manner in which the ~~{execution}~~ *signing* was
- 8 defective;
- 9 (4) Corrects the incorrect statement or defective ~~{execution;}~~
- 10 *signature;* and
- 11 (5) Is signed by an officer of the corporation; and
- 12 (b) Deliver the certificate to the Secretary of State for filing.
- 13 3. A certificate of correction is effective on the effective date
- 14 of the ~~{document}~~ *record* it corrects except as to persons relying on
- 15 the uncorrected ~~{document}~~ *record* and adversely affected by the
- 16 correction. As to those persons, the certificate is effective when
- 17 filed.
- 18 **Sec. 79.** NRS 80.010 is hereby amended to read as follows:
- 19 80.010 1. Before commencing or doing any business in this
- 20 state, each corporation organized pursuant to the laws of another
- 21 state, territory, the District of Columbia, a possession of the United
- 22 States or a foreign country ~~{;}~~ that enters this state to do business
- 23 must:
- 24 (a) File in the Office of the Secretary of State of this state:
- 25 (1) A certificate of corporate existence issued not more than
- 26 90 days before the date of filing by an authorized officer of the
- 27 jurisdiction of its incorporation setting forth the filing of
- 28 ~~{documents}~~ *records* and instruments related to the articles of
- 29 incorporation, or the governmental acts or other instrument or
- 30 authority by which the corporation was created. If the certificate is
- 31 in a language other than English, a translation, together with the
- 32 oath of the translator and his attestation of its accuracy, must be
- 33 attached to the certificate.
- 34 (2) A certificate of acceptance of appointment ~~{executed}~~
- 35 *signed* by its resident agent, who must be a resident or located in
- 36 this state. The certificate must set forth the name of the resident
- 37 agent, his street address for the service of process, and his mailing
- 38 address if different from his street address. The street address of the
- 39 resident agent is the registered office of the corporation in this state.
- 40 (3) A statement ~~{executed}~~ *signed* by an officer of the
- 41 corporation setting forth:
- 42 (I) A general description of the purposes of the
- 43 corporation; and



1 (II) The authorized stock of the corporation and the
2 number and par value of shares having par value and the number of
3 shares having no par value.

4 (b) Lodge in the Office of the Secretary of State a copy of the
5 ~~{document}~~ *record* most recently filed by the corporation in the
6 jurisdiction of its incorporation setting forth the authorized stock of
7 the corporation, the number of par-value shares and their par value,
8 and the number of no-par-value shares.

9 2. The Secretary of State shall not file the ~~{documents}~~ *records*
10 required by subsection 1 for any foreign corporation whose name is
11 not distinguishable on the records of the Secretary of State from the
12 names of all other artificial persons formed, organized, registered or
13 qualified pursuant to the provisions of this title that are on file in the
14 Office of the Secretary of State and all names that are reserved in
15 the Office of the Secretary of State pursuant to the provisions of this
16 title, unless the ~~{written,}~~ *signed*, acknowledged consent of the
17 holder of the name on file or reserved name to use the same name or
18 the requested similar name accompanies the articles of
19 incorporation.

20 3. The Secretary of State shall not accept for filing the
21 ~~{documents}~~ *records* required by subsection 1 or NRS 80.110 for
22 any foreign corporation if the name of the corporation contains the
23 words "engineer," "engineered," "engineering," "professional
24 engineer," "registered engineer" or "licensed engineer" unless the
25 State Board of Professional Engineers and Land Surveyors certifies
26 that:

27 (a) The principals of the corporation are licensed to practice
28 engineering pursuant to the laws of this state; or

29 (b) The corporation is exempt from the prohibitions of
30 NRS 625.520.

31 4. The Secretary of State shall not accept for filing the
32 ~~{documents}~~ *records* required by subsection 1 or NRS 80.110 for
33 any foreign corporation if it appears from the ~~{documents}~~ *records*
34 that the business to be carried on by the corporation is subject to
35 supervision by the Commissioner of Financial Institutions, unless
36 the Commissioner certifies that:

37 (a) The corporation has obtained the authority required to do
38 business in this state; or

39 (b) The corporation is not subject to or is exempt from the
40 requirements for obtaining such authority.

41 5. The Secretary of State shall not accept for filing the
42 ~~{documents}~~ *records* required by subsection 1 or NRS 80.110 for
43 any foreign corporation if the name of the corporation contains the
44 words "accountant," "accounting," "accountancy," "auditor" or



1 “auditing” unless the Nevada State Board of Accountancy certifies
2 that the foreign corporation:

3 (a) Is registered pursuant to the provisions of chapter 628 of
4 NRS; or

5 (b) Has filed with the State Board of Accountancy under penalty
6 of perjury a written statement that the foreign corporation is not
7 engaged in the practice of accounting and is not offering to practice
8 accounting in this state.

9 6. The Secretary of State may adopt regulations that interpret
10 the requirements of this section.

11 **Sec. 80.** NRS 80.012 is hereby amended to read as follows:

12 80.012 1. The Secretary of State, when requested so to do,
13 shall reserve, for a period of 90 days, the right to use any name
14 available pursuant to NRS 80.010, for the use of any foreign
15 corporation. During the period, a name so reserved is not available
16 for use or reservation by any other artificial person forming,
17 organizing, registering or qualifying in the Office of the Secretary of
18 State pursuant to the provisions of this title without the ~~written,~~
19 ~~acknowledged~~ *signed*, consent of the person at whose request the
20 reservation was made.

21 2. The use by any other artificial person of a name in violation
22 of subsection 1 or NRS 80.010 may be enjoined, even if the
23 ~~document~~ *record* under which the artificial person is formed,
24 organized, registered or qualified has been filed by the Secretary of
25 State.

26 **Sec. 81.** NRS 80.025 is hereby amended to read as follows:

27 80.025 1. If a foreign corporation cannot qualify to do
28 business in this state because its name does not meet the
29 requirements of subsection 2 or 3 of NRS 80.010, it may apply for a
30 certificate to do business by having its board of directors adopt a
31 resolution setting forth the name under which the corporation elects
32 to do business in this state. The resolution may:

33 (a) Add to the existing corporate name a word, abbreviation or
34 other distinctive element; or

35 (b) Adopt a name different from its existing corporate name that
36 is available for use in this state.

37 2. In addition to the ~~documents~~ *records* required by
38 subsection 1 of NRS 80.010, the corporation shall file a resolution
39 certifying the adoption of the modified name.

40 3. If the Secretary of State determines that the modified
41 corporate name complies with the provisions of subsection 2 or 3 of
42 NRS 80.010, he shall issue the certificate in the foreign
43 corporation’s modified name if the foreign corporation otherwise
44 qualifies to do business in this state.



1 4. A foreign corporation doing business in this state under a
2 modified corporate name approved by the Secretary of State shall
3 use the modified name in its dealings and communications with the
4 Secretary of State.

5 **Sec. 82.** NRS 80.030 is hereby amended to read as follows:

6 80.030 1. Each foreign corporation admitted to do business in
7 this state shall, within 90 days after the filing of any ~~{document}~~
8 *record* amendatory or otherwise relating to the original articles in
9 the place of its creation, file in the Office of the Secretary of State:

10 (a) A copy of the ~~{document}~~ *record* certified by an authorized
11 officer of the place of its creation, or a certificate evidencing the
12 filing, issued by the authorized officer of the place of its creation
13 with whom the ~~{document}~~ *record* was filed; and

14 (b) A statement of an officer of the corporation of the change
15 reflected by the filing of the ~~{document,}~~ *record*, showing its
16 relation to the name, authorized capital stock, or general purposes.

17 2. When a foreign corporation authorized to do business in this
18 state becomes a constituent of a merger permitted by the laws of the
19 state or country in which it is incorporated, it shall, within 90 days
20 after the merger becomes effective, file a copy of the agreement of
21 merger filed in the place of its creation, certified by an authorized
22 officer of the place of its creation, or a certificate, issued by the
23 proper officer of the place of its creation, attesting to the occurrence
24 of the event, in the Office of the Secretary of State.

25 3. The Secretary of State may revoke the right of a foreign
26 corporation to transact business in this state if it fails to file the
27 ~~{documents}~~ *records* required by this section or pay the fees incident
28 to that filing.

29 **Sec. 83.** NRS 80.050 is hereby amended to read as follows:

30 80.050 1. Except as otherwise provided in subsection 3,
31 foreign corporations shall pay the same fees to the Secretary of State
32 as are required to be paid by corporations organized pursuant to the
33 laws of this state, but the amount of fees to be charged must not
34 exceed:

35 (a) The sum of \$25,000 for filing ~~{documents}~~ *records* for initial
36 qualification; or

37 (b) The sum of \$25,000 for each subsequent filing of a
38 certificate increasing authorized capital stock.

39 2. If the corporate ~~{documents}~~ *records* required to be filed set
40 forth only the total number of shares of stock the corporation is
41 authorized to issue without reference to value, the authorized shares
42 shall be deemed to be without par value and the filing fee must be
43 computed pursuant to paragraph (b) of subsection 3 of NRS 78.760.

44 3. Foreign corporations which are nonprofit corporations and
45 do not have or issue shares of stock shall pay the same fees to the



1 Secretary of State as are required to be paid by nonprofit
2 corporations organized pursuant to the laws of this state.

3 4. The fee for filing a notice of withdrawal from the State of
4 Nevada by a foreign corporation is \$60.

5 **Sec. 84.** NRS 80.070 is hereby amended to read as follows:

6 80.070 1. A foreign corporation may change its resident
7 agent by filing with the Secretary of State:

8 (a) A certificate of change, signed by an officer of the
9 corporation, setting forth:

10 (1) The name of the corporation;

11 (2) The name and street address of the present resident agent;

12 and

13 (3) The name and street address of the new resident agent;

14 and

15 (b) A certificate of acceptance ~~executed~~ *signed* by the new
16 resident agent, which must be a part of or attached to the certificate
17 of change.

18 The change authorized by this subsection becomes effective upon
19 the filing of the certificate of change.

20 2. A person who has been designated by a foreign corporation
21 as resident agent may file with the Secretary of State a signed
22 statement that he is unwilling to continue to act as the agent of the
23 corporation for the service of process.

24 3. Upon the filing of the statement of resignation with the
25 Secretary of State, the capacity of the resigning person as resident
26 agent terminates. If the statement of resignation is not accompanied
27 by a statement of the corporation appointing a successor resident
28 agent, the resigning resident agent shall give written notice, by mail,
29 to the corporation, of the filing of the statement and its effect. The
30 notice must be addressed to any officer of the corporation other than
31 the resident agent.

32 4. If a resident agent dies, resigns or moves from the State, the
33 corporation, within 30 days thereafter, shall file with the Secretary
34 of State a certificate of acceptance ~~executed~~ *signed* by the new
35 resident agent. The certificate must set forth the name of the new
36 resident agent, his street address for the service of process, and his
37 mailing address if different from his street address.

38 5. A corporation that fails to file a certificate of acceptance
39 ~~executed~~ *signed* by a new resident agent within 30 days after the
40 death, resignation or removal of its resident agent shall be deemed
41 in default and is subject to the provisions of NRS 80.150 and
42 80.160.

43 **Sec. 85.** NRS 80.090 is hereby amended to read as follows:

44 80.090 If a foreign corporation doing business in this state
45 maintains and keeps in the State a resident agent as provided by



1 NRS 80.060 and files or has microfilmed the papers, ~~documents~~
2 *records* and instruments required by NRS 80.010 to 80.040,
3 inclusive, the foreign corporation is entitled to the benefit of the
4 laws of this state limiting the time for the commencement of civil
5 actions.

6 **Sec. 86.** NRS 80.140 is hereby amended to read as follows:

7 80.140 1. Every list required to be filed under the provisions
8 of NRS 80.110 to 80.170, inclusive, must, after the name of each
9 officer and director listed thereon, set forth the ~~post-office-box~~
10 *mailing* or street address, either residence or business, of each
11 officer and director.

12 2. If the addresses are not stated for each person on any list
13 offered for filing, the Secretary of State may refuse to file the list,
14 and the corporation for which the list has been offered for filing is
15 subject to all the provisions of NRS 80.110 to 80.170, inclusive,
16 relating to failure to file the list within or at the times therein
17 specified, unless a list is subsequently submitted for filing which
18 conforms to the provisions of this section.

19 **Sec. 87.** NRS 80.200 is hereby amended to read as follows:

20 80.200 1. Any foreign corporation qualified to do business in
21 this state under the provisions of this chapter may withdraw
22 therefrom and surrender its right by:

23 (a) Filing with the Secretary of State a notice of its purpose so to
24 do, duly authorized to be given by resolution of its board of
25 directors and ~~executed under its corporate seal~~ *signed* by the
26 proper officers thereof; and

27 (b) Paying the fee required by NRS 80.050 for filing notice.

28 2. The provisions of subsection 1 apply only when the
29 corporation's right to do business in this state at the time the notice
30 is submitted for filing has not been forfeited.

31 **Sec. 88.** Chapter 81 of NRS is hereby amended by adding
32 thereto the provisions set forth as sections 89 and 90 of this act.

33 **Sec. 89.** *“Record” means information that is inscribed on a*
34 *tangible medium or that is stored in an electronic or other medium*
35 *and is retrievable in perceivable form.*

36 **Sec. 90.** *“Sign” means to affix a signature to a record.*

37 **Sec. 91.** NRS 81.001 is hereby amended to read as follows:

38 81.001 As used in this chapter, unless the context otherwise
39 requires, the words and terms defined in NRS 81.0015 and 81.0025
40 *and sections 89 and 90 of this act* have the meanings ascribed to
41 them in those sections.

42 **Sec. 92.** NRS 81.0015 is hereby amended to read as follows:

43 81.0015 ~~“Signed” means to have executed or adopted~~
44 *“Signature” means* a name, word, *symbol* or mark ~~including,~~
45 *executed or otherwise adopted, or a record encrypted or similarly*



1 *processed in whole or in part, by a person with the present intent*
2 *to identify himself and adopt or accept a record. The term*
3 *includes*, without limitation, an electronic signature as defined in
4 NRS 719.100 . [~~with the present intention to authenticate a~~
5 ~~document.~~]

6 **Sec. 93.** NRS 81.003 is hereby amended to read as follows:
7 81.003 No ~~document~~ *record* which is written in a language
8 other than English may be filed or submitted for filing in the Office
9 of the Secretary of State pursuant to the provisions of this chapter
10 unless it is accompanied by a verified translation of that ~~document~~
11 *record* into the English language.

12 **Sec. 94.** NRS 81.040 is hereby amended to read as follows:
13 81.040 Each corporation formed under NRS 81.010 to 81.160,
14 inclusive, must prepare and file articles of incorporation in writing,
15 setting forth:

- 16 1. The name of the corporation.
- 17 2. The purpose for which it is formed.
- 18 3. The name of the person designated as the resident agent, the
19 street address for the service of process, and the mailing address if
20 different from the street address.
- 21 4. The term for which it is to exist, which may be perpetual.
- 22 5. If formed with stock, the amount of its stock and the number
23 and par value, if any, and the shares into which it is divided, and the
24 amount of common and of preferred stock that may be issued with
25 the preferences, privileges, voting rights, restrictions and
26 qualifications pertaining thereto.
- 27 6. The names and addresses of those selected to act as
28 directors, not less than three, for the first year or until their
29 successors have been elected and have accepted office.
- 30 7. Whether the property rights and interest of each member are
31 equal or unequal, and if unequal the articles must set forth a general
32 rule applicable to all members by which the property rights and
33 interests of each member may be determined, but the corporation
34 may admit new members who may vote and share in the property of
35 the corporation with the old members, in accordance with the
36 general rule.
- 37 8. The name and ~~post office box~~ *mailing* or street address,
38 either residence or business, of each of the incorporators ~~executing~~
39 *signing* the articles of incorporation.

40 **Sec. 95.** NRS 81.060 is hereby amended to read as follows:
41 81.060 1. The articles of incorporation must be:
42 (a) ~~Subscribed~~ *Signed* by three or more of the original
43 members, a majority of whom must be residents of this state.
44 (b) Filed, together with a certificate of acceptance of
45 appointment ~~executed~~ *signed* by the resident agent of the



1 corporation, in the Office of the Secretary of State in all respects in
2 the same manner as other articles of incorporation are filed.

3 2. If a corporation formed under NRS 81.010 to 81.160,
4 inclusive, is authorized to issue stock, there must be paid to the
5 Secretary of State for filing the articles of incorporation the fee
6 applicable to the amount of authorized stock of the corporation
7 which the Secretary of State is required by law to collect upon the
8 filing of articles of incorporation which authorize the issuance of
9 stock.

10 3. The Secretary of State shall issue to the corporation over the
11 Great Seal of the State a certificate that a copy of the articles
12 containing the required statements of facts has been filed in his
13 office.

14 4. Upon the issuance of the certificate by the Secretary of State,
15 the persons signing the articles and their associates and successors
16 are a body politic and corporate. When so filed, the articles of
17 incorporation or certified copies thereof must be received in all the
18 courts of this state, and other places, as prima facie evidence of the
19 facts contained therein.

20 **Sec. 96.** NRS 81.200 is hereby amended to read as follows:

21 81.200 1. Every association formed under NRS 81.170 to
22 81.270, inclusive, shall prepare articles of association in writing,
23 setting forth:

24 (a) The name of the association.

25 (b) The purpose for which it is formed.

26 (c) The name of the person designated as the resident agent, the
27 street address for service of process, and the mailing address if
28 different from the street address.

29 (d) The term for which it is to exist, which may be perpetual.

30 (e) The number of the directors thereof, and the names and
31 residences of those selected for the first year.

32 (f) The amount which each member is to pay upon admission as
33 a fee for membership, and that each member signing the articles has
34 actually paid the fee.

35 (g) That the interest and right of each member therein is to be
36 equal.

37 (h) The name and ~~{post-office-box}~~ *mailing* or street address,
38 either residence or business, of each of the persons ~~{executing}~~
39 *signing* the articles of association.

40 2. The articles of association must be ~~{subscribed}~~ *signed* by
41 the original associates or members.

42 3. The articles so ~~{subscribed}~~ *signed* must be filed, together
43 with a certificate of acceptance of appointment ~~{executed}~~ *signed* by
44 the resident agent for the association, in the Office of the Secretary
45 of State, who shall furnish a certified copy thereof. From the time of



1 the filing in the Office of the Secretary of State, the association may
2 exercise all the powers for which it was formed.

3 **Sec. 97.** NRS 81.220 is hereby amended to read as follows:

4 81.220 Every association formed under NRS 81.170 to 81.270,
5 inclusive, may:

- 6 1. Sue and be sued in any court in its associate name.
- 7 2. Make and use a common seal and alter it at pleasure, but the
8 use or nonuse of such a seal does not affect the legality of any
9 ~~document.]~~ *record*.
- 10 3. Receive by gift, devise or purchase, hold and convey, real
11 and personal property as the purposes of the association may
12 require.
- 13 4. Appoint such subordinate agents or officers as the business
14 may require.
- 15 5. Admit associates or members, and sell or forfeit their
16 interest in the association for default of installments, dues, work or
17 labor required, as provided by the bylaws.
- 18 6. Enter into any and all lawful contracts or obligations
19 essential to the transaction of its affairs, for the purpose for which it
20 was formed.
- 21 7. Borrow money.
- 22 8. Issue all such notes, bills or evidence of indebtedness or
23 mortgage as its bylaws may provide for.
- 24 9. Trade, barter, buy, sell and exchange.
- 25 10. Do all other things proper to be done for the purpose of
26 carrying into effect the objects for which the association is formed.

27 **Sec. 98.** NRS 81.230 is hereby amended to read as follows:

28 81.230 1. Every association formed under NRS 81.170 to
29 81.270, inclusive, must, within 40 days after it so becomes an
30 association, adopt a code of bylaws for the government and
31 management of the association, not inconsistent with NRS 81.170 to
32 81.270, inclusive. A majority of all the associates is necessary to the
33 adoption of bylaws, and the bylaws must be written in a book ~~[-and~~
34 ~~subscribed]~~ *and signed* by the members adopting them.

35 2. The bylaws cannot be amended or modified except by the
36 vote of a majority of all the members after notice of the proposed
37 amendment is given as the bylaws may provide.

38 3. The bylaws must provide for the amount of the indebtedness
39 which the association may incur.

40 4. The association may, by its code of bylaws, provide for:

41 (a) The time, place and manner of calling and conducting its
42 meetings.

43 (b) The number of directors, the time of their election, their term
44 of office, the mode and manner of their removal, the mode and
45 manner of filling vacancies in the board caused by death,



1 resignation, removal or otherwise, and the power and authority of
2 directors, and how many thereof are necessary to the exercise of the
3 powers of the directors or of any officer.

4 (c) The number of the officers, if any, other than the directors,
5 and their term of office, the mode of removal, and the method of
6 filling a vacancy.

7 (d) The mode and manner of conducting business.

8 (e) The mode and manner of conducting elections, and may
9 provide for voting by ballots forwarded by mail or otherwise, ~~§~~ but
10 the method must secure the secrecy of the ballot.

11 (f) The mode and manner of succession of membership, and the
12 qualifications of membership, and on what conditions, and when
13 membership ceases, and the mode and manner of expulsion or
14 refusal of a member, but an expelled or refused member is entitled
15 to have a board of arbitration consisting of three persons, one
16 selected by the board of directors, one by the expelled or refused
17 member, and a third by the other two, appraise his interest in the
18 association in either money, property or labor, as the directors
19 choose, and to have the money, property or labor so awarded him
20 paid or delivered, or performed within 40 days after expulsion or
21 refusal.

22 (g) The amount of any membership fee, and the dues,
23 installments or labor which each member ~~shall be~~ *is* required to
24 pay or perform, if any, and the manner of collection or enforcement,
25 and for forfeiture or sale of a member's interest for nonpayment or
26 nonperformance.

27 (h) The method, time and manner of permitting the withdrawal
28 of a member, if at all, and how his interest must be ascertained,
29 either in money or property, and within what time it must be paid or
30 delivered to the member.

31 (i) The mode and manner of ascertaining the interest of a
32 member at his death, if his legal representatives or none of them
33 desire to succeed to the membership, and whether the value of his
34 interest must be paid to his legal representatives in money, property
35 or labor, and within what time it must be paid, delivered or
36 performed, ~~§~~ but a withdrawing member or the legal representative
37 of a deceased member has the right to a board of arbitration the
38 same as is provided for expelled or refused members.

39 (j) Such other things as may be proper to carry out the purpose
40 for which the association was formed.

41 **Sec. 99.** NRS 81.440 is hereby amended to read as follows:

42 81.440 Each corporation formed under NRS 81.410 to 81.540,
43 inclusive, shall prepare and file articles of incorporation in writing,
44 setting forth:

45 1. The name of the corporation.



- 1 2. The purpose for which it is formed.
- 2 3. The name of the person designated as the resident agent, the
3 street address for service of process, and the mailing address if
4 different from the street address.
- 5 4. The term for which it is to exist, which may be perpetual.
- 6 5. The number of directors thereof, which must be not less than
7 three and which may be any number in excess thereof, and the
8 names and residences of those selected for the first year and until
9 their successors have been elected and have accepted office.
- 10 6. Whether the voting power and the property rights and
11 interest of each member are equal or unequal, and if unequal the
12 articles must set forth a general rule applicable to all members by
13 which the voting power and the property rights and interests of each
14 member may be determined, but the corporation may admit new
15 members who may vote and share in the property of the corporation
16 with the old members, in accordance with the general rule.
- 17 7. The name and ~~[post-office box]~~ *mailing* or street address,
18 either residence or business, of each of the incorporators executing
19 the articles of incorporation.
- 20 **Sec. 100.** NRS 81.450 is hereby amended to read as follows:
21 81.450 1. The articles of incorporation must be:
22 (a) ~~[Subscribed]~~ *Signed* by three or more of the original
23 members, a majority of whom must be residents of this state.
24 (b) Filed, together with a certificate of acceptance of
25 appointment ~~[executed]~~ *signed* by the resident agent for the
26 corporation, in the Office of the Secretary of State in all respects in
27 the same manner as other articles of incorporation are filed.
- 28 2. The Secretary of State shall issue to the corporation over the
29 Great Seal of the State a certificate that a copy of the articles
30 containing the required statements of facts has been filed in his
31 office.
- 32 3. Upon the issuance of the certificate by the Secretary of State
33 the persons signing the articles and their associates and successors
34 are a body politic and corporate. When so filed, the articles of
35 incorporation or certified copies thereof must be received in all the
36 courts of this state, and other places, as prima facie evidence of the
37 facts contained therein.
- 38 **Sec. 101.** Chapter 82 of NRS is hereby amended by adding
39 thereto the provisions set forth as sections 102 and 103 of this act.
- 40 **Sec. 102.** *“Record” means information that is inscribed on a*
41 *tangible medium or that is stored in an electronic or other medium*
42 *and is retrievable in perceivable form.*
- 43 **Sec. 103.** *1. A corporation may correct a record filed in the*
44 *Office of the Secretary of State with respect to the corporation if*
45 *the record contains an inaccurate description of a corporate*



- 1 *action or if the record was defectively signed, attested, sealed,*
2 *verified or acknowledged.*
- 3 2. *To correct a record, the corporation shall:*
- 4 (a) *Prepare a certificate of correction which:*
- 5 (1) *States the name of the corporation;*
- 6 (2) *Describes the record, including, without limitation, its*
7 *filing date;*
- 8 (3) *Specifies the inaccuracy or defect;*
- 9 (4) *Sets forth the inaccurate or defective portion of the*
10 *record in an accurate or corrected form; and*
- 11 (5) *Is signed by an officer of the corporation.*
- 12 (b) *Deliver the certificate to the Secretary of State for filing.*
- 13 (c) *Pay a filing fee of \$150 to the Secretary of State.*
- 14 3. *A certificate of correction is effective on the effective date*
15 *of the record it corrects except as to persons relying on the*
16 *uncorrected record and adversely affected by the correction. As to*
17 *those persons, the certificate is effective when filed.*
- 18 **Sec. 104.** NRS 82.006 is hereby amended to read as follows:
19 82.006 As used in this chapter , *unless the context otherwise*
20 *requires*, the words and terms defined in NRS 82.011 to 82.044,
21 inclusive, *and section 102 of this act* have the meanings ascribed to
22 them in those sections.
- 23 **Sec. 105.** NRS 82.011 is hereby amended to read as follows:
24 82.011 “Articles of incorporation” and “articles” are
25 synonymous terms and, unless the context otherwise requires,
26 include all certificates filed pursuant to NRS 82.081, 82.346, 82.356
27 and 82.371 and any ~~[agreement]~~ *articles* of merger filed pursuant to
28 NRS 92A.005 to 92A.260, inclusive.
- 29 **Sec. 106.** NRS 82.042 is hereby amended to read as follows:
30 82.042 “Sign” means to affix a signature to a ~~[document.]~~
31 *record.*
- 32 **Sec. 107.** NRS 82.043 is hereby amended to read as follows:
33 82.043 “Signature” means a name, word , *symbol* or mark
34 executed or *otherwise* adopted , *or a record encrypted or similarly*
35 *processed in whole or in part*, by a person with the present
36 ~~[intention to authenticate a document.]~~ *intent to identify himself*
37 *and adopt or accept a record.* The term includes, without
38 ~~[imitation.]~~ *limitation*, an electronic signature as defined in
39 NRS 719.100.
- 40 **Sec. 108.** NRS 82.061 is hereby amended to read as follows:
41 82.061 1. A certificate of election to accept this chapter
42 pursuant to NRS 82.056 must be signed by ~~[the president or a vice~~
43 ~~president and by the secretary or an assistant secretary]~~ *an officer of*
44 *the corporation* and must set forth:
45 (a) The name of the corporation.



1 (b) A statement by the corporation that it has elected to accept
2 this chapter and adopt new articles of incorporation conforming to
3 the provisions of this chapter and any other statutes pursuant to
4 which the corporation may have been organized.

5 (c) If there are members or stockholders entitled to vote thereon,
6 a statement setting forth the date of the meeting of the members or
7 stockholders at which the election to accept this chapter and adopt
8 new articles was made, that a quorum was present at the meeting
9 and that acceptance and adoption was authorized by at least a
10 majority of the votes which members or stockholders present at the
11 meeting in person or by proxy were entitled to cast.

12 (d) If there are no members or stockholders entitled to vote
13 thereon, a statement of that fact, the date of the meeting of the board
14 of directors at which the election to accept and adopt was made, that
15 a quorum was present at the meeting and that the acceptance and
16 adoption were authorized by a majority vote of the directors present
17 at the meeting.

18 (e) A statement that, in addition, the corporation followed the
19 requirements of the law under which it was organized, its old
20 articles of incorporation and its old bylaws so far as applicable in
21 effecting the acceptance.

22 (f) A statement that the attached copy of the articles of
23 incorporation of the corporation are the new articles of incorporation
24 of the corporation.

25 (g) If the corporation has issued shares of stock, a statement of
26 that fact including the number of shares theretofore authorized, the
27 number issued and outstanding and that upon the effective date of
28 the certificate of acceptance the authority of the corporation to issue
29 shares of stock is thereby terminated.

30 2. The certificate so signed must be filed in the Office of the
31 Secretary of State.

32 **Sec. 109.** NRS 82.063 is hereby amended to read as follows:

33 82.063 1. The board of directors of a corporation without
34 shares of stock which was organized before October 1, 1991,
35 pursuant to any provision of chapter 81 of NRS or a predecessor
36 statute and whose permissible term of existence as stated in the
37 articles of incorporation has expired, may, within 10 years after the
38 date of the expiration of its existence, elect to revive its charter and
39 accept this chapter by adopting a resolution reviving the expired
40 charter and adopting new articles of incorporation conforming to
41 this chapter and any other statutes pursuant to which the corporation
42 may have been organized. The new articles of incorporation need
43 not contain the names, addresses, signatures or acknowledgments of
44 the incorporators.



1 2. A certificate of election to accept this chapter pursuant to
2 this section must be signed by ~~the president or a vice president~~ *an*
3 *officer of the corporation* and must set forth:

- 4 (a) The name of the corporation.
5 (b) A statement by the corporation that it has elected to accept
6 this chapter and adopt new articles of incorporation conforming to
7 the provisions of this chapter and any other statutes pursuant to
8 which the corporation may have been organized.
9 (c) A statement by the corporation that since the expiration of its
10 charter it has remained organized and continued to carry on the
11 activities for which it was formed and authorized by its original
12 articles of incorporation and amendments thereto, and desires to
13 continue through revival its existence pursuant to and subject to the
14 provisions of this chapter.
15 (d) A statement that the attached copy of the articles of
16 incorporation of the corporation are the new articles of incorporation
17 of the corporation.

18 (e) A statement setting forth the date of the meeting of the board
19 of directors at which the election to accept and adopt was made, that
20 a quorum was present at the meeting and that the acceptance and
21 adoption were authorized by a majority vote of the directors present
22 at the meeting.

23 3. The certificate so signed and a certificate of acceptance of
24 appointment ~~executed~~ *signed* by the resident agent of the
25 corporation must be filed in the Office of the Secretary of State.

26 4. The new articles of incorporation become effective on the
27 date of filing the certificate. The corporation's existence continues
28 from the date of expiration of the original term, with all the
29 corporation's rights, franchises, privileges and immunities and
30 subject to all its existing and preexisting debts, duties and liabilities.

31 **Sec. 110.** NRS 82.081 is hereby amended to read as follows:

32 82.081 1. One or more natural persons may associate to
33 establish a corporation no part of the income or profit of which is
34 distributable to its members, directors or officers, except as
35 otherwise provided in this chapter, for the transaction of any lawful
36 business, or to promote or conduct any legitimate object or purpose,
37 pursuant and subject to the requirements of this chapter, by:

38 (a) ~~Executing~~ *Signing* and filing in the Office of the Secretary
39 of State articles of incorporation; and

40 (b) Filing a certificate of acceptance of appointment, ~~executed~~
41 *signed* by the resident agent of the corporation, in the Office of the
42 Secretary of State.

43 2. The Secretary of State shall require articles of incorporation
44 to be in the form prescribed by NRS 82.086. If any articles are



1 defective in this respect, the Secretary of State shall return them for
2 correction.

3 **Sec. 111.** NRS 82.086 is hereby amended to read as follows:
4 82.086 The articles of incorporation must set forth:

5 1. The name of the corporation. A name appearing to be that of
6 a natural person and containing a given name or initials must not be
7 used as a corporate name except with an additional word or words
8 such as "Incorporated," "Inc.," "Limited," "Ltd.," "Company,"
9 "Co.," "Corporation," "Corp.," or other word which identifies it as
10 not being a natural person.

11 2. The name of the person designated as the corporation's
12 resident agent, his street address where he maintains an office for
13 service of process, and his mailing address if different from the
14 street address.

15 3. That the corporation is a nonprofit corporation.

16 4. The nature of the business, or objects or purposes proposed
17 to be transacted, promoted or carried on by the corporation. It is
18 sufficient to state, either alone or with other purposes, that the
19 corporation may engage in any lawful activity, subject to expressed
20 limitations, if any. Such a statement makes all lawful activities
21 within the objects or purposes of the corporation.

22 5. The ~~{number,}~~ names and ~~{post-office-box}~~ *mailing* or street
23 addresses, residence or business, of the first board of directors or
24 trustees, together with any desired provisions relative to the right to
25 change the number of directors.

26 6. The names and ~~{post-office-box}~~ *mailing* or street address,
27 residence or business, of each of the incorporators signing the
28 articles of incorporation.

29 **Sec. 112.** NRS 82.101 is hereby amended to read as follows:

30 82.101 1. The Secretary of State, when requested to do so,
31 shall reserve, for a period of 90 days, the right to use any name
32 available under NRS 82.096 for the use of any proposed
33 corporation. During the period, a name so reserved is not available
34 for use or reservation by any other artificial person forming,
35 organizing, registering or qualifying in the Office of the Secretary of
36 State pursuant to the provisions of this title without the ~~{written,~~
37 ~~acknowledged}~~ *signed* consent of the person at whose request the
38 reservation was made.

39 2. The use by any other artificial person of a name in violation
40 of subsection 1 or NRS 82.096 may be enjoined, even if the
41 ~~{document}~~ *record* under which the artificial person is formed,
42 organized, registered or qualified has been filed by the Secretary of
43 State.



1 **Sec. 113.** NRS 82.126 is hereby amended to read as follows:
2 82.126 1. Every corporation, by virtue of its existence as
3 such, may adopt and use a common seal or stamp, and alter it at
4 pleasure.

5 2. The use of a seal or stamp by a corporation on any corporate
6 ~~{documents}~~ record is not necessary. The corporation may use a seal
7 or stamp, if it desires, but use or failure to use does not in any way
8 affect the legality of the ~~{document.}~~ record.

9 **Sec. 114.** NRS 82.181 is hereby amended to read as follows:
10 82.181 1. A corporation shall keep a copy of the following
11 records at its registered office:

12 (a) A copy, certified by the Secretary of State, of its articles and
13 all amendments thereto;

14 (b) A copy, certified by an officer of the corporation, of its
15 bylaws and all amendments thereto;

16 (c) If the corporation has members, a members' ledger or a
17 duplicate members' ledger, revised annually, containing the names,
18 alphabetically arranged, of all persons who are members of the
19 corporation, showing their places of residence, if known , and the
20 class of membership held by each; or

21 (d) In lieu of the members' ledger or duplicate members' ledger
22 specified in paragraph (c), a statement setting out the name of the
23 custodian of the members' ledger or duplicate members' ledger, and
24 the present and complete ~~{post office address, including street and~~
25 ~~number, if any.}~~ mailing or street address where the members'
26 ledger or duplicate members' ledger specified in this section is kept.

27 2. A corporation must maintain the records required by
28 subsection 1 in written form or in another form capable of
29 conversion into written form within a reasonable time.

30 3. A director or any person who has been a member of record
31 of a corporation for at least 6 months, or at least 5 percent of the
32 members of the corporation, upon at least 5 days' written demand, is
33 entitled to inspect in person or by agent or attorney, during usual
34 business hours, the members' ledger or duplicate ledger, whether
35 kept in the registered office or elsewhere as provided in paragraph
36 (d) of subsection 1, and to make copies therefrom. Every
37 corporation that neglects or refuses to keep the members' ledger or
38 duplicate copy thereof open for inspection, as required in this
39 subsection, shall forfeit to the State the sum of \$25 for every day of
40 such neglect or refusal.

41 4. An inspection authorized by subsection 3 may be denied to a
42 member or other person upon his refusal to furnish to the
43 corporation an affidavit that the inspection is not desired for any
44 purpose not relating to his interest as a member, including, but not
45 limited, to those purposes set forth in subsection 6.



1 5. When the corporation keeps and maintains a statement in the
2 manner provided for in paragraph (d) of subsection 1, the
3 information contained thereon must be given to any director or
4 member of such corporation as provided in subsection 2 when the
5 demand is made during business hours. Every corporation that
6 neglects or refuses to keep such statement available, as required in
7 this subsection, shall forfeit to the State the sum of \$25 for every
8 day of such neglect or refusal.

9 6. It is a defense to any action to enforce the provisions of this
10 section or for charges, penalties or damages under this section that
11 the person suing has used or intends to use the list for any of the
12 following purposes:

13 (a) To solicit money or property from the members unless the
14 money or property will be used solely to solicit the votes of
15 members;

16 (b) For any commercial purpose or purpose in competition with
17 the corporation;

18 (c) To sell to any person; or

19 (d) For any other purpose not related to his interest as a member.

20 7. This section does not impair the power or jurisdiction of any
21 court to compel the production for examination of the books of a
22 corporation in any proper case.

23 8. In every instance where an attorney or other agent of the
24 director or member seeks the right of inspection, the demand must
25 be accompanied by a power of attorney ~~executed~~ *signed* by the
26 director or member authorizing the attorney or other agent to inspect
27 on behalf of the director or member.

28 9. The right to copy records under subsection 3 includes, if
29 reasonable, the right to make copies by photographic, xerographic or
30 other means.

31 10. The corporation may impose a reasonable charge, covering
32 costs of labor, materials and copies of any ~~documents~~ *records*
33 provided to the member or director.

34 **Sec. 115.** NRS 82.186 is hereby amended to read as follows:

35 82.186 1. Any director or person authorized in writing by at
36 least 15 percent of the members of the corporation upon at least 5
37 days' written demand ~~is~~ is entitled to inspect in person or by agent
38 or attorney, during normal business hours, the books of account and
39 all financial records of the corporation and to make extracts
40 therefrom. The right of members and directors to inspect the
41 corporate records may not be limited in the articles or bylaws of any
42 corporation.

43 2. All costs for making extracts of records must be borne by
44 the person exercising his rights under subsection 1.



1 3. The rights authorized by subsection 1 may be denied to a
2 director or member upon his refusal to furnish the corporation an
3 affidavit that such inspection, extracts or audit is not desired for any
4 purpose not related to his interest in the corporation as a director or
5 member. Any director or member or other person, exercising rights
6 under subsection 1, who uses or attempts to use information,
7 ~~documents,~~ records or other data obtained from the corporation,
8 for any purpose not related to his interest in the corporation as a
9 director or member, is guilty of a gross misdemeanor.

10 4. A director or member who brings an action or proceeding to
11 enforce any right under this section or to recover damages resulting
12 from its denial:

13 (a) Is entitled to costs and reasonable attorney's fees, if he
14 prevails; or

15 (b) Is liable for such costs and fees, if he does not prevail, in the
16 action or proceeding.

17 5. It is a defense to any action to enforce the provisions of this
18 section or for damages or penalties under this section that the person
19 seeking an inspection of the books of account and financial records,
20 or extracts thereof, has used or intends to use any such accounts and
21 records for any of the following reasons:

22 (a) For any commercial purpose or purpose in competition with
23 the corporation;

24 (b) To sell to any person; or

25 (c) For any other purpose not related to his interest as a member
26 or director.

27 6. The rights and remedies of this section are not available to
28 members of any corporation that makes available at no cost to its
29 members a detailed annual financial statement.

30 **Sec. 116.** NRS 82.216 is hereby amended to read as follows:

31 82.216 1. The statement in the articles or bylaws of the
32 objects, purposes, powers and authorized business of the corporation
33 constitutes, as between the corporation and its directors, officers or
34 members, an authorization to the directors and a limitation upon the
35 actual authority of the representatives of the corporation. These
36 limitations may be asserted in a proceeding by a director or a
37 member entitled to vote for the election of directors or the Attorney
38 General to enjoin the doing or continuation of unauthorized business
39 by the corporation or its officers, or both, in cases where third
40 parties have not acquired rights thereby, or to dissolve the
41 corporation, or in a proceeding by the corporation, a director or a
42 member entitled to vote for the election of directors suing in a
43 representative suit against the officers or directors of the corporation
44 for violation of their authority.



1 2. No limitation upon the business, purposes or powers of the
2 corporation or upon the powers of the members, officers or
3 directors, or the manner of exercise of such powers, contained in or
4 implied by the articles or bylaws may be asserted as between the
5 corporation, the directors or members and any third person.

6 3. Any contract or conveyance, otherwise lawful, made in the
7 name of a corporation, which is authorized or ratified by the
8 directors, or is done within the scope of the authority, actual or
9 apparent, given by the directors, binds the corporation, and the
10 corporation acquires rights thereunder, whether the contract is
11 ~~executed~~ signed or is wholly or in part executory.

12 **Sec. 117.** NRS 82.321 is hereby amended to read as follows:

13 82.321 1. At any meeting of the members of any corporation,
14 any member may designate another person or persons to act as a
15 proxy or proxies. If a member designates two or more persons to act
16 as proxies, a majority of those persons present at the meeting, or, if
17 only one is present, then that one, have and may exercise all of the
18 powers conferred by the member upon all of the persons so
19 designated unless the member provides otherwise.

20 2. Without limiting the manner in which a member may
21 authorize another person or persons to act for him as proxy pursuant
22 to subsection 1, the following constitutes valid means by which a
23 member may grant such authority:

24 (a) A member may ~~execute~~ sign a writing authorizing another
25 person or persons to act for him as proxy. ~~Execution may be~~
26 ~~accomplished by the member or his authorized officer, director,~~
27 ~~employee or agent's signing the writing or causing his signature to~~
28 ~~be affixed to the writing by any reasonable means, including, but not~~
29 ~~limited to, by facsimile signature.]~~

30 (b) A member may authorize another person or persons to act
31 for him as proxy by transmitting or authorizing the transmission of a
32 telegram, cablegram or other means of electronic transmission to the
33 person who will be the holder of the proxy or to a firm which
34 solicits proxies, or like agent authorized by the person who will be
35 the holder of the proxy to receive the transmission. Any such
36 telegram, cablegram or other means of electronic transmission must
37 either set forth or be submitted with information from which it can
38 be determined that the telegram, cablegram or other electronic
39 transmission was authorized by the member. If it is determined that
40 the telegram, cablegram or other electronic transmission is valid, the
41 persons appointed by the corporation to count the votes of members
42 and determine the validity of proxies and ballots or other persons
43 making those determinations must specify the information upon
44 which they relied.



1 3. Any copy, communication by telecopier, or other reliable
2 reproduction of the writing or transmission created pursuant to
3 subsection 2 may be substituted for the original writing or
4 transmission for any purpose for which the original writing or
5 transmission could be used, if the copy, communication by
6 telecopier, or other reproduction is a complete reproduction of the
7 entire original writing or transmission.

8 4. No such proxy is valid after the expiration of 6 months from
9 the date of its creation, unless coupled with an interest, or unless the
10 member specifies in it the length of time for which it is to continue
11 in force, which may not exceed 7 years from the date of its creation.
12 Subject to these restrictions, any proxy properly created is not
13 revoked and continues in full force and effect until another
14 instrument or transmission revoking it or a properly created proxy
15 bearing a later date is filed with or transmitted to the secretary of
16 the corporation or another person or persons appointed by the
17 corporation to count the votes of members and determine the
18 validity of proxies and ballots.

19 **Sec. 118.** NRS 82.346 is hereby amended to read as follows:

20 82.346 1. If the first meeting of the directors has not taken
21 place and if there are no members, a majority of the incorporators of
22 a corporation may amend the original articles by ~~executing~~ **signing**
23 and proving in the manner required for original articles, and filing
24 with the Secretary of State ~~it~~ a certificate amending, modifying,
25 changing or altering the original articles, in whole or in part. The
26 certificate must state that:

27 (a) The signers thereof are a majority of the original
28 incorporators of the corporation; and

29 (b) As of the date of the certification, no meeting of the
30 directors has taken place and the corporation has no members other
31 than the incorporators.

32 2. The amendment is effective upon the filing of the certificate
33 with the Secretary of State.

34 3. This section does not permit the insertion of any matter not
35 in conformity with this chapter.

36 4. The Secretary of State shall charge the fee allowed by law
37 for filing the amended certificate of incorporation.

38 **Sec. 119.** NRS 82.351 is hereby amended to read as follows:

39 82.351 1. A corporation whose directors have held a first
40 meeting or which has members who are not incorporators may
41 amend its articles in any of the following respects:

42 (a) By addition to its corporate powers and purposes, or
43 diminution thereof, or both.

44 (b) By substitution of other powers and purposes, in whole or in
45 part, for those prescribed by its articles of incorporation.



1 (c) By changing the name of the corporation.
2 (d) By making any other change or alteration in its articles of
3 incorporation that may be desired.

4 2. All such changes or alterations may be effected by one
5 certificate of amendment. Articles so amended, changed or altered
6 may contain only such provisions as it would be lawful and proper
7 to insert in original articles, pursuant to NRS 82.086 and 82.091 or
8 the other statutes governing the contents of the corporation's
9 articles, if the original articles were ~~executed~~ *signed* and filed at
10 the time of making the amendment.

11 **Sec. 120.** NRS 82.356 is hereby amended to read as follows:

12 82.356 1. Every amendment adopted pursuant to the
13 provisions of NRS 82.351 must be made in the following manner:

14 (a) The board of directors must adopt a resolution setting forth
15 the amendment proposed, approve it and, if the corporation has
16 members entitled to vote on an amendment to the articles, call a
17 meeting, either annual or special, of the members. The amendment
18 must also be approved by every public official or other person
19 whose approval of an amendment of articles is required by the
20 articles.

21 (b) At the meeting of members, of which notice must be given
22 to each member entitled to vote pursuant to the provisions of this
23 section, a vote of the members entitled to vote in person or by proxy
24 must be taken for and against the proposed amendment. A majority
25 of a quorum of the voting power of the members or such greater
26 proportion of the voting power of members as may be required in
27 the case of a vote by classes, as provided in subsection 3, or as may
28 be required by the articles, must vote in favor of the amendment.

29 (c) Upon approval of the amendment by the directors, or if the
30 corporation has members entitled to vote on an amendment to the
31 articles, by both the directors and those members, and such other
32 persons or public officers, if any, as are required to do so by the
33 articles, ~~the chairman of the board or the president or vice~~
34 ~~president, and the secretary or assistant secretary, must execute~~ *an*
35 *officer of the corporation must sign* a certificate setting forth the
36 amendment, or setting forth the articles as amended, that the public
37 officers or other persons, if any, required by the articles have
38 approved the amendment, and the vote of the members and directors
39 by which the amendment was adopted.

40 (d) The certificate so ~~executed~~ *signed* must be filed in the
41 Office of the Secretary of State.

42 2. Upon filing the certificate, the articles of incorporation are
43 amended accordingly.

44 3. If any proposed amendment would alter or change any
45 preference or any relative or other right given to any class of



1 members, then the amendment must be approved by the vote, in
2 addition to the affirmative vote otherwise required, of the holders of
3 a majority of a quorum of the voting power of each class of
4 members affected by the amendment regardless of limitations or
5 restrictions on their voting power.

6 4. In the case of any specified amendments, the articles may
7 require a larger vote of members than that required by this section.

8 **Sec. 121.** NRS 82.371 is hereby amended to read as follows:

9 82.371 1. A corporation may restate, or amend and restate, in
10 a single certificate the entire text of its articles as amended by filing
11 with the Secretary of State a certificate which must set forth the
12 articles as amended to the date of the certificate. If the certificate
13 alters or amends the articles in any manner, it must comply with the
14 provisions of NRS 82.346, 82.351 and 82.356, as applicable, and
15 must be accompanied by:

16 (a) A resolution; or

17 (b) A form prescribed by the Secretary of State,
18 setting forth which provisions of the articles of incorporation on file
19 with the Secretary of State are being altered or amended.

20 2. If the certificate does not alter or amend the articles, it must
21 be signed by ~~{the chairman of the board or the president or vice~~
22 ~~president, and the secretary or assistant secretary,}~~ *an officer* of the
23 corporation and must state that ~~{they have}~~ *he has* been authorized
24 to ~~{execute}~~ *sign* the certificate by resolution of the board of
25 directors adopted on the date stated, and that the certificate correctly
26 sets forth the text of the articles as amended to the date of the
27 certificate.

28 3. The following may be omitted from the restated articles:

29 (a) The names, addresses, signatures and acknowledgments of
30 the incorporators;

31 (b) The names and addresses of the members of the past and
32 present board of directors; and

33 (c) The name and address of the resident agent.

34 4. Whenever a corporation is required to file a certified copy of
35 its articles, in lieu thereof it may file a certified copy of the most
36 recent certificate restating its articles as amended, subject to the
37 provisions of subsection 2, together with certified copies of all
38 certificates of amendment filed after the restated articles and
39 certified copies of all certificates supplementary to the original
40 articles.

41 **Sec. 122.** NRS 82.451 is hereby amended to read as follows:

42 82.451 1. A corporation may be dissolved and its affairs
43 wound up voluntarily if the board of directors adopts a resolution to
44 that effect and calls a meeting of the members entitled to vote to
45 take action upon the resolution. The resolution must also be



1 approved by any person or superior organization whose approval is
2 required by a provision of the articles authorized by NRS 82.091.
3 The meeting of the members must be held with due notice. If at the
4 meeting the members entitled to exercise a majority of all the voting
5 power consent by resolution to the dissolution, a certificate setting
6 forth that the dissolution has been approved in compliance with this
7 section, together with a list of the names and residences of the
8 directors and officers, ~~executed by the chairman of the board,
9 president or vice president, and the secretary or an assistant
10 secretary,]~~ *signed by an officer of the corporation,* must be filed in
11 the Office of the Secretary of State.

12 2. If a corporation has no members entitled to vote upon a
13 resolution calling for the dissolution of the corporation, the
14 corporation may be dissolved and its affairs wound up voluntarily
15 by the board of directors if it adopts a resolution to that effect. The
16 resolution must also be approved by any person or superior
17 organization whose approval is required by a provision of the
18 articles authorized by NRS 82.091. A certificate setting forth that
19 the dissolution has been approved in compliance with this section
20 and a list of the officers and directors, ~~executed]~~ *signed* as provided
21 in subsection 1, must be filed in the Office of the Secretary of State.

22 3. Upon the dissolution of any corporation under the provisions
23 of this section or upon the expiration of its period of corporate
24 existence, the directors are the trustees of the corporation in
25 liquidation and in winding up the affairs of the corporation. The act
26 of a majority of the directors as trustees remaining in office is the
27 act of the directors as trustees.

28 **Sec. 123.** NRS 82.526 is hereby amended to read as follows:

29 82.526 The Secretary of State may microfilm any ~~document]~~
30 *record* which is filed in his office by a corporation pursuant to this
31 chapter and may return the original ~~document]~~ *record* to the
32 corporation.

33 **Sec. 124.** NRS 82.528 is hereby amended to read as follows:

34 82.528 No ~~document]~~ *record* which is written in a language
35 other than English may be filed or submitted for filing in the Office
36 of the Secretary of State pursuant to the provisions of this chapter
37 unless it is accompanied by a verified translation of that ~~document]~~
38 *record* into the English language.

39 **Sec. 125.** NRS 82.531 is hereby amended to read as follows:

40 82.531 1. The fee for filing articles of incorporation,
41 amendments to or restatements of articles of incorporation,
42 certificates pursuant to NRS 82.061 and 82.063 and ~~documents]~~
43 *records* for dissolution is \$25 for each ~~document.]~~ *record.*



1 2. Except as otherwise provided in NRS 82.193 and subsection
2 1, the fees for filing ~~documents~~ records are those set forth in NRS
3 78.765 to 78.785, inclusive.

4 **Sec. 126.** NRS 82.533 is hereby amended to read as follows:

5 82.533 An incorporator or officer of a corporation may
6 authorize the Secretary of State in writing to replace any page of a
7 ~~document~~ record submitted for filing on an expedited basis, before
8 the actual filing, and to accept the page as if it were part of the
9 originally signed filing. The signed authorization of the incorporator
10 or officer to the Secretary of State permits, but does not require, the
11 Secretary of State to alter the original ~~document~~ record as
12 requested.

13 **Sec. 127.** NRS 82.546 is hereby amended to read as follows:

14 82.546 1. Any corporation which did exist or is existing
15 pursuant to the laws of this state may, upon complying with the
16 provisions of NRS 78.150 and 82.193, procure a renewal or revival
17 of its charter for any period, together with all the rights, franchises,
18 privileges and immunities, and subject to all its existing and
19 preexisting debts, duties and liabilities secured or imposed by its
20 original charter and amendments thereto, or its existing charter, by
21 filing:

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

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

27 (2) The name and street address of the resident agent of the
28 filing corporation, and his mailing address if different from his street
29 address.

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

33 (4) Whether or not the renewal or revival is to be perpetual,
34 and, if not perpetual, the time for which the renewal or revival is to
35 continue.

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

41 (b) A list of its president, secretary and treasurer and all of its
42 directors and their ~~post office box and~~ mailing or street addresses,
43 either residence or business.

44 2. A corporation whose charter has not expired and is being
45 renewed shall cause the certificate to be signed by its president or



1 vice president and secretary or assistant secretary. The certificate
2 must be approved by a majority of the last-appointed surviving
3 directors.

4 3. A corporation seeking to revive its original or amended
5 charter shall cause the certificate to be signed by its president or
6 vice president and secretary or assistant secretary. The ~~execution~~
7 *signing* and filing of the certificate must be approved unanimously
8 by the last-appointed surviving directors of the corporation and must
9 contain a recital that unanimous consent was secured. The
10 corporation shall pay to the Secretary of State the fee required to
11 establish a new corporation pursuant to the provisions of this
12 chapter.

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

18 **Sec. 128.** Chapter 84 of NRS is hereby amended by adding
19 thereto the provisions set forth as sections 129 and 130 of this act.

20 **Sec. 129.** *“Record” means information that is inscribed on a*
21 *tangible medium or that is stored in an electronic or other medium*
22 *and is retrievable in perceivable form.*

23 **Sec. 130.** *“Sign” means to affix a signature to a record.*

24 **Sec. 131.** NRS 84.002 is hereby amended to read as follows:
25 84.002 As used in this chapter, unless the context otherwise
26 requires, the words and terms defined in NRS 84.004 and 84.006
27 *and sections 129 and 130 of this act* have the meanings ascribed to
28 them in those sections.

29 **Sec. 132.** NRS 84.004 is hereby amended to read as follows:
30 84.004 ~~“Signed” means to have~~ *“Signature” means a name,*
31 *word, symbol or mark* executed or *otherwise* adopted ~~[a name, word~~
32 ~~or mark, including,]~~ *, or a record encrypted or similarly processed*
33 *in whole or in part, by a person with the present intent to identify*
34 *himself and adopt or accept a record. The term includes,* without
35 limitation, an electronic signature as defined in NRS 719.100 . ~~[-~~
36 ~~with the present intention to authenticate a document.]~~

37 **Sec. 133.** NRS 84.020 is hereby amended to read as follows:
38 84.020 An archbishop, bishop, president, trustee in trust,
39 president of stake, president of congregation, overseer, presiding
40 elder, district superintendent, other presiding officer or clergyman of
41 a church or religious society or denomination, who has been chosen,
42 elected or appointed in conformity with the constitution, canons,
43 rites, regulations or discipline of the church or religious society or
44 denomination, and in whom is vested the legal title to property held
45 for the purposes, use or benefit of the church or religious society or



1 denomination, may make and ~~subscribe~~ *sign* written articles of
2 incorporation, in duplicate, and file one copy of the articles, together
3 with a certificate of acceptance of appointment ~~executed~~ *signed* by
4 the resident agent of the corporation, in the Office of the Secretary
5 of State and retain possession of the other.

6 **Sec. 134.** NRS 84.090 is hereby amended to read as follows:

7 84.090 1. The fee for filing articles of incorporation,
8 amendments to or restatements of articles of incorporation,
9 certificates of reinstatement and ~~documents~~ *records* for dissolution
10 is \$25 for each ~~document~~ *record*.

11 2. Except as otherwise provided in this chapter, the fees set
12 forth in NRS 78.785 apply to this chapter.

13 **Sec. 135.** NRS 84.100 is hereby amended to read as follows:

14 84.100 No ~~document~~ *record* which is written in a language
15 other than English may be filed or submitted for filing in the Office
16 of the Secretary of State pursuant to the provisions of this chapter
17 unless it is accompanied by a verified translation of that ~~document~~
18 *record* into the English language.

19 **Sec. 136.** NRS 84.110 is hereby amended to read as follows:

20 84.110 1. Every corporation sole must have a resident agent
21 in the manner provided in NRS 78.090 and 78.095, subsections 1 to
22 4, inclusive, of NRS 78.097 and NRS 78.110. The resident agent
23 shall comply with the provisions of those sections.

24 2. A corporation sole that fails to file a certificate of acceptance
25 ~~executed~~ *signed* by the new resident agent within 30 days after the
26 death, resignation or removal of its former resident agent shall be
27 deemed in default and is subject to the provisions of NRS 84.130
28 and 84.140.

29 3. No corporation sole may be required to file an annual list of
30 officers, directors and designation of resident agent.

31 **Sec. 137.** NRS 84.120 is hereby amended to read as follows:

32 84.120 1. A resident agent who wishes to resign shall file
33 with the Secretary of State a signed statement for each corporation
34 sole that he is unwilling to continue to act as the agent of the
35 corporation for the service of process. A resignation is not effective
36 until the signed statement is filed with the Secretary of State.

37 2. The statement of resignation may contain a statement of the
38 affected corporation sole appointing a successor resident agent for
39 that corporation. A certificate of acceptance ~~executed~~ *signed* by
40 the new resident agent, stating the full name, complete street address
41 and, if different from the street address, mailing address of the new
42 resident agent, must accompany the statement appointing a
43 successor resident agent.

44 3. Upon the filing of the statement of resignation with the
45 Secretary of State, the capacity of the resigning person as resident



1 agent terminates. If the statement of resignation contains no
2 statement by the corporation sole appointing a successor resident
3 agent, the resigning resident agent shall immediately give written
4 notice, by mail, to the corporation of the filing of the statement and
5 its effect. The notice must be addressed to the person in whom is
6 vested the legal title to property specified in NRS 84.020.

7 4. If a resident agent dies, resigns or removes from the State,
8 the corporation sole, within 30 days thereafter, shall file with the
9 Secretary of State a certificate of acceptance ~~executed~~ signed by
10 the new resident agent. The certificate must set forth the full name
11 and complete street address of the new resident agent for the service
12 of process, and may have a separate mailing address, such as a post
13 office box, which may be different from the street address.

14 5. A corporation sole that fails to file a certificate of acceptance
15 ~~executed~~ signed by the new resident agent within 30 days after the
16 death, resignation or removal of its former resident agent shall be
17 deemed in default and is subject to the provisions of NRS 84.130
18 and 84.140.

19 **Sec. 138.** NRS 84.150 is hereby amended to read as follows:

20 84.150 1. Except as otherwise provided in subsections 3 and
21 4, the Secretary of State shall reinstate any corporation sole which
22 has forfeited its right to transact business under the provisions of
23 this chapter and restore the right to carry on business in this state
24 and exercise its corporate privileges and immunities, if it:

25 (a) Files with the Secretary of State a certificate of acceptance of
26 appointment ~~executed~~ signed by the resident agent of the
27 corporation; and

28 (b) Pays to the Secretary of State:

29 (1) The filing fees and penalties set forth in this chapter for
30 each year or portion thereof during which its charter has been
31 revoked; and

32 (2) A fee of \$25 for reinstatement.

33 2. When the Secretary of State reinstates the corporation to its
34 former rights, he shall:

35 (a) Immediately issue and deliver to the corporation a certificate
36 of reinstatement authorizing it to transact business, as if the fees had
37 been paid when due; and

38 (b) Upon demand, issue to the corporation a certified copy of the
39 certificate of reinstatement.

40 3. The Secretary of State shall not order a reinstatement unless
41 all delinquent fees and penalties have been paid, and the revocation
42 of its charter occurred only by reason of its failure to pay the fees
43 and penalties.



1 4. If a corporate charter has been revoked pursuant to the
2 provisions of this chapter and has remained revoked for 10
3 consecutive years, the charter must not be reinstated.

4 **Sec. 139.** Chapter 86 of NRS is hereby amended by adding
5 thereto the provisions set forth as sections 140, 141 and 142 of this
6 act.

7 **Sec. 140.** *“Record” means information that is inscribed on a*
8 *tangible medium or that is stored in an electronic or other medium*
9 *and is retrievable in perceivable form.*

10 **Sec. 141. 1.** *For the purposes of this section, NRS 86.543 to*
11 *86.549, inclusive, and section 142 of this act, the following*
12 *activities do not constitute transacting business in this state:*

13 (a) *Maintaining, defending or settling any proceeding;*

14 (b) *Holding meetings of the managers or members or carrying*
15 *on other activities concerning internal company affairs;*

16 (c) *Maintaining accounts in banks or credit unions;*

17 (d) *Maintaining offices or agencies for the transfer, exchange*
18 *and registration of the company’s own securities or maintaining*
19 *trustees or depositories with respect to those securities;*

20 (e) *Making sales through independent contractors;*

21 (f) *Soliciting or receiving orders outside this state through or*
22 *in response to letters, circulars, catalogs or other forms of*
23 *advertising, accepting those orders outside this state and filling*
24 *them by shipping goods into this state;*

25 (g) *Creating or acquiring indebtedness, mortgages and*
26 *security interests in real or personal property;*

27 (h) *Securing or collecting debts or enforcing mortgages and*
28 *security interests in property securing the debts;*

29 (i) *Owning, without more, real or personal property;*

30 (j) *Isolated transactions completed within 30 days and not a*
31 *part of a series of similar transactions;*

32 (k) *The production of motion pictures as defined in*
33 *NRS 231.020;*

34 (l) *Transacting business as an out-of-state depository*
35 *institution pursuant to the provisions of title 55 of NRS; and*

36 (m) *Transacting business in interstate commerce.*

37 2. *The list of activities in subsection 1 is not exhaustive.*

38 3. *A person who is not doing business in this state within the*
39 *meaning of this section need not qualify or comply with any*
40 *provision of this chapter, title 55 or 56 of NRS or chapter 645A,*
41 *645B or 645E of NRS unless he:*

42 (a) *Maintains an office in this state for the transaction of*
43 *business; or*

44 (b) *Solicits or accepts deposits in the State, except pursuant to*
45 *the provisions of chapter 666 or 666A of NRS.*



1 4. As used in this section, "deposits" means demand deposits,
2 savings deposits and time deposits, as those terms are defined in
3 chapter 657 of NRS.

4 **Sec. 142. 1.** For the purposes of section 141 of this act, a
5 solicitation of a deposit is made in this state, whether or not either
6 party is present in this state, if the solicitation:

- 7 (a) Originates in this state; or
8 (b) Is directed by the solicitor to a destination in this state and
9 received where it is directed, or at a post office in this state if the
10 solicitation is mailed.

11 2. A solicitation of a deposit is accepted in this state if
12 acceptance:

- 13 (a) Is communicated to the solicitor in this state; and
14 (b) Has not previously been communicated to the solicitor,
15 orally or in writing, outside this state.

16 Acceptance is communicated to the solicitor in this state, whether
17 or not either party is present in this state, if the depositor directs it
18 to the solicitor reasonably believing the solicitor to be in this state
19 and it is received where it is directed, or at any post office in this
20 state if the acceptance is mailed.

21 3. A solicitation made in a newspaper or other publication of
22 general, regular and paid circulation is not made in this state if
23 the publication:

- 24 (a) Is not published in this state; or
25 (b) Is published in this state but has had more than two-thirds
26 of its circulation outside this state during the 12 months preceding
27 the solicitation.

28 If a publication is published in editions, each edition is a separate
29 publication except for material common to all editions.

30 4. A solicitation made in a radio or television program or
31 other electronic communication received in this state which
32 originates outside this state is not made in this state. A radio or
33 television program or other electronic communication shall be
34 deemed to have originated in this state if the broadcast studio or
35 origin of the source of transmission is located within the State,
36 unless:

37 (a) The program or communication is syndicated and
38 distributed from outside this state for redistribution to the general
39 public in this state;

40 (b) The program is supplied by a radio, television or other
41 electronic network whose electronic signal originates outside this
42 state for redistribution to the general public in this state;

43 (c) The program or communication is an electronic signal that
44 originates outside this state and is captured for redistribution to



1 *the general public in this state by a community antenna or cable,*
2 *radio, cable television or other electronic system; or*

3 *(d) The program or communication consists of an electronic*
4 *signal which originates within this state, but which is not intended*
5 *for redistribution to the general public in this state.*

6 **Sec. 143.** 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 140 of this act* have the meanings ascribed to
10 them in those sections.

11 **Sec. 144.** NRS 86.126 is hereby amended to read as follows:

12 86.126 “Sign” means to affix a signature to a ~~document~~
13 *record.*

14 **Sec. 145.** NRS 86.127 is hereby amended to read as follows:

15 86.127 “Signature” means a name, word, *symbol* or mark
16 executed or *otherwise* adopted, *or a record encrypted or similarly*
17 *processed in whole or in part*, by a person with the present
18 ~~intention to authenticate a document~~ *intent to identify himself*
19 *and adopt or accept a record.* The term includes, without limitation,
20 an electronic signature as defined in NRS 719.100.

21 **Sec. 146.** NRS 86.151 is hereby amended to read as follows:

22 86.151 1. One or more persons may form a limited-liability
23 company by:

24 (a) ~~Executing~~ *Signing* and filing with the Secretary of State
25 articles of organization for the company; and

26 (b) Filing with the Secretary of State a certificate of acceptance
27 of appointment, ~~executed~~ *signed* by the resident agent of the
28 company.

29 2. Upon the filing of the articles of organization and the
30 certificate of acceptance with the Secretary of State, and the
31 payment to him of the required filing fees, the Secretary of State
32 shall issue to the company a certificate that the articles, containing
33 the required statement of facts, have been filed.

34 3. A signer of the articles of organization or a manager
35 designated in the articles does not thereby become a member of the
36 company. At all times after commencement of business by the
37 company, the company must have one or more members. The filing
38 of the articles does not, by itself, constitute commencement of
39 business by the company.

40 **Sec. 147.** NRS 86.161 is hereby amended to read as follows:

41 86.161 1. The articles of organization must set forth:

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

43 (b) The name and complete street address of its resident agent,
44 and the mailing address of the resident agent if different from the
45 street address;



1 (c) The name and ~~post-office~~ mailing or street address, either
2 residence or business, of each of the organizers ~~executing~~ signing
3 the articles; and

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

5 (1) One or more managers, the name and ~~post-office~~
6 mailing or street address, either residence or business, of each
7 initial manager; or

8 (2) The members, the name and ~~post-office~~ mailing or
9 street address, either residence or business, of each initial member.

10 2. The articles may set forth any other provision, not
11 inconsistent with law, which the members elect to set out in the
12 articles of organization for the regulation of the internal affairs of
13 the company, including any provisions which under this chapter are
14 required or permitted to be set out in the operating agreement of the
15 company.

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

17 (a) The rights ~~if any~~ of the members to contract debts on
18 behalf of the limited-liability company ~~or~~
19 ~~(b) if the limited-liability company is managed by its~~
20 ~~members;~~

21 (b) *The rights of the manager or managers to contract debts*
22 *on behalf of the limited-liability company if the limited-liability*
23 *company is managed by a manager or managers; or*

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

25 **Sec. 148.** NRS 86.171 is hereby amended to read as follows:

26 86.171 1. The name of a limited-liability company formed
27 under the provisions of this chapter must contain the words
28 "Limited-Liability Company," "*Limited Liability Company*,"
29 "Limited Company," or "Limited" or the abbreviations "Ltd.,"
30 "L.L.C.," "L.C.," "LLC" or "LC." The word "Company" may be
31 abbreviated as "Co."

32 2. The name proposed for a limited-liability company must be
33 distinguishable on the records of the Secretary of State from the
34 names of all other artificial persons formed, organized, registered or
35 qualified pursuant to the provisions of this title that are on file in the
36 Office of the Secretary of State and all names that are reserved in
37 the Office of the Secretary of State pursuant to the provisions of this
38 title. If a proposed name is not so distinguishable, the Secretary of
39 State shall return the articles of organization to the organizer, unless
40 the ~~written, acknowledged~~ signed consent of the holder of the
41 name on file or reserved name to use the same name or the
42 requested similar name accompanies the articles of organization.

43 3. For the purposes of this section and NRS 86.176, a proposed
44 name is not distinguishable from a name on file or reserved name
45 solely because one or the other contains distinctive lettering, a



1 distinctive mark, a trademark or a trade name, or any combination of
2 these.

3 4. The name of a limited-liability company whose charter has
4 been revoked, which has merged and is not the surviving entity or
5 whose existence has otherwise terminated is available for use by any
6 other artificial person.

7 5. The Secretary of State shall not accept for filing any articles
8 of organization for any limited-liability company if the name of the
9 limited-liability company contains the words "accountant,"
10 "accounting," "accountancy," "auditor" or "auditing" unless the
11 Nevada State Board of Accountancy certifies that the limited-
12 liability company:

13 (a) Is registered pursuant to the provisions of chapter 628 of
14 NRS; or

15 (b) Has filed with the State Board of Accountancy under penalty
16 of perjury a written statement that the limited-liability company is
17 not engaged in the practice of accounting and is not offering to
18 practice accounting in this state.

19 6. The Secretary of State may adopt regulations that interpret
20 the requirements of this section.

21 **Sec. 149.** NRS 86.176 is hereby amended to read as follows:

22 86.176 1. The Secretary of State, when requested so to do,
23 shall reserve, for a period of 90 days, the right to use any name
24 available under NRS 86.171, for the use of any proposed limited-
25 liability company. During the period, a name so reserved is not
26 available for use or reservation by any other artificial person
27 forming, organizing, registering or qualifying in the Office of the
28 Secretary of State pursuant to the provisions of this title without the
29 ~~written, acknowledged~~ *signed* consent of the person at whose
30 request the reservation was made.

31 2. The use by any other artificial person of a name in violation
32 of subsection 1 or NRS 86.171 may be enjoined, even if the
33 ~~document~~ *record* under which the artificial person is formed,
34 organized, registered or qualified has been filed by the Secretary of
35 State.

36 **Sec. 150.** NRS 86.221 is hereby amended to read as follows:

37 86.221 1. The articles of organization of a limited-liability
38 company may be amended for any purpose, not inconsistent with
39 law, as determined by all of the members or permitted by the articles
40 or an operating agreement.

41 2. An amendment must be made in the form of a certificate
42 setting forth:

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

44 (b) Whether the limited-liability company is managed by one or
45 more managers or members; and



- 1 (c) The amendment to the articles of organization.
2 3. The certificate of amendment must be signed by a manager
3 of the company or, if management is not vested in a manager, by a
4 member.
5 4. Restated articles of organization may be ~~executed~~ signed
6 and filed in the same manner as a certificate of amendment. If the
7 certificate alters or amends the articles in any manner, it must be
8 accompanied by:
9 (a) A resolution; or
10 (b) A form prescribed by the Secretary of State,
11 setting forth which provisions of the articles of organization on file
12 with the Secretary of State are being altered or amended.
13 **Sec. 151.** NRS 86.226 is hereby amended to read as follows:
14 86.226 1. A signed certificate of amendment, or a certified
15 copy of a judicial decree of amendment, must be filed with the
16 Secretary of State. A person who ~~executes~~ signs a certificate as an
17 agent, officer or fiduciary of the limited-liability company need not
18 exhibit evidence of his authority as a prerequisite to filing. Unless
19 the Secretary of State finds that a certificate does not conform to
20 law, upon his receipt of all required filing fees he shall file the
21 certificate.
22 2. A certificate of amendment or judicial decree of amendment
23 is effective upon filing with the Secretary of State or upon a later
24 date specified in the certificate or judicial decree, which must not be
25 more than 90 days after the certificate or judicial decree is filed.
26 3. If a certificate specifies an effective date and if the
27 resolution of the members approving the proposed amendment
28 provides that one or more managers or, if management is not vested
29 in a manager, one or more members may abandon the proposed
30 amendment, then those managers or members may terminate the
31 effectiveness of the certificate by filing a certificate of termination
32 with the Secretary of State that:
33 (a) Is filed before the effective date specified in the certificate or
34 judicial decree filed pursuant to subsection 1;
35 (b) Identifies the certificate being terminated;
36 (c) States that, pursuant to the resolution of the members, the
37 manager of the company or, if management is not vested in a
38 manager, a designated member is authorized to terminate the
39 effectiveness of the certificate;
40 (d) States that the effectiveness of the certificate has been
41 terminated;
42 (e) Is signed by a manager of the company or, if management is
43 not vested in a manager, a designated member; and
44 (f) Is accompanied by a filing fee of \$150.



1 **Sec. 152.** NRS 86.241 is hereby amended to read as follows:

2 86.241 1. Each limited-liability company shall continuously
3 maintain in this state an office, which may but need not be a place of
4 its business in this state, at which it shall keep, unless otherwise
5 provided by an operating agreement:

6 (a) A current list of the full name and last known business
7 address of each member and manager, separately identifying the
8 members in alphabetical order and the managers, if any, in
9 alphabetical order;

10 (b) A copy of the filed articles of organization and all
11 amendments thereto, together with ~~executed~~ signed copies of any
12 powers of attorney pursuant to which any ~~document~~ record has
13 been ~~executed;~~ signed; and

14 (c) Copies of any then effective operating agreement of the
15 company.

16 2. Records kept pursuant to this section are subject to
17 inspection and copying at the reasonable request, and at the expense,
18 of any member during ordinary business hours, unless otherwise
19 provided in an operating agreement.

20 **Sec. 153.** NRS 86.251 is hereby amended to read as follows:

21 86.251 1. A resident agent who desires to resign shall file
22 with the Secretary of State a signed statement for each limited-
23 liability company that he is unwilling to continue to act as the agent
24 of the limited-liability company for the service of process. A
25 resignation is not effective until the signed statement is filed with
26 the Secretary of State.

27 2. The statement of resignation may contain a statement of the
28 affected limited-liability company appointing a successor resident
29 agent for that limited-liability company, giving the agent's full
30 name, street address for the service of process, and mailing address
31 if different from the street address. A certificate of acceptance
32 ~~executed~~ signed by the new resident agent must accompany the
33 statement appointing a successor resident agent.

34 3. Upon the filing of the statement of resignation with the
35 Secretary of State, the capacity of the resigning person as resident
36 agent terminates. If the statement of resignation contains no
37 statement by the limited-liability company appointing a successor
38 resident agent, the resigning agent shall immediately give written
39 notice, by mail, to the limited-liability company of the filing of the
40 statement and its effect. The notice must be addressed to any
41 manager or, if none, to any member ~~of~~ of the limited-liability
42 company other than the resident agent.

43 4. If a resident agent dies, resigns or moves from the State, the
44 limited-liability company, within 30 days thereafter, shall file with
45 the Secretary of State a certificate of acceptance ~~executed~~ signed



1 by the new resident agent. The certificate must set forth the name,
2 complete street address and mailing address, if different from the
3 street address, of the new resident agent.

4 5. Each limited-liability company which fails to file a
5 certificate of acceptance ~~executed~~ *signed* by the new resident
6 agent within 30 days after the death, resignation or removal of its
7 resident agent as provided in subsection 4 ~~is~~ shall be deemed in
8 default and is subject to the provisions of NRS 86.272 and 86.274.

9 **Sec. 154.** NRS 86.269 is hereby amended to read as follows:

10 86.269 1. Every list required to be filed under the provisions
11 of NRS 86.263 must, after the name of each manager and member
12 listed thereon, set forth the ~~post office box~~ *mailing* or street
13 address, either residence or business, of each manager or member.

14 2. If the addresses are not stated for each person on any list
15 offered for filing, the Secretary of State may refuse to file the list,
16 and the limited-liability company for which the list has been offered
17 for filing is subject to the provisions of NRS 86.272 and 86.274
18 relating to failure to file the list within or at the times therein
19 specified, unless a list is subsequently submitted for filing which
20 conforms to the provisions of this section.

21 **Sec. 155.** NRS 86.301 is hereby amended to read as follows:

22 86.301 Except as otherwise provided in this chapter, its articles
23 of organization or its operating agreement, no debt may be
24 contracted or liability incurred by or on behalf of a limited-liability
25 company, except by ~~one or more of its managers if management of
26 the limited liability company has been vested by the members in a
27 manager or managers or, if management of the limited liability
28 company is retained by the members, then by any member.~~ :

29 *1. One or more managers of a company which is managed by
30 a manager or managers;*

31 *2. Any member of a company which is managed by its
32 members;*

33 *3. Any agent, officer, employee or other representative of the
34 company authorized in the operating agreement or in another
35 writing by a manager or managers, if the company is managed by
36 a manager or managers; or*

37 *4. Any agent, officer, employee or other representative of the
38 company authorized in the operating agreement or in another
39 writing by a member, if the company is managed by its members.*

40 **Sec. 156.** NRS 86.311 is hereby amended to read as follows:

41 86.311 Real and personal property owned or purchased by a
42 ~~limited liability~~ company must be held and owned, and
43 conveyance made, in the name of the company. Except as otherwise
44 provided in the *company's* articles of organization ~~is~~ *or operating*
45 *agreement*, instruments and ~~documents~~ *records* providing for the



1 acquisition, mortgage or disposition of property of the company are
2 valid and binding upon the company if ~~executed by one or more~~
3 ~~managers of a company which has a manager or managers or as~~
4 ~~provided by the articles of organization of a company in which~~
5 ~~management has been retained by the members.] signed by:~~

6 *1. One or more managers of a company which is managed by*
7 *a manager or managers;*

8 *2. Any member of a company which is managed by its*
9 *members;*

10 *3. Any agent, officer, employee or other representative of the*
11 *company authorized in the operating agreement or in another*
12 *writing by a manager or managers, if the company is managed by*
13 *a manager or managers; or*

14 *4. Any agent, officer, employee or other representative of the*
15 *company authorized in the operating agreement or in another*
16 *writing by a member, if the company is managed by its members.*

17 **Sec. 157.** NRS 86.483 is hereby amended to read as follows:

18 86.483 A ~~member who owns a member's interest in a limited-~~
19 ~~liability company or a noneconomic~~ member, when permitted by
20 the terms of the articles of organization or operating agreement, may
21 bring an action in the right of a limited-liability company to recover
22 a judgment in its favor if managers or members with authority to do
23 so have refused to bring the action or if an effort to cause those
24 managers or members to bring the action is not likely to succeed.

25 **Sec. 158.** NRS 86.485 is hereby amended to read as follows:

26 86.485 In a derivative action, the plaintiff must be a member
27 ~~who owns a member's interest or a noneconomic member at the~~
28 ~~time of bringing the action and] at the time of the transaction of~~
29 which he complains.

30 **Sec. 159.** NRS 86.544 is hereby amended to read as follows:

31 86.544 Before transacting business in this state, a foreign
32 limited-liability company must register with the Secretary of State.
33 In order to register, a foreign limited-liability company must submit
34 to the Secretary of State an application for registration as a foreign
35 limited-liability company, signed by a manager of the company or,
36 if management is not vested in a manager, a member of the
37 company and a signed certificate of acceptance of a resident agent.
38 The application for registration must set forth:

39 1. The name of the foreign limited-liability company and, if
40 different, the name under which it proposes to register and transact
41 business in this state;

42 2. The state and date of its formation;

43 3. The name and address of the resident agent *in this state*
44 whom the foreign limited-liability company elects to appoint;



1 4. A statement that the Secretary of State is appointed the agent
2 of the foreign limited-liability company for service of process if the
3 authority of the resident agent has been revoked, or if the resident
4 agent has resigned or cannot be found or served with the exercise of
5 reasonable diligence;

6 5. The address of the office required to be maintained in the
7 state of its organization by the laws of that state or, if not so
8 required, of the principal office of the foreign limited-liability
9 company;

10 6. The name and business address of each manager or, if
11 management is not vested in a manager, each member; and

12 7. The address of the office at which is kept a list of the names
13 and addresses of the members and their capital contributions,
14 together with an undertaking by the foreign limited-liability
15 company to keep those records until the registration in this state of
16 the foreign limited-liability company is cancelled or withdrawn.

17 **Sec. 160.** NRS 86.549 is hereby amended to read as follows:

18 86.549 The Attorney General may bring an action to restrain a
19 foreign limited-liability company from transacting business in this
20 state in violation of NRS 86.543 to 86.549, inclusive ~~§~~, and
21 *sections 141 and 142 of this act.*

22 **Sec. 161.** NRS 86.561 is hereby amended to read as follows:

23 86.561 1. The Secretary of State shall charge and collect for:

24 (a) Filing the original articles of organization, or for registration
25 of a foreign company, \$175;

26 (b) Amending or restating the articles of organization, amending
27 the registration of a foreign company or filing a certificate of
28 correction, \$150;

29 (c) Filing the articles of dissolution of a domestic or foreign
30 company, \$60;

31 (d) Filing a statement of change of address of a records or
32 registered office, or change of the resident agent, \$30;

33 (e) Certifying articles of organization or an amendment to the
34 articles, in both cases where a copy is provided, \$20;

35 (f) Certifying an authorized printed copy of this chapter, \$20;

36 (g) Reserving a name for a limited-liability company, \$20;

37 (h) Filing a certificate of cancellation, \$60;

38 (i) ~~Executing, Signing,~~ *Signing,* filing or certifying any other
39 ~~document, record,~~ *record,* \$40; and

40 (j) Copies made at the Office of the Secretary of State, \$1 per
41 page.

42 2. The Secretary of State shall charge and collect at the time of
43 any service of process on him as agent for service of process of a
44 limited-liability company, \$10 which may be recovered as taxable



1 costs by the party to the action causing the service to be made if the
2 party prevails in the action.

3 3. Except as otherwise provided in this section, the fees set
4 forth in NRS 78.785 apply to this chapter.

5 **Sec. 162.** NRS 86.563 is hereby amended to read as follows:

6 86.563 Before the issuance of members' interests an organizer,
7 and after the issuance of members' interests, a manager, of a
8 limited-liability company may authorize the Secretary of State in
9 writing to replace any page of a ~~{document}~~ record submitted for
10 filing on an expedited basis, before the actual filing, and to accept
11 the page as if it were part of the ~~{originally signed filing,}~~ original
12 record. The signed authorization of the organizer or manager to the
13 Secretary of State permits, but does not require, the Secretary of
14 State to alter the original ~~{document}~~ record as requested.

15 **Sec. 163.** NRS 86.566 is hereby amended to read as follows:

16 86.566 No ~~{document}~~ record which is written in a language
17 other than English may be filed or submitted for filing in the Office
18 of the Secretary of State pursuant to the provisions of this chapter
19 unless it is accompanied by a verified translation of that ~~{document}~~
20 record into the English language.

21 **Sec. 164.** NRS 86.568 is hereby amended to read as follows:

22 86.568 1. A limited-liability company may correct a
23 ~~{document filed by}~~ record filed in the Office of the Secretary of
24 State with respect to the limited-liability company if the ~~{document}~~
25 record contains an inaccurate ~~{reord}~~ description of a company
26 action ~~{described in the document}~~ or was defectively ~~{executed,}~~
27 signed, attested, sealed, verified or acknowledged.

28 2. To correct a ~~{document,}~~ record, the limited-liability
29 company must:

- 30 (a) Prepare a certificate of correction that:
31 (1) States the name of the limited-liability company;
32 (2) Describes the ~~{document,}~~ record, including, without
33 limitation, its filing date;
34 (3) Specifies the inaccuracy or defect;
35 (4) Sets forth the inaccurate or defective portion of the
36 ~~{document}~~ record in an accurate or corrected form; and
37 (5) Is signed by a manager of the company, or if
38 management is not vested in a manager, by a member of the
39 company.

40 (b) Deliver the certificate to the Secretary of State for filing.

41 (c) Pay a filing fee of \$150 to the Secretary of State.

42 3. A certificate of correction is effective on the effective date
43 of the ~~{document}~~ record it corrects except as to persons relying on
44 the uncorrected ~~{document}~~ record and adversely affected by the



1 correction. As to those persons, the certificate is effective when
2 filed.

3 **Sec. 165.** NRS 86.580 is hereby amended to read as follows:

4 86.580 1. A limited-liability company which did exist or is
5 existing pursuant to the laws of this state may, upon complying with
6 the provisions of NRS 86.276, procure a renewal or revival of its
7 charter for any period, together with all the rights, franchises,
8 privileges and immunities, and subject to all its existing and
9 preexisting debts, duties and liabilities secured or imposed by its
10 original charter and amendments thereto, or existing charter, by
11 filing:

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

14 (1) The name of the limited-liability company, which must
15 be the name of the limited-liability company at the time of the
16 renewal or revival, or its name at the time its original charter
17 expired.

18 (2) The name of the person designated as the resident agent
19 of the limited-liability company, his street address for the service of
20 process, and his mailing address if different from his street address.

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

24 (4) Whether or not the renewal or revival is to be perpetual,
25 and, if not perpetual, the time for which the renewal or revival is to
26 continue.

27 (5) That the limited-liability company desiring to renew or
28 revive its charter is, or has been, organized and carrying on the
29 business authorized by its existing or original charter and
30 amendments thereto, and desires to renew or continue through
31 revival its existence pursuant to and subject to the provisions of this
32 chapter.

33 (b) A list of its managers, or if there are no managers, all its
34 managing members and their ~~[post-office-box]~~ *mailing* or street
35 addresses, either residence or business.

36 2. A limited-liability company whose charter has not expired
37 and is being renewed shall cause the certificate to be signed by its
38 manager, or if there is no manager, by a person designated by its
39 members. The certificate must be approved by a majority in interest.

40 3. A limited-liability company seeking to revive its original or
41 amended charter shall cause the certificate to be signed by a person
42 or persons designated or appointed by the members. The ~~[execution]~~
43 *signing* and filing of the certificate must be approved by the written
44 consent of a majority in interest and must contain a recital that this
45 consent was secured. The limited-liability company shall pay to the



1 Secretary of State the fee required to establish a new limited-
2 liability company pursuant to the provisions of this chapter.

3 4. The filed certificate, or a copy thereof which has been
4 certified under the hand and seal of the Secretary of State, must be
5 received in all courts and places as prima facie evidence of the facts
6 therein stated and of the existence of the limited-liability company
7 therein named.

8 **Sec. 166.** NRS 87.020 is hereby amended to read as follows:

9 87.020 As used in this chapter, unless the context otherwise
10 requires:

11 1. "Bankrupt" includes bankrupt under the Federal Bankruptcy
12 Act or insolvent under any state insolvent act.

13 2. "Business" includes every trade, occupation or profession.

14 3. "Conveyance" includes every assignment, lease, mortgage
15 or encumbrance.

16 4. "Court" includes every court and judge having jurisdiction
17 in the case.

18 5. "Professional service" means any type of personal service
19 which may legally be performed only pursuant to a license or
20 certificate of registration.

21 6. "Real property" includes land and any interest or estate in
22 land.

23 7. *"Record" means information that is inscribed on a*
24 *tangible medium or that is stored in an electronic or other medium*
25 *and is retrievable in perceivable form.*

26 8. "Registered limited-liability partnership" means a
27 partnership formed pursuant to an agreement governed by this
28 chapter for the purpose of rendering a professional service and
29 registered pursuant to and complying with NRS 87.440 to 87.560,
30 inclusive.

31 ~~8.]~~ 9. *"Sign" means to affix a signature to a record.*

32 10. "Signature" means a name, word, *symbol* or mark
33 executed or *otherwise* adopted, *or a record encrypted or similarly*
34 *processed in whole or in part*, by a person with the present
35 ~~intention to authenticate a document.]~~ *intent to identify himself*
36 *and adopt or accept a record.* The term includes, without limitation,
37 an electronic signature as defined in NRS 719.100.

38 ~~9.]~~ ~~"Signed" means to have affixed a signature to a document.~~

39 ~~10.]~~ 11. "Street address" of a resident agent means the actual
40 physical location in this state at which a resident agent is available
41 for service of process.

42 **Sec. 167.** NRS 87.100 is hereby amended to read as follows:

43 87.100 1. Where title to real property is in the partnership
44 name, any partner may convey title to such property by a
45 conveyance ~~executed]~~ *signed* in the partnership name, ~~;~~ but the



1 partnership may recover such property unless the partner's act binds
2 the partnership under the provisions of subsection 1 of NRS 87.090
3 or unless such property has been conveyed by the grantee or a
4 person claiming through such grantee to a holder for value without
5 knowledge that the partner, in making the conveyance, has exceeded
6 his authority.

7 2. Where title to real property is in the name of the partnership,
8 a conveyance ~~executed~~ signed by a partner, in his own name,
9 passes the equitable interest of the partnership, provided the act is
10 one within the authority of the partner under the provisions of
11 subsection 1 of NRS 87.090.

12 3. Where title to real property is in the name of one or more but
13 not all the partners, and the record does not disclose the right of the
14 partnership, the partners in whose name the title stands may convey
15 title to such property, but the partnership may recover such property
16 if the partners' act does not bind the partnership under the
17 provisions of subsection 1 of NRS 87.090, unless the purchaser, or
18 his assignee, is a holder for value without knowledge.

19 4. Where the title to real property is in the name of one or more
20 or all the partners, or in a third person in trust for the partnership, a
21 conveyance ~~executed~~ signed by a partner in the partnership name,
22 or in his own name, passes the equitable interest of the partnership,
23 provided the act is one within the authority of the partner under the
24 provisions of subsection 1 of NRS 87.090.

25 5. Where the title to real property is in the names of all the
26 partners a conveyance ~~executed~~ signed by all the partners passes
27 all their rights in such property.

28 **Sec. 168.** NRS 87.440 is hereby amended to read as follows:

29 87.440 1. To become a registered limited-liability
30 partnership, a partnership shall file with the Secretary of State a
31 certificate of registration stating each of the following:

- 32 (a) The name of the partnership.
- 33 (b) The street address of its principal office.
- 34 (c) The name of the person designated as the partnership's
35 resident agent, the street address of the resident agent where process
36 may be served upon the partnership and the mailing address of the
37 resident agent if it is different than his street address.
- 38 (d) The name and business address of each managing partner in
39 this state.
- 40 (e) A brief statement of the professional service rendered by the
41 partnership.
- 42 (f) That the partnership thereafter will be a registered limited-
43 liability partnership.
- 44 (g) Any other information that the partnership wishes to include.



1 2. The certificate of registration must be ~~executed~~ *signed* by a
2 majority in interest of the partners or by one or more partners
3 authorized to ~~execute~~ *sign* such a certificate.

4 3. The certificate of registration must be accompanied by a fee
5 of \$175.

6 4. The Secretary of State shall register as a registered limited-
7 liability partnership any partnership that submits a completed
8 certificate of registration with the required fee.

9 5. The registration of a registered limited-liability partnership
10 is effective at the time of the filing of the certificate of registration.

11 **Sec. 169.** NRS 87.470 is hereby amended to read as follows:

12 87.470 The registration of a registered limited-liability
13 partnership is effective until:

14 1. Its certificate of registration is revoked pursuant to NRS
15 87.520; or

16 2. The registered limited-liability partnership files with the
17 Secretary of State a ~~written~~ notice of withdrawal ~~executed~~ *signed*
18 by a managing partner. The notice must be accompanied by a fee of
19 \$60.

20 **Sec. 170.** NRS 87.500 is hereby amended to read as follows:

21 87.500 1. A resident agent of a registered limited-liability
22 partnership who wishes to resign shall file with the Secretary of
23 State a signed statement that he is unwilling to continue to act as the
24 resident agent of the registered limited-liability partnership for
25 service of process. A resignation is not effective until the signed
26 statement is filed with the Secretary of State.

27 2. The statement of resignation may contain a statement by the
28 affected registered limited-liability partnership appointing a
29 successor resident agent. A certificate of acceptance signed by the
30 new agent, stating the full name, complete street address and, if
31 different from the street address, the mailing address of the new
32 agent, must accompany the statement appointing the new resident
33 agent.

34 3. Upon the filing of the statement with the Secretary of State,
35 the capacity of the person as resident agent terminates. If the
36 statement of resignation contains no statement by the registered
37 limited-liability partnership appointing a successor resident agent,
38 the resigning agent shall immediately give written notice, by
39 certified mail, to the registered limited-liability partnership of the
40 filing of the statement and its effect. The notice must be addressed
41 to a managing partner in this state.

42 4. If a resident agent dies, resigns or removes himself from the
43 State, the registered limited-liability partnership shall, within 30
44 days thereafter, file with the Secretary of State a certificate of
45 acceptance, ~~executed~~ *signed* by the new resident agent. The



1 certificate must set forth the full name, complete street address and,
2 if different from the street address, the mailing address of the newly
3 designated resident agent. If a registered limited-liability partnership
4 fails to file a certificate of acceptance within the period required by
5 this subsection, it is in default and is subject to the provisions of
6 NRS 87.520.

7 **Sec. 171.** NRS 87.545 is hereby amended to read as follows:

8 87.545 A managing partner of a registered limited-liability
9 partnership may authorize the Secretary of State in writing to
10 replace any page of a ~~{document}~~ *record* submitted for filing on an
11 expedited basis, before the actual filing, and to accept the page as if
12 it were part of the ~~{originally signed filing}~~ *original record*. The
13 signed authorization of the managing partner to the Secretary of
14 State permits, but does not require, the Secretary of State to alter the
15 original ~~{document}~~ *record* as requested.

16 **Sec. 172.** NRS 87.547 is hereby amended to read as follows:

17 87.547 1. A limited-liability partnership may correct a
18 ~~{document filed by}~~ *record filed in the Office of* the Secretary of
19 State with respect to the limited-liability partnership if the
20 ~~{document}~~ *record* contains an inaccurate ~~{record}~~ *description* of a
21 partnership action ~~{described in the document}~~ or *if the record* was
22 defectively ~~{executed,}~~ *signed*, attested, sealed, verified or
23 acknowledged.

24 2. To correct a ~~{document,}~~ *record*, the limited-liability
25 partnership must:

26 (a) Prepare a certificate of correction that:

27 (1) States the name of the limited-liability partnership;

28 (2) Describes the ~~{document,}~~ *record*, including, without
29 limitation, its filing date;

30 (3) Specifies the inaccuracy or defect;

31 (4) Sets forth the inaccurate or defective portion of the
32 ~~{document}~~ *record* in an accurate or corrected form; and

33 (5) Is signed by a managing partner of the limited-liability
34 partnership.

35 (b) Deliver the certificate to the Secretary of State for filing.

36 (c) Pay a filing fee of \$150 to the Secretary of State.

37 3. A certificate of correction is effective on the effective date
38 of the ~~{document}~~ *record* it corrects except as to persons relying on
39 the uncorrected ~~{document}~~ *record* and adversely affected by the
40 correction. As to those persons, the certificate is effective when
41 filed.

42 **Sec. 173.** NRS 87.550 is hereby amended to read as follows:

43 87.550 In addition to any other fees required by NRS 87.440 to
44 87.540, inclusive, and 87.560, the Secretary of State shall charge



1 and collect the following fees for services rendered pursuant to
2 those sections:

3 1. For certifying ~~[documents]~~ *records* required by NRS 87.440
4 to 87.540, inclusive, and 87.560, \$20 per certification.

5 2. For ~~[executing]~~ *signing* a certificate verifying the existence
6 of a registered limited-liability partnership, if the registered limited-
7 liability partnership has not filed a certificate of amendment, \$40.

8 3. For ~~[executing]~~ *signing* a certificate verifying the existence
9 of a registered limited-liability partnership, if the registered limited-
10 liability partnership has filed a certificate of amendment, \$40.

11 4. For ~~[executing,]~~ *signing*, certifying or filing any certificate
12 or ~~[document]~~ *record* not required by NRS 87.440 to 87.540,
13 inclusive, and 87.560, \$40.

14 5. For any copies made by the Office of the Secretary of State,
15 \$1 per page.

16 6. For examining and provisionally approving any ~~[document]~~
17 *record* before the ~~[document]~~ *record* is presented for filing, \$100.

18 **Sec. 174.** Chapter 88 of NRS is hereby amended by adding
19 thereto the provisions set forth as sections 175 and 176 of this act.

20 **Sec. 175. 1.** *For the purposes of this section, NRS 88.570 to*
21 *88.605, inclusive, and section 176 of this act, the following*
22 *activities do not constitute transacting business in this state:*

23 *(a) Maintaining, defending or settling any proceeding;*

24 *(b) Holding meetings of the managers or members or carrying*
25 *on other activities concerning internal company affairs;*

26 *(c) Maintaining accounts in banks or credit unions;*

27 *(d) Maintaining offices or agencies for the transfer, exchange*
28 *and registration of the company's own securities or maintaining*
29 *trustees or depositories with respect to those securities;*

30 *(e) Making sales through independent contractors;*

31 *(f) Soliciting or receiving orders outside this state through or*
32 *in response to letters, circulars, catalogs or other forms of*
33 *advertising, accepting those orders outside this state and filling*
34 *them by shipping goods into this state;*

35 *(g) Creating or acquiring indebtedness, mortgages and*
36 *security interests in real or personal property;*

37 *(h) Securing or collecting debts or enforcing mortgages and*
38 *security interests in property securing the debts;*

39 *(i) Owning, without more, real or personal property;*

40 *(j) Isolated transactions completed within 30 days and not a*
41 *part of a series of similar transactions;*

42 *(k) The production of motion pictures as defined in*
43 *NRS 231.020;*

44 *(l) Transacting business as an out-of-state depository*
45 *institution pursuant to the provisions of title 55 of NRS; and*



- 1 (m) *Transacting business in interstate commerce.*
2 2. *The list of activities in subsection 1 is not exhaustive.*
3 3. *A person who is not doing business in this state within the*
4 *meaning of this section need not qualify or comply with any*
5 *provision of this chapter, title 55 or 56 of NRS or chapter 645A,*
6 *645B or 645E of NRS unless he:*
7 (a) *Maintains an office in this state for the transaction of*
8 *business; or*
9 (b) *Solicits or accepts deposits in the State, except pursuant to*
10 *the provisions of chapter 666 or 666A of NRS.*
11 4. *As used in this section, "deposits" means demand deposits,*
12 *savings deposits and time deposits, as those terms are defined in*
13 *chapter 657 of NRS.*
14 **Sec. 176.** *1. For the purposes of section 175 of this act, a*
15 *solicitation of a deposit is made in this state, whether or not either*
16 *party is present in this state, if the solicitation:*
17 (a) *Originates in this state; or*
18 (b) *Is directed by the solicitor to a destination in this state and*
19 *received where it is directed, or at a post office in this state if the*
20 *solicitation is mailed.*
21 2. *A solicitation of a deposit is accepted in this state if*
22 *acceptance:*
23 (a) *Is communicated to the solicitor in this state; and*
24 (b) *Has not previously been communicated to the solicitor,*
25 *orally or in writing, outside this state.*
26 *Acceptance is communicated to the solicitor in this state, whether*
27 *or not either party is present in this state, if the depositor directs it*
28 *to the solicitor reasonably believing the solicitor to be in this state*
29 *and it is received where it is directed, or at any post office in this*
30 *state if the acceptance is mailed.*
31 3. *A solicitation made in a newspaper or other publication of*
32 *general, regular and paid circulation is not made in this state if*
33 *the publication:*
34 (a) *Is not published in this state; or*
35 (b) *Is published in this state but has had more than two-thirds*
36 *of its circulation outside this state during the 12 months preceding*
37 *the solicitation.*
38 *If a publication is published in editions, each edition is a separate*
39 *publication except for material common to all editions.*
40 4. *A solicitation made in a radio or television program or*
41 *other electronic communication received in this state which*
42 *originates outside this state is not made in this state. A radio or*
43 *television program or other electronic communication shall be*
44 *deemed to have originated in this state if the broadcast studio or*



1 *origin of the source of transmission is located within the state,*
2 *unless:*

3 *(a) The program or communication is syndicated and*
4 *distributed from outside this state for redistribution to the general*
5 *public in this state;*

6 *(b) The program is supplied by a radio, television or other*
7 *electronic network whose electronic signal originates outside this*
8 *state for redistribution to the general public in this state;*

9 *(c) The program or communication is an electronic signal that*
10 *originates outside this state and is captured for redistribution to*
11 *the general public in this state by a community antenna or cable,*
12 *radio, cable television or other electronic system; or*

13 *(d) The program or communication consists of an electronic*
14 *signal which originates within this state, but which is not intended*
15 *for redistribution to the general public in this state.*

16 **Sec. 177.** NRS 88.315 is hereby amended to read as follows:

17 88.315 As used in this chapter, unless the context otherwise
18 requires:

19 1. "Certificate of limited partnership" means the certificate
20 referred to in NRS 88.350, and the certificate as amended or
21 restated.

22 2. "Contribution" means any cash, property, services rendered,
23 or a promissory note or other binding obligation to contribute cash
24 or property or to perform services, which a partner contributes to a
25 limited partnership in his capacity as a partner.

26 3. "Event of withdrawal of a general partner" means an event
27 that causes a person to cease to be a general partner as provided in
28 NRS 88.450.

29 4. "Foreign limited partnership" means a partnership formed
30 under the laws of any state other than this state and having as
31 partners one or more general partners and one or more limited
32 partners.

33 5. "General partner" means a person who has been admitted to
34 a limited partnership as a general partner in accordance with the
35 partnership agreement and named in the certificate of limited
36 partnership as a general partner.

37 6. "Limited partner" means a person who has been admitted to
38 a limited partnership as a limited partner in accordance with the
39 partnership agreement.

40 7. "Limited partnership" and "domestic limited partnership"
41 mean a partnership formed by two or more persons under the laws
42 of this state and having one or more general partners and one or
43 more limited partners.

44 8. "Partner" means a limited or general partner.



1 9. "Partnership agreement" means any valid agreement, written
2 or oral, of the partners as to the affairs of a limited partnership and
3 the conduct of its business.

4 10. "Partnership interest" means a partner's share of the profits
5 and losses of a limited partnership and the right to receive
6 distributions of partnership assets.

7 11. *"Record" means information that is inscribed on a*
8 *tangible medium or that is stored in an electronic or other medium*
9 *and is retrievable in perceivable form.*

10 12. "Registered office" means the office maintained at the
11 street address of the resident agent.

12 ~~{12.}~~ 13. "Resident agent" means the agent appointed by the
13 limited partnership upon whom process or a notice or demand
14 authorized by law to be served upon the limited partnership may be
15 served.

16 ~~{13.}~~ 14. "Sign" means to affix a signature to a ~~{document.~~
17 ~~—14.}~~ record.

18 15. "Signature" means a name, word, *symbol* or mark
19 executed or *otherwise* adopted, *or a record encrypted or similarly*
20 *processed in whole or in part*, by a person with the present
21 ~~{intention to authenticate a document.}~~ *intent to identify himself*
22 *and adopt or accept a record.* The term includes, without limitation,
23 an electronic signature as defined in NRS 719.100.

24 ~~{15.}~~ 16. "State" means a state, territory or possession of the
25 United States, the District of Columbia or the Commonwealth of
26 Puerto Rico.

27 ~~{16.}~~ 17. "Street address" of a resident agent means the actual
28 physical location in this state at which a resident is available for
29 service of process.

30 **Sec. 178.** NRS 88.325 is hereby amended to read as follows:

31 88.325 1. The exclusive right to the use of a name may be
32 reserved by:

33 (a) Any person intending to organize a limited partnership under
34 this chapter and to adopt that name;

35 (b) Any domestic limited partnership or any foreign limited
36 partnership registered in this state which, in either case, intends to
37 adopt that name;

38 (c) Any foreign limited partnership intending to register in this
39 state and adopt that name; and

40 (d) Any person intending to organize a foreign limited
41 partnership and intending to have it registered in this state and adopt
42 that name.

43 2. The reservation must be made by filing with the Secretary of
44 State an application, ~~{executed}~~ *signed* by the applicant, to reserve a
45 specified name. If the Secretary of State finds that the name is



1 available for use by a domestic or foreign limited partnership, he
2 shall reserve the name for the exclusive use of the applicant for a
3 period of 90 days. The right to the exclusive use of a reserved name
4 may be transferred to any other person by filing in the Office of the
5 Secretary of State a notice of the transfer, ~~executed~~ signed by the
6 applicant for whom the name was reserved and specifying the name
7 and address of the transferee.

8 **Sec. 179.** NRS 88.332 is hereby amended to read as follows:

9 88.332 1. Any person who has been designated by a limited
10 partnership as its resident agent and who thereafter desires to resign
11 shall file with the Secretary of State a signed statement that he is
12 unwilling to continue to act as the resident agent of the limited
13 partnership. A resignation is not effective until the signed statement
14 is filed with the Secretary of State. The statement of resignation may
15 contain a statement by the affected limited partnership appointing a
16 successor resident agent for the limited partnership. A certificate of
17 acceptance ~~executed~~ signed by the new agent, stating the full
18 name, complete street address and, if different from the street
19 address, mailing address of the new agent, must accompany the
20 statement appointing the new agent.

21 2. Upon the filing of the statement with the Secretary of State
22 the capacity of the person as resident agent terminates. If the
23 statement of resignation does not contain a statement by the limited
24 partnership appointing a successor resident agent, the resigning
25 agent shall immediately give written notice, by mail, to the limited
26 partnership of the filing of the statement and the effect thereof. The
27 notice must be addressed to a general partner of the partnership
28 other than the resident agent.

29 3. If a designated resident agent dies, resigns or removes from
30 the State, the limited partnership, within 30 days thereafter, shall file
31 with the Secretary of State a certificate of acceptance, ~~executed~~
32 signed by the new resident agent. The certificate must set forth the
33 full name, complete street address and, if different from the street
34 address, mailing address of the newly designated resident agent.

35 4. Each limited partnership which fails to file a certificate of
36 acceptance ~~executed~~ signed by the new resident agent within 30
37 days after the death, resignation or removal of its resident agent as
38 provided in subsection 3 shall be deemed in default and is subject to
39 the provisions of NRS 88.400 and 88.405.

40 **Sec. 180.** NRS 88.335 is hereby amended to read as follows:

41 88.335 1. A limited partnership shall keep at the office
42 referred to in paragraph (a) of subsection 1 of NRS 88.330 the
43 following:



1 (a) A current list of the full name and last known business
2 address of each partner separately identifying the general partners in
3 alphabetical order and the limited partners in alphabetical order;

4 (b) A copy of the certificate of limited partnership and all
5 certificates of amendment thereto, together with ~~executed~~ signed
6 copies of any powers of attorney pursuant to which any certificate
7 has been ~~executed;~~ signed;

8 (c) Copies of the limited partnership's federal, state, and local
9 income tax returns and reports, if any, for the 3 most recent years;

10 (d) Copies of any then effective written partnership agreements
11 and of any financial statements of the limited partnership for the 3
12 most recent years; and

13 (e) Unless contained in a written partnership agreement, a
14 writing setting out:

15 (1) The amount of cash and a description and statement of
16 the agreed value of the other property or services contributed by
17 each partner and which each partner has agreed to contribute;

18 (2) The times at which or events on the happening of which
19 any additional contributions agreed to be made by each partner are
20 to be made;

21 (3) Any right of a partner to receive, or of a general partner
22 to make, distributions to a partner which include a return of all or
23 any part of the partner's contribution; and

24 (4) Any events upon the happening of which the limited
25 partnership is to be dissolved and its affairs wound up.

26 2. Records kept pursuant to this section are subject to
27 inspection and copying at the reasonable request, and at the expense,
28 of any partner during ordinary business hours.

29 **Sec. 181.** NRS 88.337 is hereby amended to read as follows:

30 88.337 A general partner of a limited partnership may
31 authorize the Secretary of State in writing to replace any page of a
32 ~~document~~ record submitted for filing on an expedited basis, before
33 the actual filing, and to accept the page as if it were part of the
34 ~~originally signed filing.~~ original record. The signed authorization
35 of the general partner to the Secretary of State permits, but does not
36 require, the Secretary of State to alter the original ~~document~~
37 record as requested.

38 **Sec. 182.** NRS 88.338 is hereby amended to read as follows:

39 88.338 No ~~document~~ record which is written in a language
40 other than English may be filed or submitted for filing in the Office
41 of the Secretary of State pursuant to the provisions of this chapter
42 unless it is accompanied by a verified translation of that ~~document~~
43 record into the English language.



1 **Sec. 183.** NRS 88.339 is hereby amended to read as follows:

2 88.339 1. A limited partnership may correct a ~~{document~~
3 ~~filed by}~~ *record filed in the Office of the* Secretary of State with
4 respect to the limited partnership if the ~~{document}~~ *record* contains
5 an inaccurate ~~{record}~~ *description* of a partnership action ~~{described~~
6 ~~in the document}~~ or *if the record* was defectively ~~{executed,}~~
7 *signed*, attested, sealed, verified or acknowledged.

8 2. To correct a ~~{document,}~~ *record*, the limited partnership
9 must:

10 (a) Prepare a certificate of correction that:

11 (1) States the name of the limited partnership;

12 (2) Describes the ~~{document,}~~ *record*, including, without
13 limitation, its filing date;

14 (3) Specifies the inaccuracy or defect;

15 (4) Sets forth the inaccurate or defective portion of the
16 ~~{document}~~ *record* in an accurate or corrected form; and

17 (5) Is signed by a general partner of the limited partnership.

18 (b) Deliver the certificate to the Secretary of State for filing.

19 (c) Pay a filing fee of \$150 to the Secretary of State.

20 3. A certificate of correction is effective on the effective date
21 of the ~~{document}~~ *record* it corrects except as to persons relying on
22 the uncorrected ~~{document}~~ *record* and adversely affected by the
23 correction. As to those persons, the certificate is effective when
24 filed.

25 **Sec. 184.** NRS 88.340 is hereby amended to read as follows:

26 88.340 The Secretary of State may microfilm any ~~{document}~~
27 *record* which is filed in his office by or relating to a limited
28 partnership pursuant to this chapter and may return the original
29 ~~{document}~~ *record* to the filer.

30 **Sec. 185.** NRS 88.350 is hereby amended to read as follows:

31 88.350 1. In order to form a limited partnership, a certificate
32 of limited partnership must be ~~{executed}~~ *signed* and filed in the
33 Office of the Secretary of State. The certificate must set forth:

34 (a) The name of the limited partnership;

35 (b) The address of the office which contains records and the
36 name and address of the resident agent required to be maintained by
37 NRS 88.330;

38 (c) The name and the business address of each general partner;

39 (d) The latest date upon which the limited partnership is to
40 dissolve; and

41 (e) Any other matters the general partners determine to include
42 therein.

43 2. A certificate of acceptance of appointment of a resident
44 agent, ~~{executed}~~ *signed* by the agent, must be filed with the
45 certificate of limited partnership.



1 3. A limited partnership is formed at the time of the filing of
2 the certificate of limited partnership and the certificate of acceptance
3 in the Office of the Secretary of State or at any later time specified
4 in the certificate of limited partnership if, in either case, there has
5 been substantial compliance with the requirements of this section.

6 **Sec. 186.** NRS 88.355 is hereby amended to read as follows:

7 88.355 1. A certificate of limited partnership is amended by
8 filing a certificate of amendment thereto in the Office of the
9 Secretary of State. The certificate must set forth:

10 (a) The name of the limited partnership; and

11 (b) The amendment.

12 2. Within 30 days after the happening of any of the following
13 events an amendment to a certificate of limited partnership
14 reflecting the occurrence of the event or events must be filed:

15 (a) The admission of a new general partner;

16 (b) The withdrawal of a general partner; or

17 (c) The continuation of the business under NRS 88.550 after an
18 event of withdrawal of a general partner.

19 3. A general partner who becomes aware that any statement in
20 a certificate of limited partnership was false when made or that any
21 arrangements or other facts described, except the address of its
22 office or the name or address of its resident agent, have changed,
23 making the certificate inaccurate in any respect, shall promptly
24 amend the certificate.

25 4. A certificate of limited partnership may be amended at any
26 time for any other proper purpose the general partners determine.

27 5. No person has any liability because an amendment to a
28 certificate of limited partnership has not been filed to reflect the
29 occurrence of any event referred to in subsection 2 if the amendment
30 is filed within the 30-day period specified in subsection 2.

31 6. A restated certificate of limited partnership may be
32 ~~executed~~ signed and filed in the same manner as a certificate of
33 amendment. If the certificate alters or amends the certificate of
34 limited partnership in any manner, it must be accompanied by:

35 (a) A resolution; or

36 (b) A form prescribed by the Secretary of State,
37 setting forth which provisions of the certificate of limited
38 partnership on file with the Secretary of State are being altered or
39 amended.

40 **Sec. 187.** NRS 88.365 is hereby amended to read as follows:

41 88.365 If a person required by NRS 88.375 to ~~execute~~ sign a
42 certificate fails or refuses to do so, any other person who is
43 adversely affected by the failure or refusal may petition the district
44 court to direct the ~~execution~~ signing of the certificate. If the court
45 finds that it is proper for the certificate to be ~~executed~~ signed and



1 that any person so designated has failed or refused to ~~execute~~ *sign*
2 the certificate, it shall order the Secretary of State to record an
3 appropriate certificate.

4 **Sec. 188.** NRS 88.375 is hereby amended to read as follows:

5 88.375 1. Each certificate required by NRS 88.350 to 88.390,
6 inclusive, to be filed in the Office of the Secretary of State must be
7 ~~executed~~ *signed* in the following manner:

8 (a) An original certificate of limited partnership must be signed
9 by all general partners;

10 (b) A certificate of amendment must be signed by at least one
11 general partner and by each other general partner designated in the
12 certificate as a new general partner; and

13 (c) A certificate of cancellation must be signed by all general
14 partners.

15 2. Any person may sign a certificate by an attorney in fact, but
16 a power of attorney to sign a certificate relating to the admission of
17 a general partner must specifically describe the admission.

18 3. The ~~execution~~ *signing* of a certificate by a general partner
19 constitutes an affirmation under the penalties of perjury that the
20 facts stated therein are true.

21 **Sec. 189.** NRS 88.380 is hereby amended to read as follows:

22 88.380 1. A signed copy of the certificate of limited
23 partnership and of any certificates of amendment or cancellation or
24 of any judicial decree of amendment or cancellation must be
25 delivered to the Secretary of State. A person who ~~executes~~ *signs* a
26 certificate as an agent or fiduciary need not exhibit evidence of his
27 authority as a prerequisite to filing. Unless the Secretary of State
28 finds that any certificate does not conform to law, upon receipt of all
29 filing fees required by law he shall file the certificate.

30 2. Upon the filing of a certificate of amendment or judicial
31 decree of amendment in the Office of the Secretary of State, the
32 certificate of limited partnership is amended as set forth therein, and
33 upon the effective date of a certificate of cancellation or a judicial
34 decree thereof, the certificate of limited partnership is cancelled.

35 **Sec. 190.** NRS 88.385 is hereby amended to read as follows:

36 88.385 If any certificate of limited partnership or certificate of
37 amendment or cancellation contains a false statement, one who
38 suffers loss by reliance on the statement may recover damages for
39 the loss from:

40 1. Any person who ~~executes~~ *signs* the certificate, or causes
41 another to ~~execute~~ *sign* it on his behalf, and knew, and any general
42 partner who knew or should have known, the statement to be false at
43 the time the certificate was ~~executed;~~ *signed;* and

44 2. Any general partner who thereafter knows or should have
45 known that any arrangement or other fact described in the certificate



1 has changed, making the statement inaccurate in any respect within
2 a sufficient time before the statement was relied upon reasonably to
3 have enabled that general partner to cancel or amend the certificate,
4 or to file a petition for its cancellation or amendment under
5 NRS 88.365.

6 **Sec. 191.** NRS 88.415 is hereby amended to read as follows:

7 88.415 The Secretary of State, for services relating to his
8 official duties and the records of his office, shall charge and collect
9 the following fees:

10 1. For filing a certificate of limited partnership, or for
11 registering a foreign limited partnership, \$175.

12 2. For filing a certificate of amendment of limited partnership
13 or restated certificate of limited partnership, \$150.

14 3. For filing a certificate of a change of location of the records
15 office of a limited partnership or the office of its resident agent, or a
16 designation of a new resident agent, \$30.

17 4. For certifying a certificate of limited partnership, an
18 amendment to the certificate, or a certificate as amended where a
19 copy is provided, \$20 per certification.

20 5. For certifying an authorized printed copy of the limited
21 partnership law, \$20.

22 6. For reserving a limited partnership name, or for ~~executing,~~
23 *signing*, filing or certifying any other ~~document,~~ *record*, \$20.

24 7. For copies made at the Office of the Secretary of State, \$1
25 per page.

26 8. For filing a certificate of cancellation of a limited
27 partnership, \$60.

28 Except as otherwise provided in this section, the fees set forth in
29 NRS 78.785 apply to this chapter.

30 **Sec. 192.** NRS 88.435 is hereby amended to read as follows:

31 88.435 1. Except as provided in subsection 2, a person who
32 makes a contribution to a business enterprise and erroneously but in
33 good faith believes that he has become a limited partner in the
34 enterprise is not a general partner in the enterprise and is not bound
35 by its obligations by reason of making the contribution, receiving
36 distributions from the enterprise, or exercising any rights of a
37 limited partner, if, on ascertaining the mistake, he:

38 (a) Causes an appropriate certificate of limited partnership or a
39 certificate of amendment to be ~~executed~~ *signed* and filed; or

40 (b) Withdraws from future equity participation in the enterprise
41 by ~~executing~~ *signing* and filing in the Office of the Secretary of
42 State a certificate declaring withdrawal under this section.

43 2. A person who makes a contribution of the kind described in
44 subsection 1 is liable as a general partner to any third party who
45 transacts business with the enterprise:



1 (a) Before the person withdraws and an appropriate certificate is
2 filed to show withdrawal; or

3 (b) Before an appropriate certificate is filed to show that he is
4 not a general partner,
5 but in either case only if the third party actually believed in good
6 faith that the person was a general partner at the time of the
7 transaction.

8 **Sec. 193.** NRS 88.535 is hereby amended to read as follows:

9 88.535 1. On application to a court of competent jurisdiction
10 by any judgment creditor of a partner, the court may charge the
11 partnership interest of the partner with payment of the unsatisfied
12 amount of the judgment with interest. To the extent so charged, the
13 judgment creditor has only the rights of an assignee of the
14 partnership interest.

15 2. The court may appoint a receiver of the share of the
16 distributions due or to become due to the judgment debtor in respect
17 of the partnership. The receiver has only the rights of an assignee.
18 The court may make all other orders, directions, accounts and
19 inquiries that the judgment debtor might have made or which the
20 circumstances of the case may require.

21 3. A charging order constitutes a lien on the partnership
22 interest of the judgment debtor. The court may order a foreclosure
23 of the partnership interest subject to the charging order at any time.
24 The purchaser at the foreclosure sale has only the rights of an
25 assignee.

26 4. Unless otherwise provided in the ~~articles of organization or~~
27 ~~operating~~ *certificate of partnership or partnership* agreement, at
28 any time before foreclosure, a partnership interest charged may be
29 redeemed:

30 (a) By the judgment debtor;

31 (b) With property other than property of the limited partnership,
32 by one or more of the other partners; or

33 (c) By the limited partnership with the consent of all of the
34 partners whose interests are not so charged.

35 5. This section provides the exclusive remedy by which a
36 judgment creditor of a partner or an assignee of a partner may
37 satisfy a judgment out of the partnership interest of the judgment
38 debtor.

39 6. No creditor of a partner has any right to obtain possession
40 of, or otherwise exercise legal or equitable remedies with respect to,
41 the property of the limited partnership.

42 7. This section does not deprive any partner of the benefit of
43 any exemption laws applicable to his partnership interest.



1 **Sec. 194.** NRS 88.605 is hereby amended to read as follows:
2 88.605 The Attorney General may bring an action to restrain a
3 foreign limited partnership from transacting business in this state in
4 violation of NRS 88.570 to 88.605, inclusive ~~[]~~, *and sections 175*
5 *and 176 of this act.*

6 **Sec. 195.** Chapter 88A of NRS is hereby amended by adding
7 thereto a new section to read as follows:

8 *“Record” means information that is inscribed on a tangible*
9 *medium or that is stored in an electronic or other medium and is*
10 *retrievable in perceivable form.*

11 **Sec. 196.** NRS 88A.010 is hereby amended to read as follows:

12 88A.010 As used in this chapter, unless the context otherwise
13 requires, the words and terms defined in NRS 88A.020 to 88A.110,
14 inclusive, *and section 195 of this act* have the meanings ascribed to
15 them in those sections.

16 **Sec. 197.** NRS 88A.050 is hereby amended to read as follows:

17 88A.050 “Governing instrument” means the trust instrument
18 that creates a ~~[business]~~ trust and provides for the governance of its
19 affairs and the conduct of its business.

20 **Sec. 198.** NRS 88A.080 is hereby amended to read as follows:

21 88A.080 “Sign” means to affix a signature to a ~~[document.]~~
22 *record.*

23 **Sec. 199.** NRS 88A.090 is hereby amended to read as follows:

24 88A.090 “Signature” means a name, word, *symbol* or mark
25 executed or *otherwise* adopted, *or a record encrypted or similarly*
26 *processed in whole or in part*, by a person with the present
27 ~~[intention to authenticate a document.]~~ *intent to identify himself*
28 *and adopt or accept a record.* The term includes, without limitation,
29 an electronic signature as defined in NRS 719.100.

30 **Sec. 200.** NRS 88A.210 is hereby amended to read as follows:

31 88A.210 1. One or more persons may ~~[form]~~ *create* a
32 business trust by executing and filing with the Secretary of State a
33 certificate of trust and a certificate of acceptance of appointment
34 signed by the resident agent of the business trust. The certificate of
35 trust must set forth:

36 (a) The name of the business trust;

37 (b) The name and the ~~[post office box]~~ *mailing* or street address,
38 either residence or business, of at least one trustee;

39 (c) The name of the person designated as the resident agent for
40 the business trust, the street address of the resident agent where
41 process may be served upon the business trust and the mailing
42 address of the resident agent if different from the street address;

43 (d) The name and ~~[post office box]~~ *mailing* or street address,
44 either residence or business, of each person signing the certificate of
45 trust; and



1 (e) Any other information the trustees determine to include.
2 2. Upon the filing of the certificate of trust and the certificate
3 of acceptance with the Secretary of State and the payment to him of
4 the required filing fee, the Secretary of State shall issue to the
5 business trust a certificate that the required ~~documents~~ records
6 with the required content have been filed. From the date of that
7 filing, the business trust is legally formed pursuant to this chapter.

8 **Sec. 201.** NRS 88A.240 is hereby amended to read as follows:
9 88A.240 1. The Secretary of State, when requested to do so,
10 shall reserve, for a period of 90 days, the right to use a name
11 available pursuant to NRS 88A.230 for the use of a proposed
12 business trust. During the period, the name so reserved is not
13 available for use or reservation by any other artificial person
14 forming, organizing, registering or qualifying in the Office of the
15 Secretary of State pursuant to the provisions of this title without the
16 ~~written, acknowledged~~ signed consent of the person at whose
17 request the reservation was made.

18 2. The use by any artificial person of a name in violation of
19 subsection 1 or NRS 88A.230 may be enjoined, even if the
20 ~~document~~ record under which the artificial person is formed,
21 organized, registered or qualified has been filed by the Secretary of
22 State.

23 **Sec. 202.** NRS 88A.510 is hereby amended to read as follows:
24 88A.510 1. Within 30 days after changing the location of his
25 office from one address to another in this state, a resident agent shall
26 ~~execute~~ sign a certificate setting forth:

- 27 (a) The names of all the business trusts represented by him;
28 (b) The address at which he has maintained the registered office
29 for each of those business trusts; and
30 (c) The new address to which his office is transferred and at
31 which he will maintain the registered office for each of those
32 business trusts.

33 2. Upon the filing of the certificate with the Secretary of State,
34 the registered office of each of the business trusts listed in the
35 certificate is located at the new address set forth in the certificate.

36 **Sec. 203.** NRS 88A.530 is hereby amended to read as follows:
37 88A.530 1. A resident agent who desires to resign shall file
38 with the Secretary of State a signed statement for each business trust
39 for which he is unwilling to continue to act. A resignation is not
40 effective until the signed statement is so filed.

41 2. The statement of resignation may contain a statement of the
42 affected business trust appointing a successor resident agent. A
43 certificate of acceptance ~~executed~~ signed by the new resident
44 agent, stating the full name, complete street address and, if different
45 from the street address, mailing address of the new resident agent,



1 must accompany the statement appointing a successor resident
2 agent.

3 3. Upon the filing of the statement of resignation with the
4 Secretary of State, the capacity of the resigning person as resident
5 agent terminates. If the statement of resignation contains no
6 statement by the business trust appointing a successor resident
7 agent, the resigning agent shall immediately give written notice, by
8 mail, to the business trust of the filing of the statement of
9 resignation and its effect. The notice must be addressed to a trustee
10 of the business trust other than the resident agent.

11 4. If its resident agent dies, resigns or removes from the State,
12 a business trust, within 30 days thereafter, shall file with the
13 Secretary of State a certificate of acceptance ~~executed~~ signed by a
14 new resident agent. The certificate must set forth the full name and
15 complete street address of the new resident agent, and may contain a
16 mailing address, such as a post office box, different from the street
17 address.

18 5. A business trust that fails to file a certificate of acceptance
19 ~~executed~~ signed by its new resident agent within 30 days after the
20 death, resignation or removal of its former resident agent shall be
21 deemed in default and is subject to the provisions of NRS 88A.630
22 to 88A.660, inclusive.

23 **Sec. 204.** NRS 88A.540 is hereby amended to read as follows:

24 88A.540 1. If a business trust formed pursuant to this chapter
25 desires to change its resident agent, the change may be effected by
26 filing with the Secretary of State a certificate of change, signed by at
27 least one trustee of the business trust, setting forth:

- 28 (a) The name of the business trust;
29 (b) The name and street address of the present resident agent;
30 and
31 (c) The name and street address of the new resident agent.

32 2. A certificate of acceptance ~~executed~~ signed by the new
33 resident agent must be a part of or attached to the certificate of
34 change.

35 3. The change authorized by this section becomes effective
36 upon the filing of the certificate of change.

37 **Sec. 205.** NRS 88A.620 is hereby amended to read as follows:

38 88A.620 1. Each list required to be filed pursuant to the
39 provisions of NRS 88A.600 to 88A.660, inclusive, must, after the
40 name of each trustee listed thereon, set forth his ~~post office box~~
41 mailing or street address, either residence or business.

42 2. If the addresses are not stated on a list offered for filing, the
43 Secretary of State may refuse to file the list, and the business trust
44 for which the list has been offered for filing is subject to all the
45 provisions of NRS 88A.600 to 88A.660, inclusive, relating to failure



1 to file the list when or at the times therein specified, unless a list is
2 subsequently submitted for filing which conforms to the provisions
3 of those sections.

4 **Sec. 206.** NRS 88A.900 is hereby amended to read as follows:

5 88A.900 The Secretary of State shall charge and collect the
6 following fees for:

7 1. Filing an original certificate of trust, or for registering a
8 foreign business trust, \$175.

9 2. Filing an amendment or restatement, or a combination
10 thereof, to a certificate of trust, \$150.

11 3. Filing a certificate of cancellation, \$175.

12 4. Certifying a copy of a certificate of trust or an amendment or
13 restatement, or a combination thereof, \$20 per certification.

14 5. Certifying an authorized printed copy of this chapter, \$20.

15 6. Reserving a name for a business trust, \$20.

16 7. ~~{Executing}~~ **Signing** a certificate of existence of a business
17 trust which does not list the previous ~~{documents}~~ **records** relating
18 to it, or a certificate of change in the name of a business trust, \$40.

19 8. ~~{Executing}~~ **Signing** a certificate of existence of a business
20 trust which lists the previous ~~{documents}~~ **records** relating to it, \$40.

21 9. Filing a statement of change of address of the registered
22 office for each business trust, \$30.

23 10. Filing a statement of change of the registered agent, \$30.

24 11. ~~{Executing,}~~ **Signing**, certifying or filing any certificate or
25 ~~{document}~~ **record** not otherwise provided for in this section, \$40.

26 12. Examining and provisionally approving a ~~{document}~~
27 **record** before the ~~{document}~~ **record** is presented for filing, \$100.

28 13. Copying a ~~{document}~~ **record** on file with him, for each
29 page, \$1.

30 **Sec. 207.** NRS 88A.910 is hereby amended to read as follows:

31 88A.910 ~~{A signature on any certificate authorized to be filed
32 with the Secretary of State pursuant to a provision of this chapter
33 may be a facsimile. The certificate}~~ **A record** may be filed by
34 telecopy , **facsimile** or similar electronic transmission, but the
35 Secretary of State need not accept ~~{the filing if the certificate}~~ **any**
36 **record that** is illegible or otherwise unsuitable for the procedures of
37 his office.

38 **Sec. 208.** NRS 88A.920 is hereby amended to read as follows:

39 88A.920 A trustee of a business trust may authorize the
40 Secretary of State in writing to replace any page of a ~~{document}~~
41 **record** submitted for filing ~~{}~~ on an expedited basis, before the
42 actual filing, and to accept the page as if it were part of the
43 ~~{originally signed filing,}~~ **original record**.



1 **Sec. 209.** NRS 88A.930 is hereby amended to read as follows:
2 88A.930 1. A business trust may correct a ~~{document filed~~
3 ~~by}~~ *record filed in the Office of* the Secretary of State with respect
4 to the business trust if the ~~{document}~~ *record* contains an inaccurate
5 ~~{record}~~ *description* of a trust action ~~{described in the document}~~ or
6 *if the record* was defectively ~~{executed,}~~ *signed*, attested, sealed,
7 verified or acknowledged.

8 2. To correct a ~~{document,}~~ *record*, the business trust must:
9 (a) Prepare a certificate of correction that:
10 (1) States the name of the business trust;
11 (2) Describes the ~~{document,}~~ *record*, including, without
12 limitation, its filing date;
13 (3) Specifies the inaccuracy or defect;
14 (4) Sets forth the inaccurate or defective portion of the
15 ~~{document}~~ *record* in an accurate or corrected form; and
16 (5) Is signed by a trustee of the business trust.
17 (b) Deliver the certificate to the Secretary of State for filing.
18 (c) Pay a filing fee of \$150 to the Secretary of State.

19 3. A certificate of correction is effective on the effective date
20 of the ~~{document}~~ *record* it corrects except as to persons relying on
21 the uncorrected ~~{document}~~ *record* and adversely affected by the
22 correction. As to those persons, the certificate is effective when
23 filed.

24 **Sec. 210.** NRS 89.020 is hereby amended to read as follows:
25 89.020 As used in this chapter, unless the context requires
26 otherwise:

27 1. "Employee" means a person licensed or otherwise legally
28 authorized to render professional service within this state who
29 renders such service through a professional corporation or a
30 professional association, but does not include clerks, bookkeepers,
31 technicians or other persons who are not usually considered by
32 custom and practice of the profession to be rendering professional
33 services to the public.

34 2. "Licensed" means legally authorized by the appropriate
35 regulating board of this state to engage in a regulated profession in
36 this state.

37 3. "Professional association" means a common-law association
38 of two or more persons licensed or otherwise legally authorized to
39 render professional service within this state when created by written
40 articles of association which contain in substance the following
41 provisions characteristic of corporate entities:

42 (a) The death, insanity, bankruptcy, retirement, resignation,
43 expulsion or withdrawal of any member of the association does not
44 cause its dissolution.



1 (b) The authority to manage the affairs of the association is
2 vested in a board of directors or an executive board or committee,
3 elected by the members of the association.

4 (c) The members of the association are employees of the
5 association.

6 (d) Members' ownership is evidenced by certificates.

7 4. "Professional corporation" means a corporation organized
8 under this chapter to render a professional service.

9 5. "Professional service" means any type of personal service
10 which may legally be performed only pursuant to a license,
11 certificate of registration or other legal authorization.

12 6. *"Record" means information that is inscribed on a*
13 *tangible medium or that is stored in an electronic or other medium*
14 *and is retrievable in perceivable form.*

15 7. "Regulating board" means the body which regulates and
16 authorizes the admission to the profession which a professional
17 corporation or a professional association is authorized to perform.

18 8. *"Sign" means to affix a signature to a record.*

19 9. *"Signature" means a name, word, symbol or mark*
20 *executed or otherwise adopted, or a record encrypted or similarly*
21 *processed in whole or in part, by a person with the present intent*
22 *to identify himself and adopt or accept a record. The term*
23 *includes, without limitation, an electronic signature as defined in*
24 *NRS 719.100.*

25 **Sec. 211.** NRS 89.027 is hereby amended to read as follows:

26 89.027 No ~~document~~ *record* which is written in a language
27 other than English may be filed or submitted for filing in the Office
28 of the Secretary of State pursuant to the provisions of this chapter
29 unless it is accompanied by a verified translation of that ~~document~~
30 *record* into the English language.

31 **Sec. 212.** NRS 89.040 is hereby amended to read as follows:

32 89.040 1. One or more persons may organize a professional
33 corporation in the manner provided for organizing a private
34 corporation pursuant to chapter 78 of NRS. Each person organizing
35 the corporation must, except as otherwise provided in subsection 2
36 of NRS 89.050, be authorized to perform the professional service
37 for which the corporation is organized. The articles of incorporation
38 must contain the following additional information:

39 (a) The profession to be practiced by means of the professional
40 corporation.

41 (b) The names and ~~post-office-boxes~~ *mailing* or street
42 addresses, either residence or business, of the original stockholders
43 and directors of the professional corporation.

44 (c) Except as otherwise provided in paragraph (d) of this
45 subsection, a certificate from the regulating board of the profession



1 to be practiced showing that each of the directors, and each of the
2 stockholders who is a natural person, is licensed to practice the
3 profession.

4 (d) For a professional corporation organized pursuant to this
5 chapter and practicing pursuant to the provisions of NRS 623.349, a
6 certificate from the regulating board or boards of the profession or
7 professions to be practiced showing that control and two-thirds
8 ownership of the corporation is held by persons registered or
9 licensed pursuant to the applicable provisions of chapter 623, 623A
10 or 625 of NRS. As used in this paragraph, "control" has the meaning
11 ascribed to it in NRS 623.349.

12 2. The corporate name of a professional corporation must
13 contain the words "Professional Corporation" or the abbreviation
14 "Prof. Corp.," "*P.C.*" or "*PC.*," or the word "Chartered" or
15 "Limited" or the abbreviation "Ltd." The corporate name must
16 contain the last name of one or more of its *current or former*
17 stockholders. The corporation may render professional services and
18 exercise its authorized powers under a fictitious name if the
19 corporation has first registered the name in the manner required by
20 chapter 602 of NRS.

21 **Sec. 213.** NRS 89.060 is hereby amended to read as follows:

22 89.060 The provisions of this chapter relating to professional
23 corporations do not modify any law applicable to the relationship
24 between a person furnishing professional service and a person
25 receiving such service, including liability arising out of such
26 professional service, ~~but~~ but nothing contained in this section ~~shall~~
27 ~~render;~~ *renders:*

28 1. A person personally liable in tort for any act in which he has
29 not personally participated.

30 2. A director, officer or employee of a professional corporation
31 liable in contract for any contract which he ~~executes~~ *signs* on
32 behalf of a professional corporation within the limits of his actual
33 authority.

34 **Sec. 214.** NRS 89.210 is hereby amended to read as follows:

35 89.210 1. Within 30 days after the organization of a
36 professional association under this chapter, the association shall file
37 with the Secretary of State a copy of the articles of association, duly
38 ~~executed,~~ *signed,* and shall pay at that time a filing fee of \$175.
39 Any such association formed as a common-law association before
40 July 1, 1969, shall file, within 30 days after July 1, 1969, a certified
41 copy of its articles of association, with any amendments thereto,
42 with the Secretary of State, and shall pay at that time a filing fee of
43 \$25. A copy of any amendments to the articles of association
44 adopted after July 1, 1969, must also be filed with the Secretary of
45 State within 30 days after the adoption of such amendments. Each



1 copy of amendments so filed must be certified as true and correct
2 and be accompanied by a filing fee of \$150.

3 2. The name of such a professional association must contain
4 the words "Professional Association," "Professional Organization"
5 or the abbreviations "Prof. Ass'n" or "Prof. Org." The association
6 may render professional services and exercise its authorized powers
7 under a fictitious name if the association has first registered the
8 name in the manner required under chapter 602 of NRS.

9 **Sec. 215.** NRS 89.220 is hereby amended to read as follows:

10 89.220 The provisions of this chapter relating to professional
11 associations do not modify any law applicable to the relationship
12 between a person furnishing professional service and a person
13 receiving such service, including liability arising out of such
14 professional service, but:

15 1. A member or employee of a professional association shall
16 not be personally liable in tort for any act in which he has not
17 personally participated.

18 2. A member or employee of a professional association shall
19 not be personally liable in contract for any contract which he
20 ~~executes~~ signs on behalf of a professional association within the
21 limits of his actual authority.

22 **Sec. 216.** NRS 89.250 is hereby amended to read as follows:

23 89.250 1. Except as otherwise provided in subsection 2, a
24 professional association shall, on or before the first day of the
25 second month after the filing of its articles of association with the
26 Secretary of State, and annually thereafter on or before the last day
27 of the month in which the anniversary date of its organization occurs
28 in each year, furnish a statement to the Secretary of State showing
29 the names and residence addresses of all members and employees in
30 the association and certifying that all members and employees are
31 licensed to render professional service in this state.

32 2. A professional association organized and practicing pursuant
33 to the provisions of this chapter and NRS 623.349 shall, on or
34 before the first day of the second month after the filing of its articles
35 of association with the Secretary of State, and annually thereafter on
36 or before the last day of the month in which the anniversary date of
37 its organization occurs in each year, furnish a statement to the
38 Secretary of State:

39 (a) Showing the names and residence addresses of all members
40 and employees of the association who are licensed or otherwise
41 authorized by law to render professional service in this state;

42 (b) Certifying that all members and employees who render
43 professional service are licensed or otherwise authorized by law to
44 render professional service in this state; and



1 (c) Certifying that all members who are not licensed to render
2 professional service in this state do not render professional service
3 on behalf of the association except as authorized by law.

4 3. Each statement filed pursuant to this section must be:
5 (a) Made on a form prescribed by the Secretary of State and
6 must not contain any fiscal or other information except that
7 expressly called for by this section.

8 (b) Signed by the chief executive officer of the association.
9 (c) Accompanied by a declaration under penalty of perjury that
10 the professional association has complied with the provisions of
11 chapter 364A of NRS.

12 4. Upon filing:
13 (a) The initial statement required by this section, the association
14 shall pay to the Secretary of State a fee of \$165.

15 (b) Each annual statement required by this section, the
16 association shall pay to the Secretary of State a fee of \$85.

17 ~~[5. As used in this section, "signed" means to have executed or~~
18 ~~adopted a name, word or mark, including, without limitation, an~~
19 ~~electronic signature as defined in NRS 719.100, with the present~~
20 ~~intention to authenticate a document.]~~

21 **Sec. 217.** Chapter 90 of NRS is hereby amended by adding
22 thereto a new section to read as follows:

23 *"Record" means information that is inscribed on a tangible*
24 *medium or that is stored in an electronic or other medium and is*
25 *retrievable in perceivable form.*

26 **Sec. 218.** NRS 90.211 is hereby amended to read as follows:

27 90.211 As used in this chapter, unless the context otherwise
28 requires, the words and terms defined in NRS 90.215 to 90.305,
29 inclusive, *and section 217 of this act* have the meanings ascribed to
30 them in those sections.

31 **Sec. 219.** NRS 90.235 is hereby amended to read as follows:

32 90.235 1. "Filing" means:
33 (a) The actual delivery of a ~~{document}~~ *record* or application to
34 the Administrator or his designee or to the principal office of the
35 Administrator; or

36 (b) The electronic delivery of a ~~{document}~~ *record* or
37 application to the Administrator or his designee or to the principal
38 office of the Administrator using a system that has been approved
39 by the Administrator.

40 2. "File" has a corresponding meaning.

41 **Sec. 220.** NRS 90.390 is hereby amended to read as follows:

42 90.390 1. The Administrator by regulation may require that:

43 (a) A licensed broker-dealer who is not registered under the
44 Securities Exchange Act of 1934 maintain minimum net capital and



1 a prescribed ratio between net capital and aggregate indebtedness,
2 which may vary with type or class of broker-dealer; or

3 (b) A licensed investment adviser who is not registered under
4 the Investment Advisers Act of 1940 maintain a minimum net
5 worth.

6 2. If a licensed broker-dealer or investment adviser knows, or
7 has reasonable cause to know, that a requirement imposed on it
8 under this section is not being met, the broker-dealer or investment
9 adviser shall promptly notify the Administrator of its current
10 financial condition.

11 3. The Administrator by regulation may require a fidelity bond
12 from a broker-dealer who is not registered under the Securities
13 Exchange Act of 1934.

14 4. A licensed broker-dealer or investment adviser shall file
15 financial and other reports that the Administrator determines by
16 regulation or order are necessary, but filing a copy of the financial
17 reports filed under the Securities Exchange Act of 1934, in the case
18 of a broker-dealer, or the Investment Advisers Act of 1940, in the
19 case of an investment adviser, satisfies the requirements regarding
20 the filing of financial reports pursuant to this subsection.

21 5. A licensed broker-dealer, sales representative, investment
22 adviser or representative of an investment adviser shall make and
23 maintain records that the Administrator determines by regulation are
24 necessary and appropriate, but compliance with the recordkeeping
25 requirements of the Securities Exchange Act of 1934, in the case of
26 a broker-dealer, or the Investment Advisers Act of 1940, in the case
27 of an investment adviser, satisfies the requirements of this
28 subsection.

29 6. Required records may be maintained in any form of data
30 storage if they are readily accessible to the Administrator. Required
31 records must be preserved for 5 years unless the Administrator by
32 regulation specifies a different period for a particular type or class of
33 records.

34 7. If the information contained in a ~~{document}~~ *record* filed
35 with the Administrator as part of the application for licensing or
36 under the section, except information the Administrator by
37 regulation or order excludes, is or becomes inaccurate or incomplete
38 in a material respect, the licensed person shall promptly file
39 correcting information, unless notification of termination has been
40 given pursuant to subsection 5 of NRS 90.380.

41 **Sec. 221.** NRS 90.470 is hereby amended to read as follows:

42 90.470 1. Securities for which a registration statement has
43 been filed under the Securities Act of 1933 in connection with the
44 offering of the securities may be registered by filing, whether or not



1 they are also eligible for registration under NRS 90.480 or 90.490,
2 if:

3 (a) The issuer is organized under the laws of the United States or
4 a state or, if the issuer is not organized under the laws of the United
5 States or a state, it has appointed a duly authorized agent in the
6 United States for service of process;

7 (b) The issuer has actively engaged in business operations in the
8 United States for a period of at least 36 consecutive calendar months
9 immediately before the filing of the federal registration statement;

10 (c) The issuer has registered a class of equity securities under
11 section 12(b) or 12(g) of the Securities Exchange Act of 1934, and
12 the class of securities is held of record by 500 or more persons;

13 (d) The issuer has:

14 (1) Either a total net worth of \$4,000,000 or a total net worth
15 of \$2,000,000 and net pretax income from operations before
16 allowances for extraordinary items, for at least 2 of the 3 preceding
17 fiscal years;

18 (2) Not less than 400,000 units of the class of security
19 registered under section 12 of the Securities Exchange Act of 1934
20 held by the public, excluding securities held by officers and
21 directors of the issuer, underwriters and persons beneficially owning
22 10 percent or more of that class of security; and

23 (3) No outstanding warrants and options held by the
24 underwriters and executive officers and directors of the issuer in an
25 amount exceeding 10 percent of the total number of shares to be
26 outstanding after completion of the offering of the securities being
27 registered;

28 (e) The issuer has been subject to the requirements of section 12
29 of the Securities Exchange Act of 1934 and has filed all the material
30 required to be filed under sections 13 and 14 of that act for at least
31 36 consecutive calendar months immediately before the filing of the
32 statement and the issuer has filed in a timely manner all reports
33 required to be filed during the 12 calendar months next preceding
34 the filing of the federal registration statement;

35 (f) For at least 30 days during the 3 months next preceding the
36 offering of the securities registered there have been at least four
37 market makers for the class of equity securities registered under
38 section 12 of the Securities Exchange Act of 1934;

39 (g) Each of the underwriters participating in the offering of the
40 security and each broker-dealer who will offer the security in this
41 state is a member of or is subject to the regulations of fair practice
42 of a national association of securities dealers with respect to the
43 offering and the underwriters have contracted to purchase the
44 securities offered in a principal capacity;



1 (h) The aggregate commissions or discounts to be received by
2 the underwriters will not exceed 10 percent of the aggregate price at
3 which the securities being registered are offered to the public;

4 (i) Neither the issuer nor any of its subsidiaries, since the end of
5 the fiscal year next preceding the filing of the registration statement,
6 have:

7 (1) Failed to pay a dividend or sinking fund installment on
8 preferred stock;

9 (2) Defaulted on indebtedness for borrowed money; or

10 (3) Defaulted on the rental on one or more long-term leases,
11 and the defaults in the aggregate are material to the financial
12 position of the issuer and its subsidiaries, taken as a whole; and

13 (j) In the case of an equity security, the price at which the
14 security will be offered to the public is not less than \$5 per share.

15 2. A registration statement under this section must contain the
16 following information and be accompanied by the following
17 ~~documents~~ records in addition to the information specified in
18 subsection 4 of NRS 90.500 and the consent to service of process
19 required by NRS 90.770:

20 (a) A statement demonstrating eligibility for registration by
21 filing;

22 (b) The name, address and form of organization of the issuer;

23 (c) With respect to a person on whose behalf a part of the
24 offering is to be made in a nonissuer distribution:

25 (1) Name and address;

26 (2) The amount of securities of the issuer held by the person
27 as of the date of the filing of the registration statement; and

28 (3) A statement of the reasons for making the offering;

29 (d) A description of the security being registered; and

30 (e) A copy of the latest prospectus filed with the registration
31 statement under and satisfying the requirements of section 10 of the
32 Securities Act of 1933.

33 3. If the information and ~~documents~~ records required to be
34 filed by subsection 2 have been on file with the Administrator for at
35 least 5 business days, or any shorter period the Administrator allows
36 by regulation or order, and the applicable registration fee has been
37 paid before the effectiveness of the federal registration statement, a
38 registration statement under this section automatically becomes
39 effective concurrently with the effectiveness of the federal
40 registration statement. If the federal statement becomes effective
41 before the conditions in this section are satisfied and they are not
42 waived, the registration statement becomes effective when the
43 conditions are satisfied. The registrant shall promptly notify the
44 Administrator by telephone or telegram of the date and time when
45 the federal registration statement became effective and the content



1 of the price amendment, if any, and shall file promptly a
2 posteffective amendment containing the information and
3 ~~documents~~ records in the price amendment. The Administrator
4 shall promptly acknowledge receipt of notification and effectiveness
5 of the registration statement as of the date and time the registration
6 statement became effective with the Securities and Exchange
7 Commission.

8 **Sec. 222.** NRS 90.480 is hereby amended to read as follows:

9 90.480 1. Securities for which a registration statement has
10 been filed under the Securities Act of 1933 in connection with the
11 offering of the securities may be registered by coordination.

12 2. A registration statement under this section must contain the
13 following information and be accompanied by the following
14 ~~documents~~ records in addition to the information specified in
15 subsection 4 of NRS 90.500 and the consent to service of process
16 required by NRS 90.770:

17 (a) One copy of the latest form of prospectus filed under the
18 Securities Act of 1933;

19 (b) If the Administrator by regulation or order requires:

20 (1) A copy of the articles of incorporation and bylaws, or
21 their substantial equivalents, currently in effect;

22 (2) A copy of any agreement with or among underwriters;

23 (3) A copy of any indenture or other instrument governing
24 the issuance of the security to be registered; and

25 (4) A copy, specimen or description of the security;

26 (c) If the Administrator requests and subject to the provisions of
27 NRS 90.730, any other information or copies of any other
28 ~~documents~~ records filed under the Securities Act of 1933; and

29 (d) An undertaking to forward promptly and in any event not
30 later than the first business day after the day they are forwarded to
31 or filed with the Securities and Exchange Commission, all future
32 amendments to the federal prospectus, other than an amendment that
33 delays the effective date of the registration statement, whichever
34 occurs first.

35 3. A registration statement under this section becomes effective
36 when the federal registration statement becomes effective and all the
37 following conditions are satisfied:

38 (a) No order is in effect, and no proceeding is pending, under
39 NRS 90.510;

40 (b) The registration statement has been on file with the
41 Administrator for at least 10 days, but if the registration statement is
42 not filed with the Administrator within 5 days after the initial filing
43 under the Securities Act of 1933, the registration statement must
44 have been on file with the Administrator for 30 days or any shorter
45 period as the Administrator by regulation or order specifies; and



1 (c) A statement of the maximum and minimum proposed
2 offering prices and the maximum underwriting discounts and
3 commissions has been on file for 2 full business days or any shorter
4 period the Administrator permits and the offering is made within
5 those limitations.

6 4. The registrant shall promptly notify the Administrator of the
7 date and time when the federal registration statement became
8 effective and the content of the price amendment, if any, and shall
9 promptly file a posteffective amendment containing the information
10 and ~~documents~~ records in the price amendment.

11 5. Upon failure to receive the required notification and
12 posteffective amendment with respect to the price amendment, the
13 Administrator may enter an order, retroactively denying
14 effectiveness to the registration statement or suspending its
15 effectiveness until the registrant complies with subsection 4. The
16 Administrator shall promptly notify the registrant of the issuance
17 of the order. If the registrant proves compliance with the requirements
18 of subsection 4 as to notice and posteffective amendment, the order
19 is void as of its entry.

20 6. The Administrator by regulation or order may waive either
21 or both of the conditions specified in paragraphs (b) and (c) of
22 subsection 3.

23 7. If the federal registration statement becomes effective before
24 all the conditions in subsection 3 are satisfied and they are not
25 waived, the registration statement automatically becomes effective
26 when all the conditions are satisfied. If the registrant advises the
27 Administrator of the date when the federal registration statement is
28 expected to become effective, the Administrator shall promptly
29 advise the registrant, at the registrant's expense, whether all
30 conditions are satisfied and whether the Administrator then
31 contemplates the institution of a proceeding under NRS 90.510, but
32 the advice by the Administrator does not preclude the institution of a
33 proceeding for an order suspending the effectiveness of the
34 registration statement. An order issued under this subsection is not
35 retroactive.

36 8. The Administrator by regulation or order may waive or
37 modify the application of a requirement of this section if a provision
38 or an amendment, repeal or other alteration of the provisions of the
39 Securities Act of 1933 for the registration of securities or of the
40 regulations adopted under that act renders the waiver or
41 modification appropriate for further coordination of state and federal
42 registration.

43 **Sec. 223.** NRS 90.490 is hereby amended to read as follows:

44 90.490 1. A security may be registered by qualification.



- 1 2. A registration statement under this section must contain the
2 following information and be accompanied by the following
3 ~~documents~~ records in addition to the information specified in
4 subsection 4 of NRS 90.500 and the consent to service of process
5 required by NRS 90.770:
- 6 (a) With respect to the issuer and any significant subsidiary:
7 (1) Its name, address and form of organization;
8 (2) The state or foreign jurisdiction and date of its
9 organization;
10 (3) The general character and location of its business;
11 (4) A description of its physical property and equipment; and
12 (5) A statement of the general competitive conditions in the
13 industry or business in which it is or will be engaged;
- 14 (b) With respect to every director and officer of the issuer or
15 person occupying a similar status or performing similar functions:
16 (1) Name, address and principal occupation for the last 5
17 years;
18 (2) The amount of securities of the issuer held by the person
19 as of a specified date within 30 days before the filing of the
20 registration statement;
21 (3) The amount of the securities covered by the registration
22 statement to which the person has indicated an intention to
23 subscribe; and
24 (4) A description of any material interest in any material
25 transaction with the issuer or any significant subsidiary effected
26 within the past 3 years or proposed to be effected;
- 27 (c) With respect to persons covered by paragraph (b), the
28 compensation paid or given, directly or indirectly, during the last 12
29 months and estimated to be paid during the next 12 months by the
30 issuer together with all predecessors, parents, subsidiaries and
31 affiliates, to all those persons in the aggregate;
- 32 (d) With respect to any person owning of record, or beneficially
33 if known, 10 percent or more of the outstanding shares of a class of
34 equity security of the issuer, the information specified in paragraph
35 (b) other than occupation;
- 36 (e) With respect to a promoter, if the issuer was organized
37 within the last 3 years:
38 (1) The information specified in paragraph (b);
39 (2) The amount paid to the person within that period or
40 intended to be paid; and
41 (3) The consideration for the payment;
- 42 (f) With respect to a person on whose behalf a part of the
43 offering is to be made in a nonissuer distribution:
44 (1) Name and address;



1 (2) The amount of securities of the issuer held by the person
2 as of the date of the filing of the registration statement;

3 (3) A description of any material interest in any material
4 transaction with the issuer or any significant subsidiary effected
5 within the past 3 years or proposed to be effected; and

6 (4) A statement of the reasons for making the offering;

7 (g) The capitalization and long-term debt, on both a current and
8 a pro forma basis, of the issuer and any significant subsidiary,
9 including a description of each security outstanding or being
10 registered or otherwise offered, and a statement of the amount and
11 kind of consideration, whether in the form of cash, physical assets,
12 services, patents, goodwill or anything else, for which the issuer or a
13 subsidiary has issued its securities within the last 2 years or is
14 obligated to issue its securities;

15 (h) The kind and amount of securities to be offered, the
16 proposed offering price or the method by which it is to be computed,
17 any variation therefrom at which a proportion of the offering is to be
18 made to a person or class of persons other than the underwriters,
19 with a specification of the person or class, the basis upon which the
20 offering is to be made if otherwise than for cash, the estimated
21 aggregate underwriting and selling discounts or commissions and
22 finder's fees, including separately cash, securities, contracts or
23 anything else of value to accrue to the underwriters or finders in
24 connection with the offering or, if the selling discounts or
25 commissions are variable, the basis of determining them and their
26 maximum and minimum amounts, the estimated amounts of other
27 selling expenses, including legal, engineering and accounting
28 charges, the name and address of every underwriter and every
29 recipient of a finder's fee, a copy of any underwriting or selling-
30 group agreement pursuant to which the distribution is to be made, or
31 the proposed form of the agreement whose terms have not yet been
32 determined, and a description of the plan of distribution of securities
33 that are to be offered otherwise than through an underwriter;

34 (i) The estimated cash proceeds to be received by the issuer
35 from the offering, the purposes for which the proceeds are to be
36 used by the issuer, the amount to be used for each purpose, the order
37 of priority in which the proceeds will be used for the purposes
38 stated, the amounts of funds to be raised from other sources to
39 achieve the purposes stated, the sources of the funds, and, if part of
40 the proceeds is to be used to acquire property, including goodwill,
41 otherwise than in the ordinary course of business, the names and
42 addresses of the vendors, the purchase price, the names of the
43 persons who have received commissions in connection with the
44 acquisition and the amounts of commissions and any other expense



1 in connection with the acquisition, including the cost of borrowing
2 money to finance the acquisition;

3 (j) A description of the stock options or other security options
4 outstanding or to be created in connection with the offering and the
5 amount of the options held or to be held by every person required to
6 be named in paragraph (b), (d), (e), (f) or (h) and by a person who
7 holds or will hold 10 percent or more in the aggregate of the
8 options;

9 (k) The dates of, parties to and general effect, concisely stated,
10 of every management or other material contract made or to be made
11 otherwise than in the ordinary course of business if it is to be
12 performed in whole or in part at or after the filing of the registration
13 statement or was made within the last 2 years, and a copy of the
14 contract;

15 (l) A description of any pending litigation or proceedings to
16 which the issuer is a party and that materially affect its business or
17 assets, including any litigation or proceeding known to be
18 contemplated by a governmental authority;

19 (m) A copy of any prospectus, pamphlet, circular, form letter,
20 advertisement or other sales literature intended as of the effective
21 date to be used in connection with the offering;

22 (n) A copy, specimen or description of the security being
23 registered, a copy of the issuer's articles of incorporation and
24 bylaws or their substantial equivalents, as currently in effect, and a
25 copy of any indenture or other instrument covering the security to be
26 registered;

27 (o) A signed or conformed copy of an opinion of counsel as to
28 the legality of the security being registered, with an English
29 translation if it is in a foreign language, which states whether the
30 security when sold will be legally issued, fully paid and
31 nonassessable and, if a debt security, a binding obligation of the
32 issuer;

33 (p) The written consent of an accountant, engineer, appraiser or
34 other person whose profession gives authority to a statement made
35 by the person, if the person is named as having prepared or certified
36 a report or valuation, other than a public and official ~~document~~
37 *record* or statement, which is used in connection with the
38 registration statement;

39 (q) A statement of financial condition of the issuer as of a date
40 within 4 months before the filing of the registration statement, a
41 statement of results of operations and analysis of surplus for each of
42 the 3 fiscal years preceding the date of the statement of financial
43 condition and for any period between the close of the last fiscal year
44 and the date of the statement of financial condition, or for the period
45 of the issuer's and any predecessors' existence if less than 3 years,



1 and, if part of the proceeds of the offering is to be applied to the
2 purchase of a business, the same financial statements which would
3 be required if that business were the registrant; and

4 (r) Any additional information the Administrator by regulation
5 or order specifies.

6 3. A statement under this section becomes effective 30
7 calendar days, or any shorter period as the Administrator by
8 regulation or order specifies, after the date the registration statement
9 or the last amendment other than a price amendment is filed, if:

10 (a) No order is in effect and no proceeding is pending under
11 NRS 90.510;

12 (b) The Administrator has not, under subsection 4, ordered that
13 effectiveness be delayed; and

14 (c) The registrant has not requested that effectiveness be
15 delayed.

16 4. The Administrator may delay effectiveness for a single
17 period of not more than 90 days if the Administrator determines the
18 registration statement is not complete in all material respects and
19 promptly notifies the registrant of that determination. The
20 Administrator may delay effectiveness for a single period of not
21 more than 30 days if the Administrator determines that the delay is
22 necessary, whether or not the Administrator previously delayed
23 effectiveness under this subsection.

24 **Sec. 224.** NRS 90.500 is hereby amended to read as follows:

25 90.500 1. A registration statement may be filed by the issuer,
26 any other person on whose behalf the offering is to be made, or a
27 broker-dealer licensed under this chapter.

28 2. Except as provided in subsection 3, a person filing a
29 registration statement shall pay a filing fee of one-tenth of 1 percent
30 of the maximum aggregate offering price at which the registered
31 securities are to be offered in this state, but not less than \$350 or
32 more than \$2,500. If a registration statement is withdrawn before the
33 effective date or a pre-effective order is entered under NRS 90.510,
34 the Administrator shall retain the fee.

35 3. An open-end management company, a face amount
36 certificate company or a unit investment trust, as defined in the
37 Investment Company Act of 1940, may register an indefinite
38 amount of securities under a registration statement. The registrant
39 shall pay:

40 (a) A fee of \$500 at the time of filing; and

41 (b) Within 60 days after the registrant's fiscal year during which
42 its statement is effective, a fee of \$2,000, or file a report on a form
43 the Administrator adopts, specifying its sale of securities to persons
44 in this state during the fiscal year and pay a fee of one-tenth of 1
45 percent of the aggregate sales price of the securities sold to persons



1 in this state, but the latter fee must not be less than \$350 or more
2 than \$2,500.

3 4. Except as otherwise permitted by subsection 3, a statement
4 must specify:

5 (a) The amount of securities to be offered in this state and the
6 states in which a statement or similar ~~{document}~~ record in
7 connection with the offering has been or is to be filed; and

8 (b) Any adverse order, judgment or decree entered by a
9 securities agency or administrator in any state or by a court or the
10 Securities and Exchange Commission in connection with the
11 offering.

12 5. A ~~{document}~~ record filed under this chapter as now or
13 previously in effect, within 5 years before the filing of a registration
14 statement, may be incorporated by reference in the registration
15 statement if the ~~{document}~~ record is currently accurate.

16 6. The Administrator by regulation or order may permit the
17 omission of an item of information or ~~{document}~~ record from a
18 statement.

19 7. In the case of a nonissuer offering, the Administrator may
20 not require information under NRS 90.510 or subsection 13 of this
21 section unless it is known to the person filing the registration
22 statement or to the person on whose behalf the offering is to be
23 made, or can be furnished by one of them without unreasonable
24 effort or expense.

25 8. In the case of a registration under NRS 90.480 or 90.490 by
26 an issuer who has no public market for its shares and no significant
27 earnings from continuing operations during the last 5 years or any
28 shorter period of its existence, the Administrator by regulation or
29 order may require as a condition of registration that the following
30 securities be deposited in escrow for not more than 3 years:

31 (a) A security issued to a promoter within the 3 years
32 immediately before the offering or to be issued to a promoter for a
33 consideration substantially less than the offering price; and

34 (b) A security issued to a promoter for a consideration other
35 than cash, unless the registrant demonstrates that the value of the
36 noncash consideration received in exchange for the security is
37 substantially equal to the offering price for the security.

38 The Administrator by regulation may determine the conditions of an
39 escrow required under this subsection, but the Administrator may
40 not reject a depository solely because of location in another state.

41 9. The Administrator by regulation may require as a condition
42 of registration under NRS 90.480 or 90.490 that the proceeds from
43 the sale of the registered security in this state be impounded until the
44 issuer receives a specified amount from the sale of the security. The
45 Administrator by regulation or order may determine the conditions



1 of an impounding arrangement required under this subsection, but
2 the Administrator may not reject a depository solely because of its
3 location in another state.

4 10. If a security is registered pursuant to NRS 90.470 or
5 90.480, the prospectus filed under the Securities Act of 1933 must
6 be delivered to each purchaser in accordance with the requirements
7 of that act for the delivery of a prospectus.

8 11. If a security is registered pursuant to NRS 90.490, an
9 offering ~~[document]~~ *record* containing information the
10 Administrator by regulation or order designates must be delivered to
11 each purchaser with or before the earliest of:

12 (a) The first written offer made to the purchaser by or for the
13 account of the issuer or another person on whose behalf the offering
14 is being made or by an underwriter or broker-dealer who is offering
15 part of an unsold allotment or subscription taken by it as a
16 participant in the distribution;

17 (b) Confirmation of a sale made by or for the account of a
18 person named in paragraph (a);

19 (c) Payment pursuant to a sale; or

20 (d) Delivery pursuant to a sale.

21 12. Except for a registration statement under which an
22 indefinite amount of securities are registered as provided in
23 subsection 3, a statement remains effective for 1 year after its
24 effective date unless the Administrator by regulation extends the
25 period of effectiveness. A registration statement under which an
26 indefinite amount of securities are registered remains effective until
27 60 days after the beginning of the registrant's next fiscal year
28 following the date the statement was filed. All outstanding securities
29 of the same class as a registered security are considered to be
30 registered for the purpose of a nonissuer transaction while the
31 registration statement is effective, unless the Administrator by
32 regulation or order provides otherwise. A registration statement may
33 not be withdrawn after its effective date if any of the securities
34 registered have been sold in this state, unless the Administrator by
35 regulation or order provides otherwise. No registration statement is
36 effective while an order is in effect under subsection 1 of
37 NRS 90.510.

38 13. During the period that an offering is being made pursuant
39 to an effective registration statement, the Administrator by
40 regulation or order may require the person who filed the registration
41 statement to file reports, not more often than quarterly, to keep
42 reasonably current the information contained in the registration
43 statement and to disclose the progress of the offering.

44 14. A registration statement filed under NRS 90.470 or 90.480
45 may be amended after its effective date to increase the securities



1 specified to be offered and sold. The amendment becomes effective
2 upon filing of the amendment and payment of an additional filing
3 fee of 3 times the fee otherwise payable, calculated in the manner
4 specified in subsection 2, with respect to the additional securities to
5 be offered and sold. The effectiveness of the amendment relates
6 back to the date or dates of sale of the additional securities being
7 registered.

8 15. A registration statement filed under NRS 90.490 may be
9 amended after its effective date to increase the securities specified to
10 be offered and sold, if the public offering price and underwriters'
11 discounts and commissions are not changed from the respective
12 amounts which the Administrator was informed. The amendment
13 becomes effective when the Administrator so orders and relates
14 back to the date of sale of the additional securities being registered.
15 A person filing an amendment shall pay an additional filing fee of 3
16 times the fee otherwise payable, calculated in the manner specified
17 in subsection 2, with respect to the additional securities to be offered
18 and sold.

19 **Sec. 225.** NRS 90.530 is hereby amended to read as follows:

20 90.530 The following transactions are exempt from NRS
21 90.460 and 90.560:

22 1. An isolated nonissuer transaction, whether or not effected
23 through a broker-dealer.

24 2. A nonissuer transaction in an outstanding security if the
25 issuer of the security has a class of securities subject to registration
26 under section 12 of the Securities Exchange Act of 1934, 15 U.S.C.
27 § 78l, and has been subject to the reporting requirements of section
28 13 or 15(c) of the Securities Exchange Act of 1934, 15 U.S.C. §§
29 78m and 78o(d), for not less than 90 days next preceding the
30 transaction, or has filed and maintained with the Administrator for
31 not less than 90 days preceding the transaction information, in such
32 form as the Administrator, by regulation, specifies, substantially
33 comparable to the information the issuer would be required to file
34 under section 12(b) or 12(g) of the Securities Exchange Act of 1934,
35 15 U.S.C. §§ 78l(b) and 78l(g), were the issuer to have a class of its
36 securities registered under section 12 of the Securities Exchange Act
37 of 1934, 15 U.S.C. § 78l, and paid a fee with the filing of \$150.

38 3. A nonissuer transaction by a sales representative licensed in
39 this state, in an outstanding security if:

40 (a) The security is sold at a price reasonably related to the
41 current market price of the security at the time of the transaction;

42 (b) The security does not constitute all or part of an unsold
43 allotment to, or subscription or participation by, a broker-dealer as
44 an underwriter of the security;



- 1 (c) At the time of the transaction, a recognized securities manual
2 designated by the Administrator by regulation or order contains the
3 names of the issuer's officers and directors, a statement of the
4 financial condition of the issuer as of a date within the preceding 18
5 months, and a statement of income or operations for each of the last
6 2 years next preceding the date of the statement of financial
7 condition, or for the period as of the date of the statement of
8 financial condition if the period of existence is less than 2 years;
- 9 (d) The issuer of the security has not undergone a major
10 reorganization, merger or acquisition within the preceding 30 days
11 which is not reflected in the information contained in the manual;
12 and
- 13 (e) At the time of the transaction, the issuer of the security has a
14 class of equity security listed on the New York Stock Exchange,
15 American Stock Exchange or other exchange designated by the
16 Administrator, or on the National Market System of the National
17 Association of Securities Dealers Automated Quotation System. The
18 requirements of this paragraph do not apply if:
- 19 (1) The security has been outstanding for at least 180 days;
20 (2) The issuer of the security is actually engaged in business
21 and is not developing his business, in bankruptcy or in receivership;
22 and
- 23 (3) The issuer of the security has been in continuous
24 operation for at least 5 years.
- 25 4. A nonissuer transaction in a security that has a fixed
26 maturity or a fixed interest or dividend provision if there has been
27 no default during the current fiscal year or within the 3 preceding
28 years, or during the existence of the issuer, and any predecessors if
29 less than 3 years, in the payment of principal, interest or dividends
30 on the security.
- 31 5. A nonissuer transaction effected by or through a registered
32 broker-dealer pursuant to an unsolicited order or offer to purchase.
- 33 6. A transaction between the issuer or other person on whose
34 behalf the offering of a security is made and an underwriter, or a
35 transaction among underwriters.
- 36 7. A transaction in a bond or other evidence of indebtedness
37 secured by a real estate mortgage, deed of trust, personal property
38 security agreement, or by an agreement for the sale of real estate or
39 personal property, if the entire mortgage, deed of trust or agreement,
40 together with all the bonds or other evidences of indebtedness
41 secured thereby, is offered and sold as a unit.
- 42 8. A transaction by an executor, administrator, sheriff, marshal,
43 receiver, trustee in bankruptcy, guardian or conservator.
- 44 9. A transaction executed by a bona fide secured party without
45 the purpose of evading this chapter.



- 1 10. An offer to sell or sale of a security to a financial or
2 institutional investor or to a broker-dealer.
- 3 11. Except as otherwise provided in this subsection, a
4 transaction pursuant to an offer to sell securities of an issuer if:
- 5 (a) The transaction is part of an issue in which there are not
6 more than 25 purchasers in this state, other than those designated in
7 subsection 10, during any 12 consecutive months;
- 8 (b) No general solicitation or general advertising is used in
9 connection with the offer to sell or sale of the securities;
- 10 (c) No commission or other similar compensation is paid or
11 given, directly or indirectly, to a person, other than a broker-dealer
12 licensed or not required to be licensed under this chapter, for
13 soliciting a prospective purchaser in this state; and
- 14 (d) One of the following conditions is satisfied:
- 15 (1) The seller reasonably believes that all the purchasers in
16 this state, other than those designated in subsection 10, are
17 purchasing for investment; or
- 18 (2) Immediately before and immediately after the
19 transaction, the issuer reasonably believes that the securities of the
20 issuer are held by 50 or fewer beneficial owners, other than those
21 designated in subsection 10, and the transaction is part of an
22 aggregate offering that does not exceed \$500,000 during any 12
23 consecutive months.
- 24 The Administrator by rule or order as to a security or transaction or
25 a type of security or transaction, may withdraw or further condition
26 the exemption set forth in this subsection or waive one or more of
27 the conditions of the exemption.
- 28 12. An offer to sell or sale of a preorganization certificate or
29 subscription if:
- 30 (a) No commission or other similar compensation is paid or
31 given, directly or indirectly, for soliciting a prospective subscriber;
- 32 (b) No public advertising or general solicitation is used in
33 connection with the offer to sell or sale;
- 34 (c) The number of offers does not exceed 50;
- 35 (d) The number of subscribers does not exceed 10; and
- 36 (e) No payment is made by a subscriber.
- 37 13. An offer to sell or sale of a preorganization certificate or
38 subscription issued in connection with the organization of a
39 depository institution if that organization is under the supervision of
40 an official or agency of a state or of the United States which has and
41 exercises the authority to regulate and supervise the organization of
42 the depository institution. For the purpose of this subsection, "under
43 the supervision of an official or agency" means that the official or
44 agency by law has authority to require disclosures to prospective
45 investors similar to those required under NRS 90.490, impound



1 proceeds from the sale of a preorganization certificate or
2 subscription until organization of the depository institution is
3 completed, and require refund to investors if the depository
4 institution does not obtain a grant of authority from the appropriate
5 official or agency.

6 14. A transaction pursuant to an offer to sell to existing
7 security holders of the issuer, including persons who at the time of
8 the transaction are holders of transferable warrants exercisable
9 within not more than 90 days after their issuance, convertible
10 securities or nontransferable warrants, if:

11 (a) No commission or other similar compensation other than a
12 standby commission, is paid or given, directly or indirectly, for
13 soliciting a security holder in this state; or

14 (b) The issuer first files a notice specifying the terms of the offer
15 to sell, together with a nonrefundable fee of \$150, and the
16 Administrator does not by order disallow the exemption within the
17 next 5 full business days.

18 15. A transaction involving an offer to sell, but not a sale, of a
19 security not exempt from registration under the Securities Act of
20 1933, 15 U.S.C. §§ 77a et seq., if:

21 (a) A registration or offering statement or similar **[document]**
22 **record** as required under the Securities Act of 1933, 15 U.S.C. §§
23 77a et seq., has been filed, but is not effective;

24 (b) A registration statement, if required, has been filed under
25 this chapter, but is not effective; and

26 (c) No order denying, suspending or revoking the effectiveness
27 of registration, of which the offeror is aware, has been entered by
28 the Administrator or the Securities and Exchange Commission, and
29 no examination or public proceeding that may culminate in that kind
30 of order is known by the offeror to be pending.

31 16. A transaction involving an offer to sell, but not a sale, of a
32 security exempt from registration under the Securities Act of 1933,
33 15 U.S.C. §§ 77a et seq., if:

34 (a) A registration statement has been filed under this chapter, but
35 is not effective; and

36 (b) No order denying, suspending or revoking the effectiveness
37 of registration, of which the offeror is aware, has been entered by
38 the Administrator and no examination or public proceeding that may
39 culminate in that kind of order is known by the offeror to be
40 pending.

41 17. A transaction involving the distribution of the securities of
42 an issuer to the security holders of another person in connection
43 with a merger, consolidation, exchange of securities, sale of assets
44 or other reorganization to which the issuer, or its parent or



1 subsidiary, and the other person, or its parent or subsidiary, are
2 parties, if:

3 (a) The securities to be distributed are registered under the
4 Securities Act of 1933, 15 U.S.C. §§ 77a et seq., before the
5 consummation of the transaction; or

6 (b) The securities to be distributed are not required to be
7 registered under the Securities Act of 1933, 15 U.S.C. §§ 77a et
8 seq., written notice of the transaction and a copy of the materials, if
9 any, by which approval of the transaction will be solicited, together
10 with a nonrefundable fee of \$150, are given to the Administrator at
11 least 10 days before the consummation of the transaction and the
12 Administrator does not, by order, disallow the exemption within the
13 next 10 days.

14 18. A transaction involving the offer to sell or sale of one or
15 more promissory notes each of which is directly secured by a first
16 lien on a single parcel of real estate, or a transaction involving the
17 offer to sell or sale of participation interests in the notes if the notes
18 and participation interests are originated by a depository institution
19 and are offered and sold subject to the following conditions:

20 (a) The minimum aggregate sales price paid by each purchaser
21 may not be less than \$250,000;

22 (b) Each purchaser must pay cash either at the time of the sale or
23 within 60 days after the sale; and

24 (c) Each purchaser may buy for his own account only.

25 19. A transaction involving the offer to sell or sale of one or
26 more promissory notes directly secured by a first lien on a single
27 parcel of real estate or participating interests in the notes, if the
28 notes and interests are originated by a mortgagee approved by the
29 Secretary of Housing and Urban Development under sections 203
30 and 211 of the National Housing Act, 12 U.S.C. §§ 1709 and 1715b,
31 and are offered or sold, subject to the conditions specified in
32 subsection 18, to a depository institution or insurance company, the
33 Federal Home Loan Mortgage Corporation, the Federal National
34 Mortgage Association or the Government National Mortgage
35 Association.

36 20. A transaction between any of the persons described in
37 subsection 19 involving a nonassignable contract to buy or sell the
38 securities described in subsection 18 if the contract is to be
39 completed within 2 years and if:

40 (a) The seller of the securities pursuant to the contract is one of
41 the parties described in subsection 18 or 19 who may originate
42 securities;

43 (b) The purchaser of securities pursuant to a contract is any
44 other person described in subsection 19; and

45 (c) The conditions described in subsection 18 are fulfilled.



1 21. A transaction involving one or more promissory notes
2 secured by a lien on real estate, or participating interests in those
3 notes, by:

4 (a) A mortgage company licensed pursuant to chapter 645E of
5 NRS to engage in those transactions; or

6 (b) A mortgage broker licensed pursuant to chapter 645B of
7 NRS to engage in those transactions.

8 **Sec. 226.** NRS 90.600 is hereby amended to read as follows:

9 90.600 It is unlawful for a person to make or cause to be made,
10 in a ~~{document}~~ *record* filed with the Administrator or in a
11 proceeding under this chapter a statement that the person knows or
12 has reasonable grounds to know is, at the time and in the light of the
13 circumstances under which it is made, false or misleading in a
14 material respect.

15 **Sec. 227.** NRS 90.610 is hereby amended to read as follows:

16 90.610 1. Neither the fact that an application for licensing or
17 a statement has been filed under this chapter, nor the fact that a
18 person is licensed or a security is registered under this chapter
19 constitutes a finding by the Administrator that any ~~{document}~~
20 *record* filed under this chapter is true, complete and not misleading.
21 Neither of those facts nor the fact that an exemption or exception is
22 available for a security or a transaction means that the Administrator
23 has passed upon the merits or qualifications of, or recommended or
24 given approval to, any person, security or transaction.

25 2. It is unlawful to make, or cause to be made, to a purchaser,
26 customer or client a representation inconsistent with subsection 1.

27 **Sec. 228.** NRS 90.620 is hereby amended to read as follows:

28 90.620 1. The Administrator may make an investigation,
29 within or outside of this state, as he finds necessary to determine
30 whether a person has violated or is about to violate this chapter or
31 any regulation or order of the Administrator under this chapter or to
32 aid in enforcement of this chapter.

33 2. Except as otherwise provided in subsection 4 of NRS
34 90.730, the Administrator may publish information concerning a
35 violation of this chapter or a regulation or order of the Administrator
36 under this chapter or concerning types of securities or acts or
37 practices in the offer, sale or purchase of types of securities which
38 may operate as a fraud or deceit.

39 3. For the purposes of an investigation or proceeding under this
40 chapter the Administrator or any officer or employee designated by
41 the Administrator by regulation, order or written direction may
42 conduct hearings, administer oaths and affirmations, render findings
43 of fact and conclusions of law, subpoena witnesses, compel their
44 attendance, take evidence and require the production, by subpoena
45 or otherwise, of books, papers, correspondence, memoranda,



1 agreements or other ~~{documents or}~~ records which the Administrator
2 determines to be relevant or material to the investigation or
3 proceeding. A person whom the Administrator does not consider to
4 be the subject of an investigation is entitled to reimbursement at the
5 rate of 25 cents per page for copies of ~~{documents}~~ records which
6 he is required by subpoena to produce. The Administrator may
7 require or permit a person to file a statement, under oath or
8 otherwise as the Administrator determines, as to the facts and
9 circumstances concerning the matter to be investigated.

10 4. If the activities constituting an alleged violation for which
11 the information is sought would be a violation of this chapter had
12 the activities occurred in this state, the Administrator may issue and
13 apply to enforce subpoenas in this state at the request of a securities
14 agency or administrator of another state.

15 5. If a person does not testify or produce the ~~{documents}~~
16 records required by the Administrator or a designated officer or
17 employee pursuant to subpoena, the Administrator or designated
18 officer or employee may apply to the court for an order compelling
19 compliance. A request for an order of compliance may be addressed
20 to:

21 (a) The district court in and for the county where service may be
22 obtained on the person refusing to testify or produce, if the person is
23 subject to service of process in this state; or

24 (b) A court of another state having jurisdiction over the person
25 refusing to testify or produce, if the person is not subject to service
26 of process in this state.

27 6. Not later than the time the Administrator requests an order
28 for compliance, the Administrator shall either send notice of the
29 request by registered or certified mail, return receipt requested, to
30 the respondent at the last known address or take other steps
31 reasonably calculated to give the respondent actual notice.

32 **Sec. 229.** NRS 90.730 is hereby amended to read as follows:

33 90.730 1. Except as otherwise provided in subsection 2,
34 information and ~~{documents}~~ records filed with or obtained by the
35 Administrator are public information and are available for public
36 examination.

37 2. Except as otherwise provided in subsections 3 and 4, the
38 following information and ~~{documents}~~ records do not constitute
39 public information under subsection 1 and are confidential:

40 (a) Information or ~~{documents}~~ records obtained by the
41 Administrator in connection with an investigation concerning
42 possible violations of this chapter; and

43 (b) Information or ~~{documents}~~ records filed with the
44 Administrator in connection with a registration statement filed under
45 this chapter or a report under NRS 90.390 which constitute trade



1 secrets or commercial or financial information of a person for which
2 that person is entitled to and has asserted a claim of privilege or
3 confidentiality authorized by law.

4 3. The Administrator may submit any information or evidence
5 obtained in connection with an investigation to the Attorney General
6 or appropriate district attorney for the purpose of prosecuting a
7 criminal action under this chapter.

8 4. The Administrator may disclose any information obtained in
9 connection with an investigation pursuant to NRS 90.620 to the
10 agencies and administrators specified in subsection 1 of NRS 90.740
11 but only if disclosure is provided for the purpose of a civil,
12 administrative or criminal investigation or proceeding, and the
13 receiving agency or administrator represents in writing that under
14 applicable law protections exist to preserve the integrity,
15 confidentiality and security of the information.

16 5. This chapter does not create any privilege or diminish any
17 privilege existing at common law, by statute, regulation or
18 otherwise.

19 **Sec. 230.** NRS 90.740 is hereby amended to read as follows:

20 90.740 1. To encourage uniform interpretation and
21 administration of this chapter and effective securities regulation and
22 enforcement, the Administrator and the employees of the Division
23 may cooperate with the securities agencies or administrator of one
24 or more states, Canadian provinces or territories, or another country,
25 the Securities and Exchange Commission, the Commodity Futures
26 Trading Commission, the Securities Investor Protection
27 Corporation, any self-regulatory organization, any national or
28 international organization of securities officers or agencies and any
29 governmental law enforcement or regulatory agency.

30 2. The cooperation authorized by subsection 1 includes:

31 (a) Establishing a central depository for licensing or registration
32 under this chapter and for ~~documents or~~ records required or
33 allowed to be maintained under this chapter;

34 (b) Making a joint examination or investigation for licensing or
35 registration;

36 (c) Holding a joint administrative hearing;

37 (d) Filing and prosecuting a joint civil or administrative
38 proceeding;

39 (e) Sharing and exchanging personnel;

40 (f) Sharing and exchanging information and ~~documents~~
41 *records* subject to the restrictions of NRS 90.730; and

42 (g) Formulating, in accordance with chapter 233B of NRS,
43 regulations or proposed regulations on matters, statements of policy,
44 guidelines and interpretative opinions and releases.



1 **Sec. 231.** NRS 90.820 is hereby amended to read as follows:
2 90.820 1. The Administrator may use emergency
3 administrative proceedings in a situation involving an immediate
4 danger to the public welfare requiring immediate action.

5 2. The Administrator may take only such action as is necessary
6 to prevent or avoid the immediate danger to the public welfare that
7 justifies use of emergency administrative proceedings.

8 3. The Administrator shall issue an order, including a brief
9 statement of findings of fact, conclusions of law, and if it is an
10 exercise of the agency's discretion, reasons of policy for the
11 decision to justify the determination of an immediate danger and his
12 decision to take the specific action.

13 4. The Administrator shall give such notice as is practicable to
14 persons who are required to comply with the order. The order is
15 effective when issued.

16 5. After issuing an order under this section, the Administrator
17 shall proceed as quickly as feasible to complete proceedings that
18 would be required under chapter 233B of NRS if the matter did not
19 involve an immediate danger.

20 6. The record of the Administrator consists of the ~~{documents}~~
21 *records* regarding the matter that were considered or prepared by
22 him. He shall maintain these ~~{documents}~~ *records* as the official
23 record.

24 7. Unless otherwise required by law, the Administrator's
25 record need not constitute the exclusive basis for his action in
26 emergency administrative proceedings or for judicial review of the
27 action.

28 8. An order issued under this section is subject to judicial
29 review in the manner provided in chapter 233B of NRS for the final
30 decision in a contested case.

31 **Sec. 232.** NRS 90.847 is hereby amended to read as follows:

32 90.847 The Administrator may, by regulation or order, approve
33 systems for the electronic delivery of ~~{documents}~~ *records* and
34 applications to the Administrator or his designee or to the principal
35 office of the Administrator.

36 **Sec. 233.** Chapter 91 of NRS is hereby amended by adding
37 thereto a new section to read as follows:

38 *"Record" means information that is inscribed on a tangible*
39 *medium or that is stored in an electronic or other medium and is*
40 *retrievable in perceivable form.*

41 **Sec. 234.** NRS 91.020 is hereby amended to read as follows:

42 91.020 As used in this chapter, unless the context otherwise
43 requires, the words and terms defined in NRS 91.030 to 91.150,
44 inclusive, *and section 233 of this act* have the meanings ascribed to
45 them in those sections.



1 **Sec. 235.** NRS 91.160 is hereby amended to read as follows:
2 91.160 1. This chapter must be administered by the
3 Administrator of the Securities Division of the Office of the
4 Secretary of State.

5 2. It is unlawful for the Administrator or any employee of the
6 Administrator to use for personal benefit any information which is
7 filed with or obtained by the Administrator and which is not made
8 public. It is unlawful for the Administrator or any employee of the
9 Administrator to conduct any dealings regarding a security or
10 commodity based upon any such information, even though made
11 public, if there has not been a sufficient period of time for the
12 securities or commodity markets to assimilate such information.

13 3. Except as otherwise provided in subsection 4, all
14 information and materials collected, assembled or maintained by the
15 Administrator are public records.

16 4. The following information is confidential:

17 (a) Information obtained in private investigations pursuant to
18 NRS 91.300; and

19 (b) Information obtained from federal agencies which may not
20 be disclosed under federal law.

21 5. The Administrator in his discretion may disclose any
22 information made confidential under subsection 4 to persons
23 identified in subsection 1 of NRS 91.170.

24 6. No provision of this chapter either creates or derogates any
25 privilege which exists at common law, by statute or otherwise when
26 any ~~{documentary}~~ *record* or other evidence is sought under
27 subpoena directed to the Administrator or any employee of the
28 Administrator.

29 **Sec. 236.** NRS 91.170 is hereby amended to read as follows:

30 91.170 1. To encourage uniform application and
31 interpretation of this chapter and regulation and enforcement of
32 securities laws in general, the Administrator and the employees of
33 the Administrator may cooperate, including bearing the expense
34 of the cooperation, with the securities agency or administrator of
35 another jurisdiction, Canadian province or territory, the Commodity
36 Futures Trading Commission, the Securities and Exchange
37 Commission, any self-regulatory organization established under the
38 Commodity Exchange Act or the Securities Exchange Act of 1934,
39 any national or international organization of officers or agencies
40 which regulate commodities or securities, and any governmental law
41 enforcement agency.

42 2. The cooperation authorized by subsection 1 includes, but is
43 not limited to, the following:

44 (a) Making joint examinations or investigations;

45 (b) Holding joint administrative hearings;



- 1 (c) Filing and prosecuting joint litigation;
- 2 (d) Sharing and exchanging personnel;
- 3 (e) Sharing and exchanging information and ~~documents;~~
- 4 *records;*
- 5 (f) Formulating and adopting mutual regulations, statements of
- 6 policy, guidelines, proposed statutory changes and releases; and
- 7 (g) Issuing and enforcing subpoenas at the request of the agency
- 8 administering this chapter in another jurisdiction, the securities
- 9 agency of another jurisdiction, the Commodity Futures Trading
- 10 Commission or the Securities and Exchange Commission if the
- 11 information sought would also be subject to lawful subpoena for
- 12 conduct occurring in this state.

13 **Sec. 237.** NRS 91.210 is hereby amended to read as follows:

14 91.210 1. The prohibitions in NRS 91.190 do not apply to the

15 following:

16 (a) An account, agreement or transaction within the exclusive

17 jurisdiction of the Commodity Futures Trading Commission granted

18 under the Commodity Exchange Act.

19 (b) A commodity contract for the purchase of one or more

20 precious metals which requires, and under which the purchaser

21 receives, within 7 calendar days after the payment of any portion of

22 the purchase price, physical delivery of the quantity of the precious

23 metals purchased by the payment. For purposes of this paragraph,

24 physical delivery shall be deemed to have occurred if, within the 7-

25 day period, the quantity of precious metals purchased by the

26 payment is delivered, whether in specifically segregated or fungible

27 bulk form, into the possession of a depository other than the seller

28 which is either:

29 (1) A financial institution;

30 (2) A depository the warehouse receipts of which are

31 recognized for delivery purposes for any commodity on a contract

32 market designated by the Commodity Futures Trading Commission;

33 (3) A storage facility licensed or regulated by the United

34 States or any agency thereof; or

35 (4) A depository designated by the Administrator,

36 and the depository issues, and the purchaser receives, a certificate,

37 ~~document~~ *record* of title, confirmation or other instrument

38 evidencing that such a quantity of precious metals has been

39 delivered to the depository and is being and will continue to be held

40 by the depository on the purchaser's behalf, free and clear of all

41 liens and encumbrances, other than liens of the purchaser, tax liens,

42 liens agreed to by the purchaser, or liens of the depository for fees

43 and expenses, which have previously been disclosed to the

44 purchaser.



1 (c) A commodity contract solely between persons engaged in
2 producing, processing, using commercially or handling as
3 merchants, each commodity subject thereto, or any by-product
4 thereof.

5 (d) A commodity contract under which the offeree or the
6 purchaser is a person referred to in NRS 91.200, an insurance
7 company, an investment company as defined in the Investment
8 Company Act of 1940, or an employee pension and profit-sharing or
9 benefit plan, other than a self-employed individual retirement plan
10 or individual retirement account.

11 2. The Administrator may adopt regulations or issue orders
12 prescribing the terms and conditions of all transactions and contracts
13 covered by the provisions of this chapter which are not within the
14 exclusive jurisdiction of the Commodity Futures Trading
15 Commission granted by the Commodity Exchange Act, exempting
16 any person or transaction from any provision of this chapter
17 conditionally or unconditionally and otherwise implementing the
18 provisions of this chapter for the protection of purchasers and sellers
19 of commodities.

20 **Sec. 238.** NRS 91.300 is hereby amended to read as follows:

21 91.300 1. The Administrator may make investigations, within
22 or outside of this state, as he finds necessary or appropriate to:

23 (a) Determine whether any person has violated, or is about to
24 violate, any provision of this chapter or any regulation or order of
25 the Administrator; or

26 (b) Aid in the enforcement of this chapter.

27 2. The Administrator may publish information concerning any
28 violation of this chapter or any regulation or order of the
29 Administrator.

30 3. For the purposes of any investigation or proceeding under
31 this chapter, the Administrator, or an officer or employee designated
32 by the Administrator, may administer oaths and affirmations,
33 subpoena witnesses, compel their attendance, take evidence and
34 require the production of any books, papers, correspondence,
35 memoranda, agreements or other ~~documents or~~ records which the
36 Administrator finds to be relevant or material to the inquiry.

37 4. If a person does not give testimony or produce the
38 ~~documents~~ records required by the Administrator or a designated
39 officer or employee pursuant to an administrative subpoena, the
40 Administrator or designated officer or employee may apply for a
41 court order compelling compliance with the subpoena or the giving
42 of the required testimony.

43 5. The request for an order of compliance may be addressed to
44 either:

45 (a) The District Court for the First Judicial District;



1 (b) The district court for any judicial district where service may
2 be obtained on the person refusing to testify or produce, if the
3 person is within this state; or

4 (c) The appropriate court of the state having jurisdiction over the
5 person refusing to testify or produce, if the person is outside of this
6 state.

7 6. If the activities constituting an alleged violation for which
8 the information is sought would be a violation of this chapter had
9 the activities occurred in this state, the Administrator may issue and
10 apply to enforce subpoenas, in the manner set forth in subsection 5,
11 in this state at the request of a securities agency or administrator of
12 another state.

13 **Sec. 239.** Chapter 92A of NRS is hereby amended by adding
14 thereto the provisions set forth as sections 240 to 244, inclusive, of
15 this act.

16 **Sec. 240.** *“Articles,” “articles of incorporation” and*
17 *“certificate of incorporation” are synonymous terms and unless*
18 *the context otherwise requires, include all certificates filed*
19 *pursuant to NRS 78.030, 78.1955, 78.209, 78.380, 78.385 and*
20 *78.390 and any articles of merger, conversion, exchange or*
21 *domestication filed pursuant to NRS 92A.200 to 92A.240,*
22 *inclusive, or 92A.270. Unless the context otherwise requires, these*
23 *terms include restated articles and certificates of incorporation.*

24 **Sec. 241.** *“Charter document” means the articles of*
25 *incorporation of a foreign corporation, whether or not for profit,*
26 *the articles of incorporation of a domestic corporation and a*
27 *domestic nonprofit corporation, the articles of organization of a*
28 *limited-liability company, the certificate of limited partnership of a*
29 *limited partnership or the certificate of trust of a business trust*
30 *and all amendments thereto.*

31 **Sec. 242.** *“Record” means information that is inscribed on a*
32 *tangible medium or that is stored in an electronic or other medium*
33 *and is retrievable in perceivable form.*

34 **Sec. 243.** *“Sign” means to affix a signature to a record.*

35 **Sec. 244.** *“Signature” means a name, word, symbol or mark*
36 *executed or otherwise adopted, or a record encrypted or similarly*
37 *processed in whole or in part, by a person with the present intent*
38 *to identify himself and adopt or accept a record. The term*
39 *includes, without limitation, an electronic signature as defined in*
40 *NRS 719.100.*

41 **Sec. 245.** NRS 92A.005 is hereby amended to read as follows:

42 92A.005 As used in this chapter, unless the context otherwise
43 requires, the words and terms defined in NRS 92A.007 to 92A.090,
44 inclusive, *and sections 240 to 244, inclusive, of this act* have the
45 meanings ascribed to them in those sections.



1 **Sec. 246.** NRS 92A.045 is hereby amended to read as follows:
2 92A.045 “Entity” means a foreign or domestic ~~[corporation,]~~ :
3 **1. Corporation**, whether or not for profit ~~[, limited liability~~
4 ~~company, limited]~~ ;
5 **2. Limited-liability company**;
6 **3. Limited** partnership ; or ~~[business]~~
7 **4. Business** trust.

8 **Sec. 247.** NRS 92A.100 is hereby amended to read as follows:
9 92A.100 1. Except as limited by NRS 78.411 to 78.444,
10 inclusive, one or more domestic entities may merge into another
11 entity if the plan of merger is approved pursuant to the provisions of
12 this chapter.

13 2. ~~[The]~~ **Except as otherwise provided in NRS 92A.180, the**
14 plan of merger must set forth:

15 (a) The name, address and jurisdiction of organization and
16 governing law of each constituent entity;

17 (b) The name, jurisdiction of organization and kind of entity or
18 entities that will survive the merger;

19 (c) The terms and conditions of the merger; and

20 (d) The manner and basis of converting the owner’s interests of
21 each constituent entity into owner’s interests, rights to purchase
22 owner’s interests, or other securities of the surviving or other entity
23 or into cash or other property in whole or in part.

24 3. The plan of merger may set forth:

25 (a) Amendments to the constituent documents of the surviving
26 entity; and

27 (b) Other provisions relating to the merger.

28 4. The plan of merger must be in writing.

29 **Sec. 248.** NRS 92A.105 is hereby amended to read as follows:

30 92A.105 1. Except as limited by NRS 78.411 to 78.444,
31 inclusive, one domestic general partnership or one domestic entity,
32 except a domestic nonprofit corporation, may convert into a
33 domestic entity **of a different type** or a foreign entity if the plan of
34 conversion is approved pursuant to the provisions of this chapter.

35 2. The plan of conversion must be in writing and set forth the:

36 (a) Name of the constituent entity and the proposed name for the
37 resulting entity;

38 (b) Address of the constituent entity and the resulting entity;

39 (c) Jurisdiction of the law that governs the constituent entity;

40 (d) Jurisdiction of the law that will govern the resulting entity;

41 (e) Terms and conditions of the conversion;

42 (f) Manner and basis of converting the owner’s interest or the
43 interest of a partner in a general partnership of the constituent entity
44 into owner’s interests, rights of purchase and other securities in the
45 resulting entity; and



1 (g) Full text of the constituent documents of the resulting entity.
2 3. The plan of conversion may set forth other provisions
3 relating to the conversion.

4 **Sec. 249.** NRS 92A.120 is hereby amended to read as follows:

5 92A.120 1. After adopting a plan of merger, exchange or
6 conversion, the board of directors of each domestic corporation that
7 is a constituent entity in the merger or conversion, or the board of
8 directors of the domestic corporation whose shares will be acquired
9 in the exchange, must submit the plan of merger, except as
10 otherwise provided in NRS 92A.130, the plan of conversion or the
11 plan of exchange for approval by its stockholders who are entitled to
12 vote on the plan.

13 2. For a plan of merger, conversion or exchange to be
14 approved:

15 (a) The board of directors must recommend the plan of merger,
16 conversion or exchange to the stockholders, unless the board of
17 directors determines that because of a conflict of interest or other
18 special circumstances it should make no recommendation and it
19 communicates the basis for its determination to the stockholders
20 with the plan; and

21 (b) The stockholders entitled to vote must approve the plan.

22 3. The board of directors may condition its submission of the
23 proposed merger, conversion or exchange on any basis.

24 4. Unless the plan of merger, conversion or exchange is
25 approved by the written consent of stockholders pursuant to
26 subsection ~~8.7~~ 7, the domestic corporation must notify each
27 stockholder, whether or not he is entitled to vote, of the proposed
28 stockholders' meeting in accordance with NRS 78.370. The notice
29 must also state that the purpose, or one of the purposes, of the
30 meeting is to consider the plan of merger, conversion or exchange
31 and must contain or be accompanied by a copy or summary of the
32 plan.

33 5. Unless this chapter, the articles of incorporation, the
34 resolutions of the board of directors establishing the class or series
35 of stock ~~[, subsection 6]~~ or the board of directors acting pursuant to
36 subsection 3 require a greater vote or a vote by classes of
37 stockholders, the plan of merger or conversion must be approved by
38 a majority of the voting power of the stockholders.

39 6. Unless the articles of incorporation or the resolution of the
40 board of directors establishing a class or series of stock provide
41 otherwise, or unless the board of directors acting pursuant to
42 subsection 3 requires a greater vote, the plan of exchange must be
43 approved by a majority of the voting power of each class and each
44 series to be exchanged pursuant to the plan of exchange.



1 7. ~~In addition to any other vote required, if a plan of merger~~
2 ~~contains an amendment to the articles of incorporation of the~~
3 ~~surviving domestic corporation or if a plan of conversion provides~~
4 ~~for a resulting entity with constituent documents, that adversely alter~~
5 ~~or change any preference or other right given to any class or series~~
6 ~~of outstanding stock of the surviving domestic corporation, then the~~
7 ~~plan of merger or conversion must be approved by the vote of~~
8 ~~stockholders representing a majority of the voting power of each~~
9 ~~class or series adversely affected by the amendment or the~~
10 ~~constituent documents, regardless of limitations or restrictions on~~
11 ~~the voting power of that class or series of stock.~~

12 ~~—8.]~~ Unless otherwise provided in the articles of incorporation or
13 the bylaws of the domestic corporation, the plan of merger,
14 conversion or exchange may be approved by written consent as
15 provided in NRS 78.320.

16 ~~[9.]~~ 8. If an officer, director or stockholder of a domestic
17 corporation, which will be the constituent entity in a conversion,
18 will have any liability for the obligations of the resulting entity after
19 the conversion because he will be the owner of an owner's interest
20 in the resulting entity, then that officer, director or stockholder must
21 also approve the plan of conversion.

22 ~~[10.]~~ 9. Unless otherwise provided in the articles of
23 incorporation or bylaws of a domestic corporation, a plan of merger,
24 conversion or exchange may contain a provision that permits
25 amendment of the plan of merger, conversion or exchange at any
26 time after the stockholders of the domestic corporation approve the
27 plan of merger, conversion or exchange, but before the articles of
28 merger, conversion or exchange become effective, without obtaining
29 the approval of the stockholders of the domestic corporation for the
30 amendment if the amendment does not:

31 (a) Alter or change the manner or basis of exchanging an
32 owner's interest to be acquired for owner's interests, rights to
33 purchase owner's interests, or other securities of the acquiring entity
34 or any other entity, or for cash or other property in whole or in part;
35 or

36 (b) Alter or change any of the terms and conditions of the plan
37 of merger, conversion or exchange in a manner that adversely
38 affects the stockholders of the domestic corporation.

39 ~~[11.]~~ 10. This section does not prevent or restrict a board of
40 directors from cancelling the proposed meeting or removing the plan
41 of merger, conversion or exchange from consideration at the
42 meeting if the board of directors determines that it is not advisable
43 to submit the plan of merger, conversion or exchange to the
44 stockholders for approval.



1 **Sec. 250.** NRS 92A.165 is hereby amended to read as follows:
2 92A.165 Unless otherwise provided in the certificate of trust or
3 governing instrument of a *domestic* business trust, a plan of merger,
4 conversion or exchange must be approved by all the trustees and
5 beneficial owners of each *domestic* business trust that is a
6 constituent entity in the merger.

7 **Sec. 251.** NRS 92A.190 is hereby amended to read as follows:
8 92A.190 1. One or more foreign entities may merge or enter
9 into an exchange of owner's interests with one or more domestic
10 entities if:

11 (a) In a merger, the merger is permitted by the law of the
12 jurisdiction under whose law each foreign entity is organized and
13 governed and each foreign entity complies with that law in effecting
14 the merger;

15 (b) In an exchange, the entity whose owner's interests will be
16 acquired is a domestic entity, whether or not an exchange of
17 owner's interests is permitted by the law of the jurisdiction under
18 whose law the acquiring entity is organized;

19 (c) The foreign entity complies with NRS 92A.200 to 92A.240,
20 inclusive, if it is the surviving entity in the merger or acquiring
21 entity in the exchange and sets forth in the articles of merger or
22 exchange its address where copies of process may be sent by the
23 Secretary of State; and

24 (d) Each domestic entity complies with the applicable provisions
25 of NRS 92A.100 to 92A.180, inclusive, and, if it is the surviving
26 entity in the merger or acquiring entity in the exchange, with NRS
27 92A.200 to 92A.240, inclusive.

28 2. When the merger or exchange takes effect, the surviving
29 foreign entity in a merger and the acquiring foreign entity in an
30 exchange shall be deemed:

31 (a) To appoint the Secretary of State as its agent for service of
32 process in a proceeding to enforce any obligation *which accrued*
33 *before the merger or exchange became effective* or the rights of
34 dissenting owners of each domestic entity that was a party to the
35 merger or exchange. Service of such process must be made by
36 personally delivering to and leaving with the Secretary of State
37 duplicate copies of the process and the payment of a fee of \$50 for
38 accepting and transmitting the process. The Secretary of State shall
39 forthwith send by registered or certified mail one of the copies to
40 the surviving or acquiring entity at its specified address, unless the
41 surviving or acquiring entity has designated in writing to the
42 Secretary of State a different address for that purpose, in which case
43 it must be mailed to the last address so designated.

44 (b) To agree that it will promptly pay to the dissenting owners of
45 each domestic entity that is a party to the merger or exchange the



1 amount, if any, to which they are entitled under or created pursuant
2 to NRS 92A.300 to 92A.500, inclusive.

3 3. This section does not limit the power of a foreign entity to
4 acquire all or part of the owner's interests of one or more classes or
5 series of a domestic entity through a voluntary exchange or
6 otherwise.

7 **Sec. 252.** NRS 92A.200 is hereby amended to read as follows:

8 92A.200 After a plan of merger or exchange is approved as
9 required by this chapter, the surviving or acquiring entity shall
10 deliver to the Secretary of State for filing articles of merger or
11 exchange setting forth:

12 1. The name and jurisdiction of organization of each
13 constituent entity;

14 2. That a plan of merger or exchange has been adopted by each
15 constituent entity;

16 3. If approval of the owners of one or more constituent entities
17 was not required, a statement to that effect and the name of each
18 entity;

19 4. If approval of owners of one or more constituent entities was
20 required, the name of each entity and a statement for each entity that
21 ~~is:~~

22 ~~—(a) The] *the* plan was approved by the required consent of the~~
23 ~~owners; ~~or~~~~

24 ~~—(b) A plan was submitted to the owners pursuant to this chapter~~
25 ~~including:~~

26 ~~—(1) The designation, percentage of total vote or number of~~
27 ~~votes entitled to be cast by each class of owner's interests entitled to~~
28 ~~vote separately on the plan; and~~

29 ~~—(2) Either the total number of votes or percentage of owner's~~
30 ~~interests cast for and against the plan by the owners of each class of~~
31 ~~interests entitled to vote separately on the plan or the total number~~
32 ~~of undisputed votes or undisputed total percentage of owner's~~
33 ~~interests cast for the plan separately by the owners of each~~
34 ~~class,~~

35 ~~and the number of votes or percentage of owner's interests cast for~~
36 ~~the plan by the owners of each class of interests was sufficient for~~
37 ~~approval by the owners of that class;]~~

38 5. In the case of a merger, the amendment, if any, to the
39 ~~[articles of incorporation, articles of organization, certificate of~~
40 ~~limited partnership or certificate of trust] *charter document* of the~~
41 surviving entity, which amendment may be set forth in the articles
42 of merger as a specific amendment or in the form of ~~is:~~

43 ~~—(a) Amended and restated articles of incorporation;~~

44 ~~—(b) Amended and restated articles of organization;~~



1 ~~—(c) An amended and restated certificate of limited partnership;~~
2 ~~or~~
3 ~~—(d) An~~ *an* amended and restated ~~[certificate of trust,]~~ *charter*
4 *document* or attached in that form as an exhibit; and

5 6. If the entire plan of merger or exchange is not set forth, a
6 statement that the complete ~~[executed]~~ *signed* plan of merger or
7 plan of exchange is on file at the registered office if a corporation,
8 limited-liability company or business trust, or office described in
9 paragraph (a) of subsection 1 of NRS 88.330 if a limited
10 partnership, or other place of business of the surviving entity or the
11 acquiring entity, respectively.

12 7. Any of the terms of the plan of merger, conversion or
13 exchange may be made dependent upon facts ascertainable outside
14 of the plan of merger, conversion or exchange, provided that the
15 plan of merger, conversion or exchange clearly and expressly sets
16 forth the manner in which such facts shall operate upon the terms of
17 the plan. As used in this section, the term “facts” includes, without
18 limitation, the occurrence of an event, including a determination or
19 action by a person or body, including a constituent entity.

20 **Sec. 253.** NRS 92A.205 is hereby amended to read as follows:

21 92A.205 1. After a plan of conversion is approved as
22 required by this chapter, if the resulting entity is a domestic entity,
23 the constituent entity shall deliver to the Secretary of State for filing:

24 (a) Articles of conversion setting forth:

25 (1) The name and jurisdiction of organization of the
26 constituent entity and the resulting entity; and

27 (2) That a plan of conversion has been adopted by the
28 constituent entity in compliance with the law of the jurisdiction
29 governing the constituent entity.

30 (b) The ~~[following constituent]~~ *charter* document of the
31 domestic resulting entity ~~is:~~

32 ~~—(1) If the resulting entity is a domestic corporation, the~~
33 ~~articles of incorporation filed in compliance with chapter 78 or 89 of~~
34 ~~NRS, as applicable;~~

35 ~~—(2) If the resulting entity is a domestic limited partnership,~~
36 ~~the certificate of limited partnership filed in compliance with~~
37 ~~chapter 88 of NRS;~~

38 ~~—(3) If the resulting entity is a domestic limited liability~~
39 ~~company, the articles of organization filed in compliance with~~
40 ~~chapter 86 of NRS; or~~

41 ~~—(4) If the resulting entity is a domestic business trust, the~~
42 ~~certificate of trust filed in compliance with] required by the~~
43 *applicable provisions of chapter 78, 86, 88, 88A or 89* of NRS.



1 (c) A certificate of acceptance of appointment of a resident
2 agent for the resulting entity which is ~~executed~~ signed by the
3 resident agent.

4 2. After a plan of conversion is approved as required by this
5 chapter, if the resulting entity is a foreign entity, the constituent
6 entity shall deliver to the Secretary of State for filing articles of
7 conversion setting forth:

8 (a) The name and jurisdiction of organization of the constituent
9 entity and the resulting entity;

10 (b) That a plan of conversion has been adopted by the
11 constituent entity in compliance with the laws of this state; and

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

14 3. If the entire plan of conversion is not set forth in the articles
15 of conversion, the filing party must include in the articles of
16 conversion a statement that the complete ~~executed~~ signed plan
17 of conversion is on file at the registered office or principal place of
18 business of the resulting entity or, if the resulting entity is a
19 domestic limited partnership, the office described in paragraph (a)
20 of subsection 1 of NRS 88.330.

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

27 5. Any ~~documents~~ records filed with the Secretary of State
28 pursuant to this section must be accompanied by the fees required
29 pursuant to this title for filing the ~~constituent~~ charter document.

30 **Sec. 254.** NRS 92A.210 is hereby amended to read as follows:

31 92A.210 1. Except as otherwise provided in this section, the
32 fee for filing articles of merger, articles of conversion, articles of
33 exchange, articles of domestication or articles of termination is
34 \$325. The fee for filing the ~~constituent~~ charter documents of a
35 domestic resulting entity is the fee for filing the ~~constituent~~
36 charter documents determined by the chapter of NRS governing the
37 particular domestic resulting entity.

38 2. The fee for filing articles of merger of two or more domestic
39 corporations is the difference between the fee computed at the rates
40 specified in NRS 78.760 upon the aggregate authorized stock of the
41 corporation created by the merger and the fee computed upon the
42 aggregate amount of the total authorized stock of the constituent
43 corporation.

44 3. The fee for filing articles of merger of one or more domestic
45 corporations with one or more foreign corporations is the difference



1 between the fee computed at the rates specified in NRS 78.760 upon
2 the aggregate authorized stock of the corporation created by the
3 merger and the fee computed upon the aggregate amount of the total
4 authorized stock of the constituent corporations which have paid the
5 fees required by NRS 78.760 and 80.050.

6 4. The fee for filing articles of merger of two or more domestic
7 or foreign corporations must not be less than \$325. The amount paid
8 pursuant to subsection 3 must not exceed \$25,000.

9 **Sec. 255.** NRS 92A.230 is hereby amended to read as follows:

10 92A.230 1. Articles of merger, conversion or exchange must
11 be signed by each *foreign and* domestic constituent entity as
12 follows:

13 (a) By an officer of a ~~{domestic}~~ corporation, whether or not for
14 profit;

15 (b) By ~~{all}~~ *one of* the general partners of a ~~{domestic}~~ limited
16 partnership;

17 (c) By a manager of a ~~{domestic}~~ limited-liability company with
18 managers or by ~~{all the members}~~ *one member* of a ~~{domestic}~~
19 limited-liability company without managers; ~~{and}~~

20 (d) By a trustee of a ~~{domestic}~~ business trust ~~{-~~

21 ~~—2. Articles of merger, conversion or exchange must be signed~~
22 ~~by each foreign constituent entity in the manner provided by the law~~
23 ~~governing it.~~

24 ~~—3. As used in this section, “signed” means to have executed or~~
25 ~~adopted a name, word or mark, including, without limitation, an~~
26 ~~electronic signature as defined in NRS 719.100, with the present~~
27 ~~intention to authenticate a document.]; and~~

28 (e) *By one general partner of a general partnership.*

29 **Sec. 256.** NRS 92A.240 is hereby amended to read as follows:

30 92A.240 1. A merger, conversion or exchange takes effect
31 upon filing the articles of merger, conversion or exchange or upon a
32 later date as specified in the articles, which must not be more than
33 90 days after the articles are filed.

34 2. If the filed articles of merger, conversion or exchange
35 specify such a later effective date, the constituent entity or entities
36 may file articles of termination before the effective date, setting
37 forth:

38 (a) The name of each constituent entity and, for a conversion,
39 the resulting entity; and

40 (b) That the merger, conversion or exchange has been
41 terminated pursuant to the plan of merger, conversion or exchange.

42 3. The articles of termination must be ~~{executed}~~ *signed* in the
43 manner provided in NRS 92A.230.



1 **Sec. 257.** NRS 92A.270 is hereby amended to read as follows:
2 92A.270 1. Any undomesticated organization may become
3 domesticated in this state as a domestic entity by:
4 (a) Paying to the Secretary of State the fees required pursuant to
5 this Title for filing the ~~constituent~~ charter document; and
6 (b) Filing with the Secretary of State:
7 (1) Articles of domestication which must be ~~executed~~
8 signed by an authorized representative of the undomesticated
9 organization approved in compliance with subsection 6;
10 (2) The appropriate ~~constituent~~ charter document for the
11 type of domestic entity ; ~~described in paragraph (b) of subsection 1~~
12 ~~of NRS 92A.205;~~ and
13 (3) A certificate of acceptance of appointment of a resident
14 agent for the domestic entity which is ~~executed~~ signed by the
15 resident agent.
16 2. The articles of domestication must set forth the:
17 (a) Date when and the jurisdiction where the undomesticated
18 organization was first formed, incorporated, organized or otherwise
19 created;
20 (b) Name of the undomesticated organization immediately
21 before filing the articles of domestication;
22 (c) Name and type of domestic entity as set forth in its
23 ~~constituent~~ charter document pursuant to subsection 1; and
24 (d) Jurisdiction that constituted the principal place of business or
25 central administration of the undomesticated organization, or any
26 other equivalent thereto pursuant to applicable law,
27 immediately before filing the articles of domestication.
28 3. Upon filing the articles of domestication, the ~~constituent~~
29 charter document and the certificate of acceptance of appointment
30 of a resident agent with the Secretary of State, and the payment of
31 the requisite fee for filing the ~~constituent~~ charter document of the
32 domestic entity, the undomesticated organization is domesticated in
33 this state as the domestic entity described in the ~~constituent~~
34 charter document filed pursuant to subsection 1. The existence of
35 the domestic entity begins on the date the undomesticated
36 organization began its existence in the jurisdiction in which the
37 undomesticated organization was first formed, incorporated,
38 organized or otherwise created.
39 4. The domestication of any undomesticated organization does
40 not affect any obligations or liabilities of the undomesticated
41 organization incurred before its domestication.
42 5. The filing of the ~~constituent~~ charter document of the
43 domestic entity pursuant to subsection 1 does not affect the choice
44 of law applicable to the undomesticated organization. From the date
45 the ~~constituent~~ charter document of the domestic entity is filed,



1 the law of this state applies to the domestic entity to the same extent
2 as if the undomesticated organization was organized and created as
3 a domestic entity on that date.

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

6 (a) The document, instrument, agreement or other writing
7 governing the internal affairs of the undomesticated organization
8 and the conduct of its business; and

9 (b) Applicable foreign law.

10 7. When a domestication becomes effective, all rights,
11 privileges and powers of the undomesticated organization, all
12 property owned by the undomesticated organization, all debts due to
13 the undomesticated organization, and all causes of action belonging
14 to the undomesticated organization are vested in the domestic entity
15 and become the property of the domestic entity to the same extent as
16 vested in the undomesticated organization immediately before
17 domestication. The title to any real property vested by deed or
18 otherwise in the undomesticated organization is not reverted or
19 impaired by the domestication. All rights of creditors and all liens
20 upon any property of the undomesticated organization are preserved
21 unimpaired and all debts, liabilities and duties of an undomesticated
22 organization that has been domesticated attach to the domestic entity
23 resulting from the domestication and may be enforced against it to
24 the same extent as if the debts, liability and duties had been incurred
25 or contracted by the domestic entity.

26 8. When an undomesticated organization is domesticated, the
27 domestic entity resulting from the domestication is for all purposes
28 deemed to be the same entity as the undomesticated organization.
29 Unless otherwise agreed by the owners of the undomesticated
30 organization or as required pursuant to applicable foreign law, the
31 domestic entity resulting from the domestication is not required to
32 wind up its affairs, pay its liabilities or distribute its assets. The
33 domestication of an undomesticated organization does not constitute
34 the dissolution of the undomesticated organization. The
35 domestication constitutes a continuation of the existence of the
36 undomesticated organization in the form of a domestic entity. If,
37 following domestication, an undomesticated organization that has
38 become domesticated pursuant to this section continues its existence
39 in the foreign country or foreign jurisdiction in which it was existing
40 immediately before the domestication, the domestic entity and the
41 undomesticated organization are for all purposes a single entity
42 formed, incorporated, organized or otherwise created and existing
43 pursuant to the laws of this state and the laws of the foreign country
44 or other foreign jurisdiction.



* S B 4 3 6 *

1 9. As used in this section, “undomesticated organization”
2 means any incorporated organization, private law corporation,
3 whether or not organized for business purposes, public law
4 corporation, general partnership, registered limited-liability
5 partnership, limited partnership or registered limited-liability limited
6 partnership, proprietorship, joint venture, foundation, business trust,
7 real estate investment trust, common-law trust or any other
8 unincorporated business formed, organized, created or the internal
9 affairs of which are governed by the laws of any foreign country or
10 jurisdiction other than the United States, the District of Columbia or
11 another state, territory, possession, commonwealth or dependency of
12 the United States.

13 **Sec. 258.** NRS 92A.380 is hereby amended to read as follows:
14 92A.380 1. Except as otherwise provided in NRS 92A.370
15 and 92A.390, ~~any~~ *any* stockholder is entitled to dissent from, and
16 obtain payment of the fair value of his shares in the event of any of
17 the following corporate actions:

18 (a) Consummation of a *conversion or* plan of merger to which
19 the domestic corporation is a constituent entity:

20 (1) If approval by the stockholders is required for the
21 *conversion or* merger by NRS 92A.120 to 92A.160, inclusive, or
22 the articles of incorporation, regardless of whether the stockholder is
23 entitled to vote on the *conversion or* plan of merger; or

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

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

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

35 2. A stockholder who is entitled to dissent and obtain payment
36 pursuant to NRS 92A.300 to 92A.500, inclusive, may not challenge
37 the corporate action creating his entitlement unless the action is
38 unlawful or fraudulent with respect to him or the domestic
39 corporation.

40 **Sec. 259.** NRS 92A.440 is hereby amended to read as follows:
41 92A.440 1. A stockholder to whom a dissenter’s notice is
42 sent must:

43 (a) Demand payment;

44 (b) Certify whether he *or the beneficial owner on whose behalf*
45 *he is dissenting, as the case may be*, acquired beneficial ownership



1 of the shares before the date required to be set forth in the
2 dissenter's notice for this certification; and

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

5 2. The stockholder who demands payment and deposits his
6 certificates, if any, before the proposed corporate action is taken
7 retains all other rights of a stockholder until those rights are
8 cancelled or modified by the taking of the proposed corporate
9 action.

10 3. The stockholder who does not demand payment or deposit
11 his certificates where required, each by the date set forth in the
12 dissenter's notice, is not entitled to payment for his shares under this
13 chapter.

14 **Sec. 260.** NRS 104.9318 is hereby amended to read as
15 follows:

16 104.9318 *1. A debtor that has sold an account, chattel*
17 *paper, payment intangible or promissory note does not retain a*
18 *legal or equitable interest in the collateral sold.*

19 2. For purposes of determining the rights of creditors of, and
20 purchasers for value of an account or chattel paper from, a debtor
21 that has sold an account or chattel paper, while the buyer's security
22 interest is unperfected, the debtor has rights and title to the account
23 or chattel paper identical to those the debtor sold.

24 **Sec. 261.** NRS 111.312 is hereby amended to read as follows:

25 111.312 1. The county recorder shall not record with respect
26 to real property, a notice of completion, a declaration of homestead,
27 a lien or notice of lien, an affidavit of death, a mortgage or deed of
28 trust, or any conveyance of real property or instrument in writing
29 setting forth an agreement to convey real property unless the
30 document being recorded contains:

31 (a) The mailing address of the grantee or, if there is no grantee,
32 the mailing address of the person who is requesting the recording of
33 the document; and

34 (b) The assessor's parcel number of the property at the top left
35 corner of the first page of the document, if the county assessor has
36 assigned a parcel number to the property. The county recorder is not
37 required to verify that the assessor's parcel number is correct.

38 2. The county recorder shall not record with respect to real
39 property any conveyance of real property or instrument in writing
40 setting forth an agreement to convey real property unless the
41 document being recorded contains the name and address of the
42 person to whom a statement of the taxes assessed on the real
43 property is to be mailed.

44 3. The assessor's parcel number shall not be deemed to be a
45 complete legal description of the real property conveyed.



1 4. Except as otherwise provided in subsection 5, if a document
2 that is being recorded includes a legal description of real property
3 that is provided in metes and bounds, the document must include the
4 name and mailing address of the person who prepared the legal
5 description. The county recorder is not required to verify the
6 accuracy of the name and mailing address of such a person.

7 5. If a document *including the same legal description*
8 described in subsection 4 previously has been recorded, the
9 document must include all information necessary to identify and
10 locate the previous recording, but the name and mailing address of
11 the person who prepared the legal description is not required for the
12 document to be recorded. The county recorder is not required to
13 verify the accuracy of the information concerning the previous
14 recording.

15 **Sec. 262.** NRS 602.010 is hereby amended to read as follows:
16 602.010 1. Every person doing business in this state under an
17 assumed or fictitious name ~~[which does not indicate the real]~~ *that is*
18 *in any way different from the legal* name of each person who owns
19 an interest in the business must file with the county clerk of each
20 county in which the business is being conducted a certificate
21 containing the information required by NRS 602.020.

22 2. A person intending to conduct a business under an assumed
23 or fictitious name may, before initiating the conduct of the business,
24 file a certificate with the county clerk of each county in which the
25 business is intended to be conducted.

26 3. If the board of county commissioners of a county has
27 adopted an ordinance pursuant to NRS 602.035, a certificate filed
28 pursuant to this section expires 5 years after it is filed with the
29 county clerk.

30 **Sec. 263.** NRS 602.020 is hereby amended to read as follows:
31 602.020 1. A certificate filed pursuant to NRS 602.010 or a
32 renewal certificate filed pursuant to NRS 602.035 must state the
33 assumed or fictitious name under which the business is being
34 conducted or is intended to be conducted, and if conducted by:

- 35 (a) A natural person:
36 (1) His full name; *and*
37 (2) ~~[The street address of his residence or business; and~~
38 ~~— (3) If the] His~~ mailing address ; ~~[is different from the street~~
39 ~~address, the mailing address of his residence or business;]~~
40 (b) An artificial person required to make annual filings with the
41 Secretary of State to retain its good standing ~~[, its]~~ :
42 (1) *Its* name as it appears in the records of the Secretary of
43 State; *and*
44 (2) *Its mailing address;*
45 (c) A general partnership:



- 1 (1) The full name of each partner who is a natural person;
- 2 (2) The ~~street address of the residence or business of each~~
- 3 ~~partner who is a natural person;~~
- 4 ~~(3) If the~~ mailing address ~~is different from the street~~
- 5 ~~address, the mailing address of the residence or business of each~~
- 6 ~~partner who is a natural person; and~~
- 7 ~~(4) of each partner; and~~
- 8 (3) If one or more of the partners is an artificial person
- 9 described in paragraph (b), the information required by paragraph
- 10 (b) for each such partner; or
- 11 (d) A trust:
- 12 (1) The full name of each trustee of the trust; *and*
- 13 (2) The ~~street address of the residence or business of each~~
- 14 ~~trustee of the trust; and~~
- 15 ~~(3) If the~~ mailing address ~~is different from the street~~
- 16 ~~address, the mailing address of the residence or business~~ of each
- 17 trustee. ~~of the trust.~~
- 18 2. The certificate must be ~~is~~
- 19 ~~(a) Signed:~~
- 20 ~~(1) signed:~~
- 21 (a) In the case of a natural person, by him;
- 22 ~~(2) (b)~~ In the case of an artificial person required to make
- 23 annual filings with the Secretary of State to retain its good standing,
- 24 by a person ~~required~~ *authorized* to sign the annual filing ~~is~~
- 25 ~~(3) whether or not listed therein;~~
- 26 (c) In the case of a general partnership, by each of the partners
- 27 who is a natural person, and if one or more of the partners is an
- 28 artificial person described in ~~subparagraph (2);~~ *paragraph (b)*, by
- 29 an officer of the corporation or a person required to sign the annual
- 30 filing; or
- 31 ~~(4) (d)~~ In the case of a trust, by each of the trustees. ~~is; and~~
- 32 ~~(b) Notarized.~~
- 33 **Sec. 264.** NRS 602.050 is hereby amended to read as follows:
- 34 602.050 Every county clerk shall keep, in alphabetical order, in
- 35 a book or other suitable index provided for that purpose ~~is~~
- 36 ~~1. A~~, a register of all the *assumed or fictitious* names ~~of the~~
- 37 ~~corporations, businesses, or fanciful or fictitious designations;~~
- 38 shown in the certificates ~~is~~
- 39 ~~2. Unless it is a corporation, the~~ *filed pursuant to this*
- 40 *chapter, together with the following information shown in the*
- 41 *certificate for each assumed or fictitious name:*
- 42 1. The name of each *natural* person ~~shown to be interested in~~
- 43 ~~or a partner in such a business;~~, *artificial person, general partner*
- 44 *or trustee conducting the business under such name.*
- 45 2. *The mailing address.*



1 **Sec. 265.** NRS 602.055 is hereby amended to read as follows:
2 602.055 1. Any person who has filed a certificate may, upon
3 the termination of the business or his ownership in it, file with the
4 county clerk where the certificate is on file a certificate of
5 termination stating that the person who filed the certificate has
6 terminated the business being conducted under the assumed or
7 fictitious name or his ownership in it and the date of the termination.
8 2. The certificate of termination must be ~~notarized and~~ signed
9 in the same manner as required by NRS 602.020, except that it is
10 sufficient if signed in the case of a general partnership by only one
11 partner or in the case of a trust by only one trustee.
12 3. Upon the filing of a certificate of termination, the county
13 clerk shall note the termination in the book or other suitable index
14 required by NRS 602.050.
15 **Sec. 266.** NRS 602.090 is hereby amended to read as follows:
16 602.090 A person doing business in this state without
17 complying with the requirements of this chapter or having falsely
18 filed a certificate of termination, is ~~guilty of a misdemeanor,~~
19 *subject to a fine of \$50, to be recovered with costs in a court of*
20 *competent jurisdiction.*
21 **Sec. 267.** NRS 78.419 is hereby repealed.

TEXT OF REPEALED SECTION

78.419 “Date of acquiring shares” defined. “Date of acquiring shares,” with respect to any person and any resident domestic corporation, means the date that the person first becomes an interested stockholder of the resident domestic corporation.

