

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 R 2 *

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



1 (d) "Receiver" includes receivers and trustees appointed by a
2 court as provided in this chapter or in chapter 32 of NRS.

3 (e) "*Record*" means information that is inscribed on a tangible
4 medium or that is stored in an electronic or other medium and is
5 retrievable in perceivable form.

6 (f) "Registered office" means the office maintained at the street
7 address of the resident agent.

8 ~~(g)~~ (g) "Resident agent" means the agent appointed by the
9 corporation upon whom process or a notice or demand authorized
10 by law to be served upon the corporation may be served.

11 ~~(h)~~ (h) "Sign" means to affix a signature to a ~~document.~~
12 ~~record.~~

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

19 ~~(j)~~ (j) "Stockholder of record" means a person whose name
20 appears on the stock ledger of the corporation.

21 ~~(k)~~ (k) "Street address" of a resident agent means the actual
22 physical location in this state at which a resident agent is available
23 for service of process.

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

27 **Sec. 5.** NRS 78.027 is hereby amended to read as follows:
28 78.027 The Secretary of State may microfilm any ~~document~~
29 *record* which is filed in his office ~~by~~ *with respect to* a corporation
30 pursuant to this chapter and may return the original ~~document~~
31 *record* to the corporation.

32 **Sec. 6.** NRS 78.028 is hereby amended to read as follows:
33 78.028 No ~~document~~ *record* which is written in a language
34 other than English may be filed or submitted for filing in the Office
35 of the Secretary of State pursuant to the provisions of this chapter
36 unless it is accompanied by a verified translation of that ~~document~~
37 *record* into the English language.

38 **Sec. 7.** NRS 78.029 is hereby amended to read as follows:
39 78.029 Before the issuance of stock an incorporator, and after
40 the issuance of stock an officer, of a corporation may authorize the
41 Secretary of State in writing to replace any page of a ~~document~~
42 *record* submitted for filing ~~in~~ on an expedited basis, before the
43 actual filing, and to accept the page as if it were part of the
44 ~~originally signed filing.~~ *original record.*



1 **Sec. 8.** NRS 78.0295 is hereby amended to read as follows:
2 78.0295 1. A corporation may correct a ~~{document filed by}~~
3 *record filed in the Office of the* Secretary of State with respect to
4 the corporation if the ~~{document}~~ *record* contains an inaccurate
5 ~~{record}~~ *description* of a corporate action ~~{described in the~~
6 ~~document}~~ or *if the record* was defectively ~~{executed,}~~ *signed,*
7 attested, sealed, verified or acknowledged.

8 2. To correct a ~~{document,}~~ *record,* the corporation shall:
9 (a) Prepare a certificate of correction which:
10 (1) States the name of the corporation;
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 an officer of the corporation.
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. 9.** NRS 78.030 is hereby amended to read as follows:

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

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

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

34 2. The articles of incorporation must be as provided in NRS
35 78.035, and the Secretary of State shall require them to be in the
36 form prescribed. If any articles are defective in this respect, the
37 Secretary of State shall return them for correction.

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

39 78.035 The articles of incorporation must set forth:

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



1 2. The name of the person designated as the corporation's
2 resident agent, the street address of the resident agent where process
3 may be served upon the corporation, and the mailing address of the
4 resident agent if different from the street address.

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

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

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

19 **Sec. 11.** (Deleted by amendment.)

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

21 78.040 1. The Secretary of State, when requested so to do,
22 shall reserve, for a period of 90 days, the right to use any name
23 available under NRS 78.039, for the use of any proposed
24 corporation. During the period, a name so reserved is not available
25 for use or reservation by any other artificial person forming,
26 organizing, registering or qualifying in the Office of the Secretary of
27 State pursuant to the provisions of this title without the written,
28 acknowledged consent of the person at whose request the
29 reservation was made.

30 2. The use by any other artificial person of a name in violation
31 of subsection 1 or NRS 78.039 may be enjoined, even if the
32 ~~document~~ record under which the artificial person is formed,
33 organized, registered or qualified has been filed by the Secretary of
34 State.

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

36 78.060 1. Any corporation organized under the provisions of
37 this chapter:

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

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

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



1 (d) Unless otherwise provided in its articles, has perpetual
2 existence.

3 2. Every corporation, by virtue of its existence as such, is
4 entitled:

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

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

8 (c) To make contracts.

9 (d) ~~[(To hold, purchase and convey real and personal estate and
10 to mortgage or lease any such real and personal estate with its
11 franchises. The power to hold real and personal estate includes the
12 power to take it by devise or bequest in this state, or in any other
13 state, territory or country.~~

14 ~~—(e)]~~ To appoint such officers and agents as the affairs of the
15 corporation require, and to allow them suitable compensation.

16 ~~[(f)]~~ (e) To make bylaws not inconsistent with the Constitution
17 or laws of the United States, or of this state, for the management,
18 regulation and government of its affairs and property, the transfer of
19 its stock, the transaction of its business, and the calling and holding
20 of meetings of its stockholders.

21 ~~[(g)]~~ (f) To wind up and dissolve itself, or be wound up or
22 dissolved, in the manner mentioned in this chapter.

23 ~~[(h)]~~ (g) Unless otherwise provided in the articles, to engage in
24 any lawful activity.

25 **Sec. 14.** NRS 78.065 is hereby amended to read as follows:

26 78.065 1. Every corporation, by virtue of its existence as
27 such, shall have power to adopt and use a common seal or stamp,
28 and alter the same at pleasure.

29 2. The use of a seal or stamp by a corporation on any corporate
30 ~~documents]~~ record is not necessary. The corporation may use a seal
31 or stamp, if it desires, but such use or nonuse ~~shall]~~ must not in any
32 way affect the legality of the ~~document.]~~ record.

33 **Sec. 15.** NRS 78.070 is hereby amended to read as follows:

34 78.070 Subject to such limitations, if any, as may be contained
35 in its articles of incorporation, every corporation has the following
36 powers:

37 1. To borrow money and contract debts when necessary for the
38 transaction of its business, or for the exercise of its corporate rights,
39 privileges or franchises, or for any other lawful purpose of its
40 incorporation ~~and]~~ and to issue bonds, promissory notes, bills of
41 exchange, debentures, and other obligations and evidences of
42 indebtedness, payable at a specified time or times, or payable upon
43 the happening of a specified event or events, whether secured by
44 mortgage, pledge or other security, or unsecured, for money



1 borrowed, or in payment for property purchased ~~and~~ or acquired, or
2 for any other lawful object.

3 2. To guarantee, purchase, hold, take, obtain, receive, subscribe
4 for, own, use, dispose of, sell, exchange, lease, lend, assign,
5 mortgage, pledge, or otherwise acquire, transfer or deal in or with
6 bonds or obligations of, or shares, securities or interests in or issued
7 by, any person, government, governmental agency or political
8 subdivision of government, and to exercise all the rights, powers
9 and privileges of ownership of such an interest, including the right
10 to vote, if any.

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

13 4. To conduct business, have one or more offices, and hold,
14 purchase, *lease*, mortgage, ~~and~~ convey *and take by devise or*
15 *bequest* real and personal property in this state, and in any of the
16 several states, territories, possessions and dependencies of the
17 United States, the District of Columbia, Puerto Rico and any foreign
18 countries.

19 5. To do everything necessary and proper for the
20 accomplishment of the objects enumerated in its articles of
21 incorporation or necessary or incidental to the protection and benefit
22 of the corporation, and, in general, to carry on any lawful business
23 necessary or incidental to the attainment of the objects of the
24 corporation, whether or not the business is similar in nature to the
25 objects set forth in the articles of incorporation, except that:

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

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

33 6. To make donations for the public welfare or for charitable,
34 scientific or educational purposes.

35 7. To enter into any relationship with another person in
36 connection with any lawful activities.

37 **Sec. 16.** NRS 78.095 is hereby amended to read as follows:
38 78.095 1. Within 30 days after changing the location of his
39 office from one address to another in this state, a resident agent shall
40 ~~execute~~ *sign* a certificate setting forth:

41 (a) The names of all the corporations represented by the resident
42 agent;

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



1 (c) The new address to which the resident agency will be
2 transferred and at which the resident agent will thereafter maintain
3 the registered office for each of the corporations recited in the
4 certificate.

5 2. Upon the filing of the certificate in the Office of the
6 Secretary of State , the registered office in this state of each of the
7 corporations recited in the certificate is located at the new address of
8 the resident agent thereof as set forth in the certificate.

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

10 78.097 1. A resident agent who desires to resign shall file
11 with the Secretary of State a signed statement for each corporation
12 that he is unwilling to continue to act as the agent of the corporation
13 for the service of process. A resignation is not effective until the
14 signed statement is filed with the Secretary of State.

15 2. The statement of resignation may contain a statement of the
16 affected corporation appointing a successor resident agent for that
17 corporation. A certificate of acceptance ~~executed~~ *signed* by the
18 new resident agent, stating the full name, complete street address
19 and, if different from the street address, mailing address of the new
20 resident agent, must accompany the statement appointing a
21 successor resident agent.

22 3. Upon the filing of the statement of resignation with the
23 Secretary of State , the capacity of the resigning person as resident
24 agent terminates. If the statement of resignation contains no
25 statement by the corporation appointing a successor resident agent,
26 the resigning resident agent shall immediately give written notice,
27 by mail, to the corporation of the filing of the statement and its
28 effect. The notice must be addressed to any officer of the
29 corporation other than the resident agent.

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

37 5. A corporation that fails to file a certificate of acceptance
38 ~~executed~~ *signed* by the new resident agent within 30 days after the
39 death, resignation or removal of its former resident agent shall be
40 deemed in default and is subject to the provisions of NRS 78.170
41 and 78.175.

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

43 78.105 1. A corporation shall keep a copy of the following
44 records at its registered office:



1 (a) A copy certified by the Secretary of State of its articles of
2 incorporation, and all amendments thereto;
3 (b) A copy certified by an officer of the corporation of its
4 bylaws and all amendments thereto; and
5 (c) A stock ledger or a duplicate stock ledger, revised annually,
6 containing the names, alphabetically arranged, of all persons who
7 are stockholders of the corporation, showing their places of
8 residence, if known, and the number of shares held by them
9 respectively. In lieu of the stock ledger or duplicate stock ledger,
10 the corporation may keep a statement setting out the name of the
11 custodian of the stock ledger or duplicate stock ledger, and the
12 present and complete ~~post office address, including street and~~
13 ~~number, if any,] mailing or street address~~ where the stock ledger or
14 duplicate stock ledger specified in this section is kept.
15 2. ~~[A corporation shall maintain the records required by~~
16 ~~subsection 1 in written form or in another form capable of~~
17 ~~conversion into written form within a reasonable time.~~
18 ~~3.]~~ Any person who has been a stockholder of record of a
19 corporation for at least 6 months immediately preceding his
20 demand, or any person holding, or thereunto authorized in writing
21 by the holders of, at least 5 percent of all of its outstanding shares,
22 upon at least 5 days' written demand is entitled to inspect in person
23 or by agent or attorney, during usual business hours, the records
24 required by subsection 1 and make copies therefrom. Holders of
25 voting trust certificates representing shares of the corporation must
26 be regarded as stockholders for the purpose of this subsection. Every
27 corporation that neglects or refuses to keep the records required by
28 subsection 1 open for inspection, as required in this subsection, shall
29 forfeit to the State the sum of \$25 for every day of such neglect or
30 refusal.
31 ~~[4.]~~ 3. If any corporation willfully neglects or refuses to make
32 any proper entry in the stock ledger or duplicate copy thereof, or
33 neglects or refuses to permit an inspection of the records required by
34 subsection 1 upon demand by a person entitled to inspect them, or
35 refuses to permit copies to be made therefrom, as provided in
36 subsection ~~[3.]~~ 2, the corporation is liable to the person injured for
37 all damages resulting to him therefrom.
38 ~~[5.]~~ 4. When the corporation keeps a statement in the manner
39 provided for in paragraph (c) of subsection 1, the information
40 contained thereon must be given to any stockholder of the
41 corporation demanding the information, when the demand is made
42 during business hours. Every corporation that neglects or refuses to
43 keep a statement available, as in this subsection required, shall
44 forfeit to the State the sum of \$25 for every day of such neglect or
45 refusal.



1 ~~[6.]~~ 5. In every instance where an attorney or other agent of the
2 stockholder seeks the right of inspection, the demand must be
3 accompanied by a power of attorney ~~[executed]~~ *signed* by the
4 stockholder authorizing the attorney or other agent to inspect on
5 behalf of the stockholder.

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

9 ~~[8.]~~ 7. The corporation may impose a reasonable charge to
10 recover the costs of labor and materials and the cost of copies of any
11 ~~[documents]~~ *records* provided to the stockholder.

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

13 78.115 The business of every corporation must be managed
14 ~~[by]~~ *under the direction of* a board of directors or trustees, all of
15 whom must be natural persons who are at least 18 years of age. A
16 corporation must have at least one director, and may provide in its
17 articles of incorporation or in its bylaws for a fixed number of
18 directors or a variable number of directors , ~~[within a fixed~~
19 ~~minimum and maximum,]~~ and for the manner in which the number
20 of directors may be increased or decreased. Unless otherwise
21 provided in the articles of incorporation, directors need not be
22 stockholders.

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

24 78.120 1. Subject only to such limitations as may be
25 provided by this chapter, or the articles of incorporation of the
26 corporation, the board of directors has full control over the affairs of
27 the corporation.

28 2. ~~[Subject]~~ *Except as otherwise provided in this subsection*
29 *and subject* to the bylaws, if any, adopted by the stockholders, the
30 directors may make the bylaws of the corporation. *Unless otherwise*
31 *prohibited by any bylaw adopted by the stockholders, the directors*
32 *may adopt, amend or repeal any bylaw, including any bylaw*
33 *adopted by the stockholders. The articles of incorporation may*
34 *grant the authority to adopt bylaws exclusively to the directors.*

35 3. The selection of a period for the achievement of corporate
36 goals is the responsibility of the directors.

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

38 78.125 1. Unless it is otherwise provided in the articles of
39 incorporation, the board of directors may designate one or more
40 committees which, to the extent provided in the resolution or
41 resolutions or in the bylaws of the corporation, have and may
42 exercise the powers of the board of directors in the management of
43 the business and affairs of the corporation.

44 2. ~~[The committee or committees must have such name or~~
45 ~~names as may be stated in the bylaws of the corporation or as may~~



1 ~~be determined from time to time by resolution adopted by the board~~
2 ~~of directors.~~

3 ~~—3.]~~ Each committee must include at least one director. Unless
4 the articles of incorporation or the bylaws provide otherwise, the
5 board of directors may appoint natural persons who are not directors
6 to serve on committees.

7 ~~[4.]~~ 3. The board of directors may designate one or more
8 directors as alternate members of a committee to replace any
9 member who is disqualified or absent from a meeting of the
10 committee. The bylaws of the corporation may provide that, unless
11 the board of directors appoints alternate members pursuant to this
12 subsection, the member or members of a committee present at a
13 meeting and not disqualified from voting, whether or not the
14 member or members constitute a quorum, may unanimously appoint
15 another member of the board of directors to act at the meeting in the
16 place of an absent or disqualified member of the committee.

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

18 78.135 1. The statement in the articles of incorporation of the
19 objects, purposes, powers and authorized business of the corporation
20 constitutes, as between the corporation and its directors, officers or
21 stockholders, an authorization to the directors and a limitation upon
22 the actual authority of the representatives of the corporation. Such
23 limitations may be asserted in a proceeding by a stockholder or the
24 State to enjoin the doing or continuation of unauthorized business
25 by the corporation or its officers, or both, in cases where third
26 parties have not acquired rights thereby, or to dissolve the
27 corporation, or in a proceeding by the corporation or by the
28 stockholders suing in a representative suit against the officers or
29 directors of the corporation for violation of their authority.

30 2. No limitation upon the business, purposes or powers of the
31 corporation or upon the powers of the stockholders, officers or
32 directors, or the manner of exercise of such powers, contained in or
33 implied by the articles may be asserted as between the corporation
34 or any stockholder and any third person.

35 3. Any contract or conveyance, otherwise lawful, made in the
36 name of a corporation, which is authorized or ratified by the
37 directors, or is done within the scope of the authority, actual or
38 apparent, given by the directors, binds the corporation, and the
39 corporation acquires rights thereunder, whether the contract is
40 ~~executed~~ signed or is wholly or in part executory.

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

42 78.138 1. Directors and officers shall exercise their powers in
43 good faith and with a view to the interests of the corporation.

44 2. In performing their respective duties, directors and officers
45 are entitled to rely on information, opinions, reports, books of



1 account or statements, including financial statements and other
2 financial data, that are prepared or presented by:
3 (a) One or more directors, officers or employees of the
4 corporation reasonably believed to be reliable and competent in the
5 matters prepared or presented;
6 (b) Counsel, public accountants, financial advisers, valuation
7 advisers, investment bankers or other persons as to matters
8 reasonably believed to be within the preparer's or presenter's
9 professional or expert competence; or
10 (c) A committee on which the director or officer relying thereon
11 does not serve, established in accordance with NRS 78.125, as to
12 matters within the committee's designated authority and matters on
13 which the committee is reasonably believed to merit
14 confidence,
15 but a director or officer is not entitled to rely on such information,
16 opinions, reports, books of account or statements if he has
17 knowledge concerning the matter in question that would cause
18 reliance thereon to be unwarranted.
19 3. Directors and officers, in deciding upon matters of business,
20 are presumed to act in good faith, on an informed basis and with a
21 view to the interests of the corporation.
22 4. Directors and officers, in exercising their respective powers
23 with a view to the interests of the corporation, may consider:
24 (a) The interests of the corporation's employees, suppliers,
25 creditors and customers;
26 (b) The economy of the State and Nation;
27 (c) The interests of the community and of society; and
28 (d) The long-term as well as short-term interests of the
29 corporation and its stockholders, including the possibility that these
30 interests may be best served by the continued independence of the
31 corporation.
32 5. Directors and officers are not required to consider the effect
33 of a proposed corporate action upon any particular group having an
34 interest in the corporation as a dominant factor.
35 6. The provisions of subsections 4 and 5 do not create or
36 authorize any causes of action against the corporation or its directors
37 or officers.
38 7. Except as otherwise provided in NRS 35.230, 90.660,
39 91.250, 452.200, 452.270, 668.045 and 694A.030, *or unless the*
40 *articles of incorporation or an amendment thereto, in each case*
41 *filed on or after October 1, 2003, provide for greater individual*
42 *liability*, a director or officer is not individually liable to the
43 corporation or its stockholders for any damages as a result of any act
44 or failure to act in his capacity as a director or officer unless it is
45 proven that:



- 1 (a) His act or failure to act constituted a breach of his fiduciary
- 2 duties as a director or officer; and
- 3 (b) His breach of those duties involved intentional misconduct,
- 4 fraud or a knowing violation of law.

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

6 78.140 1. A contract or other transaction is not void or

7 voidable solely because:

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

- 9 (1) One or more of its directors or officers; or
- 10 (2) Another corporation, firm or association in which one or
- 11 more of its directors or officers are directors or officers or are
- 12 financially interested;

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

14 (1) Is present at the meeting of the board of directors or a

15 committee thereof which authorizes or approves the contract or

16 transaction; or

17 (2) Joins in the ~~execution~~ *signing* of a written consent

18 which authorizes or approves the contract or transaction pursuant to

19 subsection 2 of NRS 78.315; or

20 (c) The vote or votes of a common or interested director are

21 counted for the purpose of authorizing or approving the contract or

22 transaction,

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

24 2. The circumstances in which a contract or other transaction is

25 not void or voidable pursuant to subsection 1 are:

26 (a) The fact of the common directorship, office or financial

27 interest is known to the board of directors or committee, and the

28 board or committee authorizes, approves or ratifies the contract or

29 transaction in good faith by a vote sufficient for the purpose without

30 counting the vote or votes of the common or interested director or

31 directors.

32 (b) The fact of the common directorship, office or financial

33 interest is known to the stockholders, and they approve or ratify the

34 contract or transaction in good faith by a majority vote of

35 stockholders holding a majority of the voting power. The votes of

36 the common or interested directors or officers must be counted in

37 any such vote of stockholders.

38 (c) The fact of the common directorship, office or financial

39 interest is not known to the director or officer at the time the

40 transaction is brought before the board of directors of the

41 corporation for action.

42 (d) The contract or transaction is fair as to the corporation at the

43 time it is authorized or approved.

44 3. Common or interested directors may be counted in

45 determining the presence of a quorum at a meeting of the board of



1 directors or a committee thereof which authorizes, approves or
2 ratifies a contract or transaction, and if the votes of the common or
3 interested directors are not counted at the meeting, then a majority
4 of the disinterested directors may authorize, approve or ratify a
5 contract or transaction.

6 4. Unless otherwise provided in the articles of incorporation or
7 the bylaws, the board of directors, without regard to personal
8 interest, may establish the compensation of directors for services in
9 any capacity. If the board of directors establishes the compensation
10 of directors pursuant to this subsection, such compensation is
11 presumed to be fair to the corporation unless proven unfair by a
12 preponderance of the evidence.

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

14 78.165 1. Every list required to be filed under the provisions
15 of NRS 78.150 to 78.185, inclusive, must, after the name of each
16 officer and director listed thereon, set forth the ~~[post-office-box]~~
17 *mailing* or street address, either residence or business, of each
18 officer and director.

19 2. If the addresses are not stated for each person on any list
20 offered for filing, the Secretary of State may refuse to file the list,
21 and the corporation for which the list has been offered for filing is
22 subject to all the provisions of NRS 78.150 to 78.185, inclusive,
23 relating to failure to file the list within or at the times therein
24 specified, unless a list is subsequently submitted for filing which
25 conforms to the provisions of NRS 78.150 to 78.185, inclusive.

26 **Sec. 26.** NRS 78.185 is hereby amended to read as follows:

27 78.185 1. Except as otherwise provided in subsection 2, if a
28 corporation applies to reinstate or revive its charter but its name has
29 been legally reserved or acquired by another artificial person
30 formed, organized, registered or qualified pursuant to the provisions
31 of this title whose name is on file with the Office of the Secretary of
32 State or reserved in the Office of the Secretary of State pursuant to
33 the provisions of this title, the corporation shall in its application for
34 reinstatement submit in writing to the Secretary of State some other
35 name under which it desires its corporate existence to be reinstated
36 or revived. If that name is distinguishable from all other names
37 reserved or otherwise on file, the Secretary of State shall issue to the
38 applying corporation a certificate of reinstatement or revival under
39 that new name. *Upon the issuance of a certificate of reinstatement*
40 *or revival under that new name, the articles of incorporation of*
41 *the applying corporation shall be deemed to reflect the new name*
42 *without the corporation having to comply with the provisions of*
43 *NRS 78.385, 78.390 or 78.403.*

44 2. If the applying corporation submits the written,
45 acknowledged consent of the artificial person having a name, or the



1 person who has reserved a name, which is not distinguishable from
2 the old name of the applying corporation or a new name it has
3 submitted, it may be reinstated or revived under that name.

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

8 4. The Secretary of State may adopt regulations that interpret
9 the requirements of this section.

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

11 78.195 1. If a corporation desires to have more than one class
12 or series of stock, the articles of incorporation must prescribe, or
13 vest authority in the board of directors to prescribe, the classes,
14 series and the number of each class or series of stock and the voting
15 powers, designations, preferences, limitations, restrictions and
16 relative rights of each class or series of stock. If more than one class
17 or series of stock is authorized, the articles of incorporation or the
18 resolution of the board of directors passed pursuant to a provision of
19 the articles must prescribe a distinguishing designation for each
20 class and series. The voting powers, designations, preferences,
21 limitations, restrictions, relative rights and distinguishing
22 designation of each class or series of stock must be described in the
23 articles of incorporation or the resolution of the board of directors
24 before the issuance of shares of that class or series.

25 2. All shares of a series must have voting powers, designations,
26 preferences, limitations, restrictions and relative rights identical with
27 those of other shares of the same series and, except to the extent
28 otherwise provided in the description of the series, with those of
29 other series of the same class.

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

33 4. Any rate, condition or time for payment of distributions on
34 any class or series of stock may be made dependent upon any fact or
35 event which may be ascertained outside the articles of incorporation
36 or the resolution providing for the distributions adopted by the board
37 of directors if the manner in which a fact or event may operate upon
38 the rate, condition or time of payment for the distributions is stated
39 in the articles of incorporation or the resolution. As used in this
40 subsection, "fact or event" includes, without limitation, the
41 existence of a fact or occurrence of an event, including, without
42 limitation, a determination or action by a person, *the corporation*
43 *itself or any* government, governmental agency or political
44 subdivision of a government.



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

8 **Sec. 28.** NRS 78.196 is hereby amended to read as follows:
9 78.196 1. Each corporation must have:

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

12 (b) One or more classes or series of shares that together are
13 entitled to receive the net assets of the corporation upon
14 dissolution.

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

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

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

23 (b) Are redeemable or convertible:

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

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

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

30 (c) Entitle the stockholders to distributions calculated in any
31 manner, including dividends that may be cumulative, noncumulative
32 or partially cumulative;

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

36 (e) Have par value; or

37 (f) Have powers, designations, preferences, limitations,
38 restrictions and relative rights dependent upon any fact or event
39 which may be ascertained outside of the articles of incorporation or
40 the resolution if the manner in which the fact or event may operate
41 on such class or series of stock is stated in the articles of
42 incorporation or the resolution. *As used in this paragraph, "fact or
43 event" includes, without limitation, the existence of a fact or
44 occurrence of an event, including, without limitation, a
45 determination or action by a person, the corporation itself or any*



1 *government, governmental agency or political subdivision of a*
2 *government.*

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

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

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

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

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

18 78.200 **1.** A corporation may create and issue ~~[-, whether in~~
19 ~~connection with the issue and sale of any shares of stock or other~~
20 ~~securities of the corporation,]~~ rights or options entitling the holders
21 thereof to purchase from the corporation any shares of its stock of
22 any class or classes ~~[-]~~ to be evidenced by or in such instrument or
23 instruments as are approved by the board of directors.

24 **2.** The terms upon which, the time or times, which may be
25 limited or unlimited in duration, at or within which, and the price or
26 prices *, including a formula by which such price or prices may be*
27 *determined,* at which any such shares may be purchased from the
28 corporation upon the exercise of any such ~~[a]~~ right or option ~~[must]~~
29 *may* be fixed and stated in the articles of incorporation or in a
30 resolution or resolutions adopted by the board of directors providing
31 for the creation and issue of the rights or options, and, in every case,
32 set forth or incorporated by reference in the instrument or
33 instruments evidencing the rights or options. *The judgment of the*
34 *board of directors as to the consideration for such rights or*
35 *options issued is conclusive in the absence of actual fraud in the*
36 *transaction.*

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

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

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

43 **4.** *The authorization pursuant to subsection 3 must specify*
44 *the maximum number of rights or options the officer or officers*



1 *may award. The board of directors may not authorize an officer to*
2 *designate himself as a recipient of the rights or options.*

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

4 78.205 1. A corporation is not obligated to but may ~~execute~~
5 *sign* and deliver a certificate for or including a fraction of a share.

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

8 (a) Pay to any person otherwise entitled to become a holder of a
9 fraction of a share:

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

13 (2) If no appraisal was demanded or an appraisal was not
14 properly demanded, an amount in cash specified for that purpose as
15 the value of the fraction in the articles, plan of reorganization, plan
16 of merger or exchange, resolution of the board of directors, or other
17 instrument pursuant to which the fractional share would otherwise
18 be issued, or, if not specified, then as may be determined for that
19 purpose by the board of directors of the issuing corporation;

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

22 (c) ~~Execute~~ *Sign* and deliver registered or bearer scrip over the
23 manual or facsimile signature of an officer of the corporation or of
24 its agent for that purpose, exchangeable as provided on the scrip for
25 full share certificates, but the scrip does not entitle the holder to any
26 rights as a stockholder except as provided on the scrip. The scrip
27 may provide that it becomes void unless the rights of the holders are
28 exercised within a specified period and may contain any other
29 provisions or conditions that the corporation deems advisable.
30 Whenever any scrip ceases to be exchangeable for full share
31 certificates, the shares that would otherwise have been issuable as
32 provided on the scrip are deemed to be treasury shares unless the
33 scrip contains other provisions for their disposition.

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

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

39 78.2055 1. Unless otherwise provided in the articles of
40 incorporation, a corporation that desires to decrease the number of
41 issued and outstanding shares of a class or series held by each
42 stockholder of record at the effective date and time of the change
43 without correspondingly decreasing the number of authorized shares
44 of the same class or series may do so if:



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

4 (b) The proposal is approved by the vote of stockholders holding
5 a majority of the voting power of the affected class or series, or such
6 greater proportion as may be provided in the articles of
7 incorporation, regardless of limitations or restrictions on the voting
8 power of the affected class or series.

9 2. If the proposal required by subsection 1 is approved by the
10 stockholders entitled to vote, the corporation may reissue its stock in
11 accordance with the proposal after the effective date and time of the
12 change.

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

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

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

36 (b) Would otherwise be entitled to receive fractions of shares in
37 exchange for the cancellation of all their outstanding shares,
38 is subject to the provisions of NRS 92A.300 to 92A.500, inclusive.
39 If the proposal is subject to those provisions, any stockholder who is
40 obligated to accept money or scrip rather than receive a fraction of a
41 share resulting from the action taken pursuant to this section may
42 dissent in accordance with the provisions of NRS 92A.300 to
43 92A.500, inclusive, and obtain payment of the fair value of the
44 fraction of a share to which the stockholder would otherwise be
45 entitled.



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

2 78.207 1. Unless otherwise provided in the articles of
3 incorporation, a corporation that desires to change the number of
4 shares of a class or series, if any, of its authorized stock by
5 increasing or decreasing the number of authorized shares of the
6 class or series and correspondingly increasing or decreasing the
7 number of issued and outstanding shares of the same class or series
8 held by each stockholder of record at the effective date and time of
9 the change, may, except as otherwise provided in subsections 2 and
10 3, do so by a resolution adopted by the board of directors, without
11 obtaining the approval of the stockholders. The resolution may also
12 provide for a change of the par value, if any, of the same class or
13 series of the shares increased or decreased. After the effective date
14 and time of the change, the corporation may issue its stock in
15 accordance therewith.

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

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

23 (b) Would otherwise be entitled to receive fractions of shares in
24 exchange for the cancellation of all of their outstanding
25 shares,

26 must be approved by the vote of stockholders holding a majority of
27 the voting power of the affected class or series, or such greater
28 proportion as may be provided in the articles of incorporation,
29 regardless of limitations or restrictions on the voting power thereof.

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



1 4. Any proposal to increase or decrease the number of
2 authorized 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 increase or decrease in the number of shares
6 becomes effective, hold 1 percent or more of the outstanding shares
7 of the affected class or series; and

8 (b) Would otherwise be entitled to receive a fraction of a share
9 in exchange for the cancellation of all of their outstanding
10 shares,

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

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

19 78.220 1. Subscriptions to the shares of a corporation,
20 whether made before or after its organization, must be paid in full at
21 such time or in such installments at such times as determined by the
22 board of directors. Any call made by the board of directors for
23 payment on subscriptions must be uniform as to all shares of the
24 same class or series.

25 2. If default is made in the payment of any installment or call,
26 the corporation may proceed to collect the amount due in the same
27 manner as any debt due the corporation. In addition, the corporation
28 may sell a sufficient number of the subscriber's shares at public
29 auction to pay for the installment or call and any incidental charges
30 incurred as a result of the sale. No penalty causing a forfeiture of a
31 subscription, of stock for which a subscription has been ~~executed,~~
32 *signed*, or of amounts paid thereon, may be declared against any
33 subscriber unless the amount due remains unpaid for 30 days after
34 written demand. Such written demand shall be deemed made when
35 it is mailed by registered or certified mail, return receipt requested,
36 to the subscriber's last known address. If any of the subscriber's
37 shares are sold at public auction, any excess of the proceeds over the
38 total of the amount due plus any incidental charges of the sale must
39 be paid to the subscriber or his legal representative. If an action is
40 brought to recover the amount due on a subscription or call, any
41 judgment in favor of the corporation must be reduced by the amount
42 of the net proceeds of any sale by the corporation of the subscriber's
43 stock.

44 3. All stock subject to a delinquent installment or call and all
45 amounts previously paid by a delinquent subscriber for the stock



1 must be forfeited to the corporation if an amount due from a
2 subscriber remains unpaid, the corporation has complied with the
3 requirements of subsection 2 and:

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

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

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

12 5. A subscription for shares of a corporation to be organized is
13 irrevocable for 6 months unless otherwise provided by the
14 subscription agreement or unless all of the subscribers consent to the
15 revocation of the subscription.

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

17 78.257 1. Any person who has been a stockholder of record
18 of any corporation and owns not less than 15 percent of all of the
19 issued and outstanding shares of the stock of such corporation or has
20 been authorized in writing by the holders of at least 15 percent of all
21 its issued and outstanding shares, upon at least 5 days' written
22 demand, is entitled to inspect in person or by agent or attorney,
23 during normal business hours, the books of account and all financial
24 records of the corporation, to make copies of records, and to conduct
25 an audit of such records. Holders of voting trust certificates
26 representing 15 percent of the issued and outstanding shares of the
27 corporation ~~[shall be]~~ *are* regarded as stockholders for the purpose
28 of this subsection. The right of stockholders to inspect the corporate
29 records may not be limited in the articles or bylaws of any
30 corporation.

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

34 3. The rights authorized by subsection 1 may be denied to any
35 stockholder upon his refusal to furnish the corporation an affidavit
36 that such inspection, copies or audit is not desired for any purpose
37 not related to his interest in the corporation as a stockholder. Any
38 stockholder or other person, exercising rights set forth in subsection
39 1, who uses or attempts to use information, ~~[documents,]~~ records or
40 other data obtained from the corporation, for any purpose not related
41 to the stockholder's interest in the corporation as a stockholder, is
42 guilty of a gross misdemeanor.

43 4. If any officer or agent of any corporation keeping records in
44 this state willfully neglects or refuses to permit an inspection of the
45 books of account and financial records upon demand by a person



1 entitled to inspect them, or refuses to permit an audit to be
2 conducted, as provided in subsection 1, the corporation shall forfeit
3 to the State the sum of \$100 for every day of such neglect or refusal,
4 and the corporation, officer or agent thereof is jointly and severally
5 liable to the person injured for all damages resulting to him.

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

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

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

14 6. Except as otherwise provided in this subsection, the
15 provisions of this section do not apply to any corporation ~~listed and~~
16 ~~traded on any recognized stock exchange nor do they apply to any~~
17 ~~corporation~~ that furnishes to its stockholders a detailed, annual
18 financial statement ~~[]~~ *or any corporation that has filed during the*
19 *preceding 12 months all reports required to be filed pursuant to*
20 *section 13 or section 15D of the Securities Exchange Act of 1934.*

21 A person who owns, or is authorized in writing by the owners of, at
22 least 15 percent of the issued and outstanding shares of the stock of
23 a corporation that has elected to be governed by subchapter S of the
24 Internal Revenue Code and whose shares are not listed or traded on
25 any recognized stock exchange is entitled to inspect the books of the
26 corporation pursuant to subsection 1 and has the rights, duties and
27 liabilities provided in subsections 2 to 5, inclusive.

28 **Sec. 35.** NRS 78.335 is hereby amended to read as follows:

29 78.335 1. Except as otherwise provided in this section, any
30 director or one or more of the incumbent directors may be removed
31 from office by the vote of stockholders representing not less than
32 two-thirds of the voting power of the issued and outstanding stock
33 entitled to ~~the~~ *vote.*

34 2. In the case of corporations which have provided in their
35 articles of incorporation for the election of directors by cumulative
36 voting, any director or directors who constitute fewer than all of the
37 incumbent directors may not be removed from office at any one
38 time or as the result of any one transaction under the provisions of
39 this section except upon the vote of stockholders owning sufficient
40 shares to prevent each director's election to office at the time of
41 removal.

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



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

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

11 6. Unless otherwise provided in the articles of incorporation,
12 when one or more directors give notice of his or their resignation to
13 the board, effective at a future date, the board may fill the vacancy
14 or vacancies to take effect when the resignation or resignations
15 become effective, each director so appointed to hold office during
16 the remainder of the term of office of the resigning director or
17 directors.

18 *7. If the articles or bylaws provide that the holders of any*
19 *class or series of shares are entitled to elect one or more directors*
20 *under specified circumstances and that, upon termination of those*
21 *specified circumstances, the right terminates and the directors*
22 *elected by the holders of the class or series of shares are no longer*
23 *directors, the termination of a director pursuant to such provisions*
24 *in the articles or bylaws shall not be deemed a removal of the*
25 *director pursuant to this section.*

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

27 78.350 1. Unless otherwise provided in the articles of
28 incorporation, or in the resolution providing for the issuance of the
29 stock adopted by the board of directors pursuant to authority
30 expressly vested in it by the provisions of the articles of
31 incorporation, every stockholder of record of a corporation is
32 entitled at each meeting of stockholders thereof to one vote for each
33 share of stock standing in his name on the records of the
34 corporation. If the articles of incorporation, or the resolution
35 providing for the issuance of the stock adopted by the board of
36 directors pursuant to authority expressly vested in it by the articles
37 of incorporation, provides for more or less than one vote per share
38 for any class or series of shares on any matter, every reference in
39 this chapter to a majority or other proportion of stock shall be
40 deemed to refer to a majority or other proportion of the voting
41 power of all of the shares or those classes or series of shares, as may
42 be required by the articles of incorporation, or in the resolution
43 providing for the issuance of the stock adopted by the board of
44 directors pursuant to authority expressly vested in it by the



1 provisions of the articles of incorporation, or the provisions of this
2 chapter.

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

22 3. *The board of directors may adopt a resolution prescribing*
23 *a date upon which the stockholders of record entitled to give*
24 *written consent pursuant to NRS 78.320 must be determined. The*
25 *date prescribed by the board of directors may not precede or be*
26 *more than 10 days after the date the resolution is adopted by the*
27 *board of directors. If the board of directors does not adopt a*
28 *resolution prescribing a date upon which the stockholders of*
29 *record entitled to give written consent pursuant to NRS 78.320*
30 *must be determined and:*

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

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

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

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

44 78.355 1. At any meeting of the stockholders of any
45 corporation any stockholder may designate another person or



1 persons to act as a proxy or proxies. If any stockholder designates
2 two or more persons to act as proxies, a majority of those persons
3 present at the meeting, or, if only one is present, then that one has
4 and may exercise all of the powers conferred by the stockholder
5 upon all of the persons so designated unless the stockholder
6 provides otherwise.

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

11 (a) A stockholder may ~~{execute}~~ *sign* a writing authorizing
12 another person or persons to act for him as proxy. The proxy may be
13 limited to action on designated matters. ~~{Execution may be
14 accomplished by the signing of the writing by the stockholder or his
15 authorized officer, director, employee or agent or by causing the
16 signature of the stockholder to be affixed to the writing by any
17 reasonable means, including, but not limited to, a facsimile
18 signature.}~~

19 (b) A stockholder may authorize another person or persons to
20 act for him as proxy by transmitting or authorizing the transmission
21 of ~~{a telegram, cablegram or other means of electronic transmission}~~
22 *an electronic record* to the person who will be the holder of the
23 proxy or to a firm which solicits proxies or like agent who is
24 authorized by the person who will be the holder of the proxy to
25 receive the transmission. Any such ~~{telegram, cablegram or other
26 means of electronic transmission}~~ *electronic record* must either set
27 forth or be submitted with information from which it can be
28 determined that the ~~{telegram, cablegram or other electronic
29 transmission}~~ *electronic record* was authorized by the stockholder.
30 If it is determined that the ~~{telegram, cablegram or other electronic
31 transmission}~~ *electronic record* is valid, the persons appointed by
32 the corporation to count the votes of stockholders and determine the
33 validity of proxies and ballots or other persons making those
34 determinations must specify the information upon which they relied.

35 3. Any copy, communication by ~~{telecopier,}~~ *electronic
36 transmission* or other reliable reproduction of the ~~{writing or
37 transmission}~~ *record* created pursuant to subsection 2 ~~{,}~~ may be
38 substituted for the original ~~{writing or transmission}~~ *record* for any
39 purpose for which the original ~~{writing or transmission}~~ *record*
40 could be used, if the copy, communication by ~~{telecopier,}~~
41 *electronic transmission* or other reproduction is a complete
42 reproduction of the entire original ~~{writing or transmission.
43 —4. No}~~ *record.*

44 4. *Except as otherwise provided in subsection 5, no* such
45 proxy is valid after the expiration of 6 months from the date of its



1 creation ~~[, unless it is coupled with an interest, or]~~ unless the
 2 stockholder specifies in it the length of time for which it is to
 3 continue in force, which may not exceed 7 years from the date of its
 4 creation. Subject to these restrictions, any proxy properly created is
 5 not revoked and continues in full force and effect until another
 6 instrument or transmission revoking it or a properly created proxy
 7 bearing a later date is filed with or transmitted to the secretary of
 8 the corporation or another person or persons appointed by the
 9 corporation to count the votes of stockholders and determine the
 10 validity of proxies and ballots.

11 *5. A proxy shall be deemed irrevocable if the written*
 12 *authorization states that the proxy is irrevocable and, only for as*
 13 *long as it is coupled with an interest sufficient in law to support an*
 14 *irrevocable power, such as the appointment as proxy of a pledgee,*
 15 *a person who purchased or agreed to purchase the shares, a*
 16 *creditor of the corporation who extended it credit under terms*
 17 *requiring the appointment, an employee of the corporation whose*
 18 *employment contract requires the appointment or a party to a*
 19 *voting agreement created pursuant to subsection 3 of NRS 78.365.*
 20 *A proxy made irrevocable pursuant to this subsection is revoked*
 21 *when the interest with which it is coupled is extinguished. A*
 22 *transferee for value of shares subject to an irrevocable proxy may*
 23 *revoke the proxy if he did not know of its existence when he*
 24 *acquired the shares and the existence of the irrevocable*
 25 *appointment was not noted conspicuously on the certificate*
 26 *representing the shares or on the information statement for shares*
 27 *without certificates.*

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

29 78.370 1. If under the provisions of this chapter stockholders
 30 are required or authorized to take any action at a meeting, the notice
 31 of the meeting must be in writing and signed by the president or a
 32 vice president, or the secretary ~~[]~~ or an assistant secretary, or by
 33 such other natural person or persons as the bylaws may prescribe or
 34 permit or the directors may designate.

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

40 3. A copy of the notice must be delivered personally, ~~[or]~~
 41 mailed postage prepaid *or given as provided in subsection 8* to each
 42 stockholder of record entitled to vote at the meeting not less than 10
 43 nor more than 60 days before the meeting. If mailed, it must be
 44 directed to the stockholder at his address as it appears upon the
 45 records of the corporation, and upon the mailing of any such notice



1 the service thereof is complete, and the time of the notice begins to
2 run from the date upon which the notice is deposited in the mail for
3 transmission to the stockholder. Personal delivery of any such notice
4 to any officer of a corporation or association, ~~{or}~~ to any member of
5 a *limited-liability company managed by its members, to any*
6 *manager of a limited-liability company managed by managers, to*
7 *any general partner of a partnership {or} or to any trustee of a trust*
8 constitutes delivery of the notice to the corporation, association ~~{or}~~
9 *, limited-liability company, partnership {or} or trust.*

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

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

18 6. ~~{Any stockholder may waive notice of any meeting by a~~
19 ~~writing signed by him, or his duly authorized attorney, either before~~
20 ~~or after the meeting.~~

21 ~~—7.~~ Unless otherwise provided in the articles of incorporation or
22 the bylaws, if notice is required to be given, under any provision of
23 this chapter or the articles of incorporation or bylaws of any
24 corporation, to any stockholder to whom:

25 (a) Notice of two consecutive annual meetings, and all notices of
26 meetings or of the taking of action by written consent without a
27 meeting to him during the period between those two consecutive
28 annual meetings; or

29 (b) All, and at least two, payments sent by first-class mail of
30 dividends or interest on securities during a 12-month
31 period,

32 have been mailed addressed to him at his address as shown on the
33 records of the corporation and have been returned undeliverable, the
34 giving of further notices to him is not required. Any action or
35 meeting taken or held without notice to such a stockholder has the
36 same effect as if the notice had been given. If any such stockholder
37 delivers to the corporation a written notice setting forth his current
38 address, the requirement that notice be given to him is reinstated. If
39 the action taken by the corporation is such as to require the filing of
40 a certificate under any of the other sections of this chapter, the
41 certificate need not state that notice was not given to persons to
42 whom notice was not required to be given pursuant to this
43 subsection. *The giving of further notices to a stockholder is still*
44 *required for any notice returned as undeliverable if the notice was*
45 *given by electronic transmission.*



1 ~~8.1~~ 7. Unless the articles of incorporation or bylaws otherwise
2 require, and except as otherwise provided in this subsection, if a
3 stockholders' meeting is adjourned to another date, time or place,
4 notice need not be given of the date, time or place of the adjourned
5 meeting if they are announced at the meeting at which the
6 adjournment is taken. If a new record date is fixed for the adjourned
7 meeting, notice of the adjourned meeting must be given to each
8 stockholder of record as of the new record date.

9 *8. Any notice to stockholders given by the corporation
10 pursuant to any provision of this chapter, chapter 92A of NRS, the
11 articles of incorporation or the bylaws is effective if given by a
12 form of electronic transmission consented to by the stockholder to
13 whom the notice is given. The consent is revocable by the
14 stockholder by written notice to the corporation. The consent is
15 revoked if:*

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

19 *(b) The inability to deliver by electronic transmission becomes
20 known to the secretary, assistant secretary, transfer agent or other
21 agent of the corporation responsible for the giving of notice.
22 However, the inadvertent failure to treat the inability to deliver a
23 notice by electronic transmission as a revocation does not
24 invalidate any meeting or other action.*

25 *9. Notice given pursuant to subsection 8 shall be deemed
26 given if:*

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

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

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

34 *(1) Such posting; and*

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

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

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

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



- 1 (a) *Creates a record that may be retained, retrieved and*
- 2 *reviewed by a recipient of the communication; and*
- 3 (b) *May be directly reproduced in paper form by the recipient*
- 4 *through an automated process.*

5 **Sec. 39.** NRS 78.375 is hereby amended to read as follows:
6 78.375 Whenever any notice whatever is required to be given
7 under the provisions of this chapter, a waiver thereof in *a signed*
8 writing ~~[-signed]~~ *or by transmission of an electronic record* by the
9 person or persons entitled to the notice, whether before or after the
10 time stated therein, shall be deemed equivalent thereto.

11 **Sec. 40.** NRS 78.378 is hereby amended to read as follows:
12 78.378 1. The provisions of NRS 78.378 to 78.3793,
13 inclusive, apply to any acquisition of a controlling interest in an
14 issuing corporation unless the articles of incorporation or bylaws of
15 the corporation in effect on the 10th day following the acquisition of
16 a controlling interest by an acquiring person provide that the
17 provisions of those sections do not apply to the corporation or to an
18 acquisition of a controlling interest specifically by types of existing
19 or future stockholders, whether or not identified.

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

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

32 **Sec. 41.** NRS 78.3791 is hereby amended to read as follows:
33 78.3791 Except as otherwise provided by the articles of
34 incorporation of the issuing corporation, a resolution of the
35 stockholders granting voting rights to the control shares acquired by
36 an acquiring person must be approved by:

37 1. The holders of a majority of the voting power of the
38 corporation; and

39 2. If the acquisition ~~[will result in any change of the kind~~
40 ~~described in subsection 2 of NRS 78.390,]~~ *would adversely alter or*
41 *change any preference or any relative or other right given to any*
42 *other class or series of outstanding shares,* the holders of a
43 majority of each class or series affected,
44 excluding those shares as to which any interested stockholder
45 exercises voting rights.



1 **Sec. 42.** NRS 78.380 is hereby amended to read as follows:
2 78.380 1. At least two-thirds of the incorporators or of the
3 board of directors of any corporation, ~~[before issuing any stock,]~~ *if*
4 *no voting stock of the corporation has been issued*, may amend the
5 articles of incorporation of the corporation by signing and filing
6 with the Secretary of State a certificate amending, modifying,
7 changing or altering the articles, in whole or in part. The certificate
8 must state that:

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

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

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

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

22 (a) Identifies the certificate being terminated;

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

25 (c) States that the effectiveness of the certificate has been
26 terminated;

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

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

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

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

33 78.385 1. Any corporation ~~[having stock]~~ may amend its
34 articles of incorporation in any of the following respects:

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

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

39 (c) By increasing, decreasing or reclassifying its authorized
40 stock, by changing the number, par value, preferences, or relative,
41 participating, optional or other rights, or the qualifications,
42 limitations or restrictions of such rights, of its shares, or of any class
43 or series of any class thereof whether or not the shares are
44 outstanding at the time of the amendment, or by changing shares
45 with par value, whether or not the shares are outstanding at the time



1 of the amendment, into shares without par value or by changing
2 shares without par value, whether or not the shares are outstanding
3 at the time of the amendment, into shares with par value, either with
4 or without increasing or decreasing the number of shares, and upon
5 such basis as may be set forth in the certificate of amendment.

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

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

9 2. All such changes or alterations may be effected by one
10 certificate of amendment, ~~{}~~ but any articles of incorporation so
11 amended, changed or altered ~~{}~~ may contain only such provisions as
12 it would be lawful and proper to insert in original articles of
13 incorporation ~~{}~~ pursuant to NRS 78.035 and 78.037, if the original
14 articles were ~~executed~~ signed and filed at the time of making the
15 amendment.

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

17 78.390 1. Every amendment ~~adopted pursuant~~ to the
18 ~~provisions of NRS 78.385~~ *articles of incorporation* must be made
19 in the following manner:

20 (a) The board of directors must adopt a resolution setting forth
21 the amendment proposed ~~and declaring its advisability,~~ and either
22 call a special meeting of the stockholders entitled to vote on the
23 amendment or direct that the proposed amendment be considered at
24 the next annual meeting of the stockholders entitled to vote on the
25 amendment.

26 (b) At the meeting, of which notice must be given to each
27 stockholder entitled to vote pursuant to the provisions of this
28 section, a vote of the stockholders entitled to vote in person or by
29 proxy must be taken for and against the proposed amendment. If it
30 appears upon the canvassing of the votes that stockholders holding
31 shares in the corporation entitling them to exercise at least a
32 majority of the voting power, or such greater proportion of the
33 voting power as may be required in the case of a vote by classes or
34 series, as provided in subsections 2 and 4, or as may be required by
35 the provisions of the articles of incorporation, have voted in favor of
36 the amendment, an officer of the corporation shall sign a certificate
37 setting forth the amendment, or setting forth the articles of
38 incorporation as amended, and the vote by which the amendment
39 was adopted.

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

42 2. ~~{}~~ *Except as otherwise provided in this subsection, if* any
43 proposed amendment would adversely alter or change any
44 preference or any relative or other right given to any class or series
45 of outstanding shares, then the amendment must be approved by the



1 vote, in addition to the affirmative vote otherwise required, of the
2 holders of shares representing a majority of the voting power of
3 each class or series adversely affected by the amendment regardless
4 of limitations or restrictions on the voting power thereof. *The*
5 *amendment does not have to be approved by the vote of the holders*
6 *of shares representing a majority of the voting power of each class*
7 *or series whose preference or rights are adversely affected by the*
8 *amendment if the articles of incorporation specifically deny the*
9 *right to vote on such an amendment.*

10 3. Provision may be made in the articles of incorporation
11 requiring, in the case of any specified amendments, a larger
12 proportion of the voting power of stockholders than that required by
13 this section.

14 4. Different series of the same class of shares do not constitute
15 different classes of shares for the purpose of voting by classes
16 except when the series is adversely affected by an amendment in a
17 different manner than other series of the same class.

18 5. The resolution of the stockholders approving the proposed
19 amendment may provide that at any time before the effective date of
20 the amendment, notwithstanding approval of the proposed
21 amendment by the stockholders, the board of directors may, by
22 resolution, abandon the proposed amendment without further action
23 by the stockholders.

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

28 7. If a certificate filed pursuant to subsection 1 specifies an
29 effective date and if the resolution of the stockholders approving the
30 proposed amendment provides that the board of directors may
31 abandon the proposed amendment pursuant to subsection 5, the
32 board of directors may terminate the effectiveness of the certificate
33 by resolution and by filing a certificate of termination with the
34 Secretary of State that:

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

37 (b) Identifies the certificate being terminated;

38 (c) States that, pursuant to the resolution of the stockholders, the
39 board of directors is authorized to terminate the effectiveness of the
40 certificate;

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

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

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



1 **Sec. 45.** NRS 78.403 is hereby amended to read as follows:
2 78.403 1. A corporation may restate, or amend and restate, in
3 a single certificate the entire text of its articles of incorporation as
4 amended by filing with the Secretary of State a certificate signed by
5 an officer of the corporation which must set forth the articles as
6 amended to the date of the certificate. If the certificate alters or
7 amends the articles in any manner, it must comply with the
8 provisions of NRS 78.380, 78.385 and 78.390, as applicable, and
9 must be accompanied by:

10 (a) A resolution; or
11 (b) A form prescribed by the Secretary of State,
12 setting forth which provisions of the articles of incorporation on file
13 with the Secretary of State are being altered or amended.

14 2. If the certificate does not alter or amend the articles, it must
15 be signed by an officer of the corporation and state that he has been
16 authorized to ~~execute~~ *sign* the certificate by resolution of the board
17 of directors adopted on the date stated, and that the certificate
18 correctly sets forth the text of the articles of incorporation as
19 amended to the date of the certificate.

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

21 (a) The names, addresses, signatures and acknowledgments of
22 the incorporators;

23 (b) The names and addresses of the members of the past and
24 present boards of directors; and

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

26 4. Whenever a corporation is required to file a certified copy of
27 its articles, in lieu thereof it may file a certified copy of the most
28 recent certificate restating its articles as amended, subject to the
29 provisions of subsection 2, together with certified copies of all
30 certificates of amendment filed subsequent to the restated articles
31 and certified copies of all certificates supplementary to the original
32 articles.

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

34 78.433 NRS 78.411 to 78.444, inclusive, do not apply to any
35 combination of a resident domestic corporation:

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

41 2. Whose articles of incorporation have been amended to
42 provide that the resident domestic corporation is subject to NRS
43 78.411 to 78.444, inclusive, and which did not have a class of voting
44 shares registered with the Securities and Exchange Commission
45 under section 12 of the Securities Exchange Act on the effective



1 date of the amendment, if the combination is with *a person who*
2 *first became* an interested stockholder ~~{whose date of acquiring~~
3 ~~shares is}~~ before the effective date of the amendment.

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

5 78.434 NRS 78.411 to 78.444, inclusive, do not apply to any
6 combination of a resident domestic corporation:

7 1. Whose original articles of incorporation contain a provision
8 expressly electing not to be governed by NRS 78.411 to 78.444,
9 inclusive ~~{;}~~, *unless the articles of incorporation are subsequently*
10 *amended to provide that the corporation is subject to NRS 78.411*
11 *to 78.444, inclusive;*

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

16 3. Which, within 30 days after October 1, 1991, adopts an
17 amendment to its bylaws expressly electing not to be governed by
18 NRS 78.411 to 78.444, inclusive, which may be rescinded by
19 subsequent amendment of the bylaws; ~~{or~~

20 ~~—3;}~~ 4. Which adopts an amendment to its articles of
21 incorporation, approved by the affirmative vote of the holders, other
22 than interested stockholders and their affiliates and associates, of a
23 majority of the outstanding voting power of the resident domestic
24 corporation, excluding the voting shares of interested stockholders
25 and their affiliates and associates, expressly electing not to be
26 governed by NRS 78.411 to 78.444, inclusive, but the amendment to
27 the articles of incorporation is not effective until 18 months after the
28 vote of the resident domestic corporation's stockholders and does
29 not apply to any combination of the resident domestic corporation
30 with *a person who first became* an interested stockholder ~~{whose~~
31 ~~date of acquiring shares is}~~ on or before the effective date of the
32 amendment ~~{;}~~; *or*

33 5. *Whose articles of incorporation were amended to contain a*
34 *provision expressly electing not to be governed by NRS 78.411 to*
35 *78.444, inclusive, before the date the corporation first became a*
36 *resident domestic corporation.*

37 **Sec. 48.** NRS 78.437 is hereby amended to read as follows:

38 78.437 NRS 78.411 to 78.444, inclusive, do not apply to any
39 combination with an interested stockholder who ~~{was}~~ :

40 1. *Was* an interested stockholder on January 1, 1991 ~~{;}~~ ; *or*

41 2. *Who first became an interested stockholder on the date*
42 *that the resident domestic corporation first became a resident*
43 *domestic corporation solely as a result of the corporation*
44 *becoming a resident domestic corporation.*



1 **Sec. 49.** NRS 78.438 is hereby amended to read as follows:
2 78.438 1. Except as otherwise provided in NRS 78.433 to
3 78.437, inclusive, a resident domestic corporation may not engage
4 in any combination with any interested stockholder of the resident
5 domestic corporation for 3 years after the *date that the person first*
6 *became an* interested ~~[stockholder's date of acquiring shares]~~
7 *stockholder* unless the combination or the ~~[purchase of shares made~~
8 ~~by the]~~ *transaction by which the person first became an* interested
9 stockholder ~~[on the interested stockholder's date of acquiring~~
10 ~~shares]~~ is approved by the board of directors of the resident
11 domestic corporation before ~~[that date.]~~ *the person first became an*
12 *interested stockholder.*

13 2. If a proposal in good faith regarding a combination is made
14 in writing to the board of directors of the resident domestic
15 corporation, the board of directors shall respond, in writing, within
16 30 days or such shorter period, if any, as may be required by the
17 Securities Exchange Act, setting forth its reasons for its decision
18 regarding the proposal.

19 3. If a proposal in good faith to purchase shares is made in
20 writing to the board of directors of the resident domestic
21 corporation, the board of directors, unless it responds affirmatively
22 in writing within 30 days or such shorter period, if any, as may be
23 required by the Securities Exchange Act, is considered to have
24 disapproved the purchase.

25 **Sec. 50.** NRS 78.439 is hereby amended to read as follows:

26 78.439 A resident domestic corporation may not engage in any
27 combination with an interested stockholder of the resident domestic
28 corporation after the expiration of 3 years after ~~[his date of acquiring~~
29 ~~shares]~~ *the person first became an interested stockholder* other
30 than a combination meeting all of the requirements of the articles of
31 incorporation of the resident domestic corporation and either the
32 requirements specified in subsection 1 , 2 or ~~[2]~~ 3 or all of the
33 requirements specified in NRS 78.441 to 78.444, inclusive:

34 1. A combination approved by the board of directors of the
35 resident domestic corporation before the *date that the person first*
36 *became an* interested ~~[stockholder's date of acquiring shares, or as~~
37 ~~to which the purchase of shares made by the interested stockholder~~
38 ~~on that date had been approved by the board of directors of the~~
39 ~~resident domestic corporation before that date.]~~ *stockholder.*

40 2. *A combination with an interested stockholder if the*
41 *transaction by which the person became an interested stockholder*
42 *was approved by the board of directors of the resident domestic*
43 *corporation before the person became an interested stockholder.*

44 3. A combination approved by the affirmative vote of the
45 holders of stock representing a majority of the outstanding voting



1 power not beneficially owned by the interested stockholder
2 proposing the combination, or any affiliate or associate of the
3 interested stockholder proposing the combination, at a meeting
4 called for that purpose no earlier than 3 years after the *date that the*
5 *person first became an* interested ~~[stockholder's date of acquiring~~
6 ~~shares.] stockholder.~~

7 **Sec. 51.** NRS 78.441 is hereby amended to read as follows:
8 78.441 A combination engaged in with an interested
9 stockholder of the resident domestic corporation more than 3 years
10 after the *date that the person first became an* interested
11 ~~[stockholder's date of acquiring shares]~~ *stockholder* may be
12 permissible if the aggregate amount of the cash and the market
13 value, as of the date of consummation, of consideration other than
14 cash to be received per share by all of the holders of outstanding
15 common shares of the resident domestic corporation not beneficially
16 owned by the interested stockholder immediately before that date is
17 at least equal to the higher of the following:

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

34 2. The market value per common share on the date of
35 announcement with respect to the combination or on the *date that*
36 *the person first became an* interested ~~[stockholder's date of~~
37 ~~acquiring shares.] stockholder,~~ whichever is higher, plus interest
38 compounded annually from that date 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 that date,
43 but no more may be subtracted than the amount of the interest.



1 **Sec. 52.** NRS 78.442 is hereby amended to read as follows:
2 78.442 A combination engaged in with an interested
3 stockholder of the resident domestic corporation more than 3 years
4 after the *date that the person first became an* interested
5 ~~stockholder's date of acquiring shares~~ *stockholder* may be
6 permissible if the aggregate amount of the cash and the market
7 value, as of the date of consummation, of consideration other than
8 cash to be received per share by all of the holders of outstanding
9 shares of any class or series of shares, other than common shares, of
10 the resident domestic corporation not beneficially owned by the
11 interested stockholder immediately before that date is at least equal
12 to the highest of the following, whether or not the interested
13 stockholder has previously acquired any shares of the class or series
14 of shares:

15 1. The highest price per share paid by the interested
16 stockholder, at a time when he was the beneficial owner, directly or
17 indirectly, of 5 percent or more of the outstanding voting shares of
18 the ~~resident domestic~~ corporation, for any shares of that class or
19 series of shares acquired by him within 3 years immediately before
20 the date of announcement with respect to the combination or within
21 3 years immediately before, or in, the transaction in which he
22 became an interested stockholder, whichever is higher, plus, in
23 either case, interest compounded annually from the earliest date on
24 which the highest price per share was paid through the date of
25 consummation at the rate for one-year obligations of the United
26 States Treasury from time to time in effect, less the aggregate
27 amount of any dividends paid in cash and the market value of any
28 dividends paid other than in cash, per share of the class or series of
29 shares since the earliest date, but no more may be subtracted than
30 the amount of the interest.

31 2. The highest preferential amount per share to which the
32 holders of shares of the class or series of shares are entitled in
33 the event of any voluntary liquidation, dissolution or winding up of
34 the resident domestic corporation, plus the aggregate amount of any
35 dividends declared or due to which the holders are entitled before
36 payment of the dividends on some other class or series of shares,
37 unless the aggregate amount of the dividends is included in the
38 preferential amount.

39 3. The market value per share of the class or series of shares on
40 the date of announcement with respect to the combination or on the
41 *date that the person first became an* interested ~~stockholder's date~~
42 ~~of acquiring shares.~~ *stockholder*, whichever is higher, plus interest
43 compounded annually from that date through the date of
44 consummation at the rate for one-year obligations of the United
45 States Treasury from time to time in effect, less the aggregate



1 amount of any dividends paid in cash and the market value of any
2 dividends paid other than in cash, per share of the class or series of
3 shares since that date, but no more may be subtracted than the
4 amount of the interest.

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

6 78.444 A combination may be permissible if after the *date that*
7 *the person first became an* interested ~~[stockholder's date of~~
8 ~~acquiring shares]~~ *stockholder* and before the date of consummation
9 with respect to the combination, the interested stockholder has not
10 become the beneficial owner of any additional voting shares of the
11 resident domestic corporation except:

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

14 2. By virtue of proportionate splitting of shares, dividends
15 distributed in shares, or other distributions of shares in respect of
16 shares not constituting a combination;

17 3. Through a combination meeting all of the conditions of NRS
18 78.439; or

19 4. Through a purchase at any price that, if the price had been
20 paid in an otherwise permissible combination whose date of
21 announcement and date of consummation were the date of the
22 purchase, would have satisfied the requirements of NRS 78.441,
23 78.442 and 78.443.

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

25 78.580 1. If the board of directors of any corporation
26 organized under this chapter, after the issuance of stock or the
27 beginning of business, decides that the corporation should be
28 dissolved, the board may adopt a resolution to that effect. If the
29 corporation has issued no stock, only the directors need to approve
30 the dissolution. If the corporation has issued stock, the directors
31 must recommend the dissolution to the stockholders. The
32 corporation shall notify each stockholder entitled to vote on
33 dissolution , and the stockholders entitled to vote must approve the
34 dissolution.

35 2. If the dissolution is approved by the directors or both the
36 directors and stockholders, as respectively provided in subsection 1,
37 the corporation shall file *in the Office of the Secretary of State* a
38 certificate setting forth that the dissolution has been approved by the
39 directors, or by the directors and the stockholders, and a list of the
40 names and ~~[post-office-box]~~ *mailing* or street addresses, either
41 residence or business, of the corporation's president, secretary and
42 treasurer and all of its directors, certified by ~~[the president, or a vice~~
43 ~~president, and the secretary, or an assistant secretary, in the Office~~
44 ~~of the Secretary of State.]~~ *an officer of the corporation.*



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

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

6 78.725 1. Any corporation organized and existing under the
7 laws of this state on April 1, 1925, may reincorporate under this
8 chapter, either under the same or a different name, by:

9 (a) Filing with the Secretary of State a certificate ~~executed~~
10 **signed** by its president and attested by its secretary and duly
11 authorized by a meeting of the stockholders called for that purpose,
12 setting forth the statements required in an original certificate of
13 incorporation by NRS 78.035; and

14 (b) Surrendering the existing charter or certificate of
15 incorporation of the corporation, and accepting the provisions of this
16 chapter.

17 2. Upon the filing of the certificate, the corporation shall be
18 deemed to be incorporated under this chapter and ~~shall be~~ **is**
19 entitled to and ~~be possessed of~~ **possesses** all the privileges,
20 franchises and powers as if originally incorporated under this
21 chapter. All the properties, rights and privileges theretofore
22 belonging to the corporation, which were acquired by gift, grant,
23 conveyance, assignment or otherwise, ~~shall be and the same~~ are
24 hereby ratified, approved and confirmed and assured to the
25 corporation with like effect and to all intents and purposes as if the
26 same had been originally acquired through incorporation under this
27 chapter.

28 3. Any corporation reincorporating under this chapter ~~shall be~~
29 **is** subject to all the contracts, duties and obligations theretofore
30 resting upon the corporation whose charter or certificate of
31 incorporation is thus surrendered or to which the corporation ~~shall~~
32 ~~then be~~ **is then** in any way liable.

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

34 78.730 1. Any corporation which did exist or is existing
35 under the laws of this state may, upon complying with the
36 provisions of NRS 78.180, procure a renewal or revival of its charter
37 for any period, together with all the rights, franchises, privileges and
38 immunities, and subject to all its existing and preexisting debts,
39 duties and liabilities secured or imposed by its original charter and
40 amendments thereto, or existing charter, by filing:

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

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



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

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

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

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

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

18 2. A corporation whose charter has not expired and is being
19 renewed shall cause the certificate to be signed by ~~[its president or~~
20 ~~vice president and secretary or assistant secretary.]~~ *an officer of the*
21 *corporation*. The certificate must be approved by a majority of the
22 voting power of the shares.

23 3. A corporation seeking to revive its original or amended
24 charter shall cause the certificate to be signed by a person or persons
25 designated or appointed by the stockholders of the corporation. The
26 ~~[execution]~~ *signing* and filing of the certificate must be approved by
27 the written consent of stockholders of the corporation holding at
28 least a majority of the voting power and must contain a recital that
29 this consent was secured. If no stock has been issued, the certificate
30 must contain a statement of that fact, and a majority of the directors
31 then in office may designate the person to sign the certificate. The
32 corporation shall pay to the Secretary of State the fee required to
33 establish a new corporation pursuant to the provisions of this
34 chapter.

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

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

41 78.750 1. In any action commenced against any corporation
42 in any court of this state, service of process may be made in the
43 manner provided by law and rule of court for the service of civil
44 process.



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

- 6 (a) The resident agent of the corporation, if there is one; and
- 7 (b) Each officer and director of the corporation as named in the
8 list last filed with the Secretary of State before the dissolution or
9 expiration of the corporation or the forfeiture of its charter.

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

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

13 78.755 1. The Secretary of State, for services relating to his
14 official duties and the records of his office, shall charge and collect
15 the fees designated in NRS 78.760 to 78.785, inclusive.

16 2. The Secretary of State may accept the filing of ~~{documents}~~
17 records by facsimile machine and employ new technology, as it is
18 developed, to aid in the performance of all duties required by law.
19 The Secretary of State may establish rules, fee schedules and
20 regulations not inconsistent with law, for filing ~~{documents}~~ records
21 by facsimile machine and for the adoption, employment and use of
22 new technology in the performance of his duties.

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

24 78.785 1. The fee for filing a certificate of change of location
25 of a corporation's registered office and resident agent, or a new
26 designation of resident agent, is \$30.

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

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

32 4. The fee for certifying an authorized printed copy of the
33 general corporation law as compiled by the Secretary of State is
34 \$20.

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

36 6. The fee for ~~{executing}~~ signing a certificate of corporate
37 existence which does not list the previous ~~{documents}~~ records
38 relating to the corporation, or a certificate of change in a corporate
39 name, is \$40.

40 7. The fee for ~~{executing}~~ signing a certificate of corporate
41 existence which lists the previous ~~{documents}~~ records relating to
42 the corporation is \$40.

43 8. The fee for ~~{executing,}~~ signing, certifying or filing any
44 certificate or ~~{document}~~ record not provided for in NRS 78.760 to
45 78.785, inclusive, is \$40.



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

3 10. The fees for filing articles of incorporation, articles of
4 merger, or certificates of amendment increasing the basic surplus of
5 a mutual or reciprocal insurer must be computed pursuant to NRS
6 78.760, 78.765 and 92A.210, on the basis of the amount of basic
7 surplus of the insurer.

8 11. The fee for examining and provisionally approving any
9 ~~document~~ record at any time before the ~~document~~ record is
10 presented for filing is \$100.

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

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

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

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

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

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

28 78A.015 No ~~document~~ record which is written in a language
29 other than English may be filed or submitted for filing in the Office
30 of the Secretary of State pursuant to the provisions of this chapter
31 unless it is accompanied by a verified translation of that ~~document~~
32 record into the English language.

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

34 78A.030 1. Any corporation organized under chapter 78 of
35 NRS may become a close corporation pursuant to this chapter by
36 ~~executing~~ signing, filing and recording, in accordance with NRS
37 78.390, a certificate of amendment of the certificate of incorporation
38 which must:

39 (a) Contain a statement that the corporation elects to become a
40 close corporation; and

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

43 2. Except as otherwise provided in subsection 3, the
44 amendment must be adopted in accordance with the requirements of
45 NRS 78.380 or 78.390.



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

7 **Sec. 67.** NRS 78A.040 is hereby amended to read as follows:
8 78A.040 1. The following statement must appear
9 conspicuously on each share certificate issued by a close
10 corporation:

11
12 The rights of stockholders in a close corporation may differ
13 materially from the rights of shareholders in other
14 corporations. Copies of the certificate of incorporation,
15 bylaws, shareholders' agreements and other ~~{documents,}~~
16 *records*, any of which may restrict transfers of stock and
17 affect voting and other rights, may be obtained by a
18 shareholder on written request to the corporation.

19
20 2. A person claiming an interest in the shares of a close
21 corporation that has complied with the requirement of subsection 1
22 is bound by the ~~{documents}~~ *records* referred to in the notice. A
23 person claiming an interest in the shares of a close corporation that
24 has not complied with the requirement of subsection 1 is bound by
25 any ~~{document}~~ *record* that he or a person through whom he claims
26 has knowledge or notice.

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

32 4. Except as otherwise provided in subsection 5, the close
33 corporation may refuse to register the transfer of stock into the name
34 of a person to whom the stock of a close corporation has been
35 transferred if the person has, or is presumed to have, notice that the
36 transfer of the stock is in violation of a restriction on the transfer of
37 stock. If the close corporation refuses to register the transfer of stock
38 into the name of the transferee, the close corporation must notify the
39 transferee of its refusal and state the reasons therefor.

40 5. Subsection 4 does not apply if:

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

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



1 6. The provisions of this section do not impair any rights of a
2 transferee to:
3 (a) Rescind the transaction by which he acquired the stock; or
4 (b) Recover under any applicable warranty.
5 7. As used in this section, "transfer" is not limited to a transfer
6 for value.
7 **Sec. 68.** NRS 78A.090 is hereby amended to read as follows:
8 78A.090 1. A close corporation may operate without a board
9 of directors if the certificate of incorporation contains a statement to
10 that effect.
11 2. An amendment to the certificate of incorporation eliminating
12 a board of directors must be approved:
13 (a) By all the shareholders of the corporation, whether or not
14 otherwise entitled to vote on amendments; or
15 (b) If no shares have been issued, by all subscribers for shares, if
16 any, or if none, by the incorporators.
17 3. While a corporation is operating without a board of directors
18 as authorized by subsection 1:
19 (a) All corporate powers must be exercised by or under the
20 authority of, and the business and affairs of the corporation managed
21 under the direction of, the shareholders.
22 (b) Unless the articles of incorporation provide otherwise:
23 (1) Action requiring the approval of the board of directors or
24 of both the board of directors and the shareholders is authorized if
25 approved by the shareholders; and
26 (2) Action requiring a majority or greater percentage vote of
27 the board of directors is authorized if approved by the majority or
28 greater percentage of votes of the shareholders entitled to vote on
29 the action.
30 (c) A requirement by a state or the United States that a
31 ~~document~~ record delivered for filing contain a statement that
32 specified action has been taken by the board of directors is satisfied
33 by a statement that the corporation is a close corporation without a
34 board of directors and that the action was approved by the
35 shareholders.
36 (d) The shareholders by resolution may appoint one or more
37 shareholders to sign ~~documents~~ records as designated directors.
38 4. An amendment to the articles of incorporation that deletes
39 the provision which eliminates a board of directors must be
40 approved by the holders of at least two-thirds of the votes of each
41 class or series of shares of the corporation, voting as separate voting
42 groups, whether or not otherwise entitled to vote on amendments.
43 The amendment must specify the number, names and mailing
44 addresses of the directors of the corporation or describe who will
45 perform the duties of the board of directors.



1 ~~[5. As used in this section, "sign" means to execute or adopt a~~
2 ~~name, word or mark, including, without limitation, an electronic~~
3 ~~signature as defined in NRS 719.100, with the present intention to~~
4 ~~authenticate a document.]~~

5 **Sec. 69.** NRS 78A.110 is hereby amended to read as follows:
6 78A.110 Notwithstanding any law to the contrary, a person
7 who holds more than one office in a close corporation may
8 ~~[execute,]~~ *sign*, acknowledge or verify in more than one capacity
9 any ~~[document]~~ *record* required to be ~~[executed,]~~ *signed*,
10 acknowledged or verified by the holders of two or more offices.

11 **Sec. 70.** NRS 78A.190 is hereby amended to read as follows:
12 78A.190 1. The status of a corporation as a close corporation
13 terminates if one or more of the provisions or conditions of this
14 chapter cease to exist or be fulfilled unless:

15 (a) Within 30 days after the occurrence of the event, or within
16 30 days after the event has been discovered by the corporation,
17 whichever is later, the corporation files with the Secretary of State
18 ~~[an executed]~~ *a signed* certificate stating that a specified provision
19 or condition included in the certificate of incorporation to qualify
20 the corporation as a close corporation has ceased to be applicable
21 and furnishes a copy of the certificate to each stockholder; and

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

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

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

32 (b) Restore the status of the corporation as a close corporation
33 by enjoining or setting aside any act or threatened act on the part of
34 the corporation or a stockholder that would be inconsistent with any
35 of the provisions or conditions required or permitted by this chapter
36 to be stated in the certificate of incorporation of a close corporation,
37 unless it is an act approved in accordance with NRS 78A.050.

38 (c) Enjoin or set aside any transfer or threatened transfer of
39 stock of a close corporation that is contrary to the terms of the
40 certificate of incorporation or of any permitted restriction on
41 transfer.

42 (d) Enjoin any public offering or threatened public offering of
43 stock of the close corporation.



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

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

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

7 **Sec. 74.** NRS 80.001 is hereby amended to read as follows:
8 80.001 As used in this chapter, unless the context otherwise
9 requires, the words and terms defined in NRS 80.003 and 80.004
10 *and sections 72 and 73 of this act* have the meanings ascribed to
11 them in those sections.

12 **Sec. 75.** NRS 80.003 is hereby amended to read as follows:
13 80.003 ~~“Signed” means to have executed or adopted~~
14 *“Signature” means a name, word, symbol or mark* ~~[, including,~~
15 *executed or otherwise adopted, or a record encrypted or similarly*
16 *processed in whole or in part, by a person with the present intent*
17 *to identify himself and adopt or accept a record. The term*
18 *includes, without limitation, an electronic signature as defined in*
19 *NRS 719.100.* ~~[, with the present intention to authenticate a~~
20 ~~document.]~~

21 **Sec. 76.** NRS 80.005 is hereby amended to read as follows:
22 80.005 The Secretary of State may microfilm any ~~[document]~~
23 *record* which is filed in his office by a foreign corporation pursuant
24 to this chapter and may return the original ~~[document]~~ *record* to the
25 corporation.

26 **Sec. 77.** NRS 80.006 is hereby amended to read as follows:
27 80.006 Before the issuance of stock, an incorporator or, after
28 the issuance of stock, an officer of a foreign corporation may
29 authorize the Secretary of State in writing to replace any page of a
30 ~~[document]~~ *record* submitted for filing ~~[,]~~ on an expedited basis,
31 before the actual filing, and to accept the page as if it were part of
32 the ~~[originally signed filing.]~~ *original record.*

33 **Sec. 78.** NRS 80.007 is hereby amended to read as follows:
34 80.007 1. A foreign corporation may correct a ~~[document~~
35 ~~filed by]~~ *record filed in the Office of* the Secretary of State if the
36 ~~[document]~~ *record* contains an incorrect statement or was
37 defectively ~~[executed,]~~ *signed*, attested, sealed or verified.

38 2. To correct a ~~[document,]~~ *record*, the corporation shall:

- 39 (a) Prepare a certificate of correction which:
40 (1) States the name of the corporation;
41 (2) Describes the ~~[document,]~~ *record*, including, without
42 limitation, its filing date;
43 (3) Specifies the incorrect statement and the reason it is
44 incorrect or the manner in which the ~~[execution]~~ *signing* was
45 defective;



1 (4) Corrects the incorrect statement or defective ~~execution;~~
2 *signature*; and
3 (5) Is signed by an officer of the corporation; and
4 (b) Deliver the certificate to the Secretary of State for filing.
5 3. A certificate of correction is effective on the effective date
6 of the ~~document~~ *record* it corrects except as to persons relying on
7 the uncorrected ~~document~~ *record* and adversely affected by the
8 correction. As to those persons, the certificate is effective when
9 filed.
10 **Sec. 79.** NRS 80.010 is hereby amended to read as follows:
11 80.010 1. Before commencing or doing any business in this
12 state, each corporation organized pursuant to the laws of another
13 state, territory, the District of Columbia, a possession of the United
14 States or a foreign country ~~[-]~~ that enters this state to do business
15 must:
16 (a) File in the Office of the Secretary of State of this state:
17 (1) A certificate of corporate existence issued not more than
18 90 days before the date of filing by an authorized officer of the
19 jurisdiction of its incorporation setting forth the filing of
20 ~~documents~~ *records* and instruments related to the articles of
21 incorporation, or the governmental acts or other instrument or
22 authority by which the corporation was created. If the certificate is
23 in a language other than English, a translation, together with the
24 oath of the translator and his attestation of its accuracy, must be
25 attached to the certificate.
26 (2) A certificate of acceptance of appointment ~~executed~~
27 *signed* by its resident agent, who must be a resident or located in
28 this state. The certificate must set forth the name of the resident
29 agent, his street address for the service of process, and his mailing
30 address if different from his street address. The street address of the
31 resident agent is the registered office of the corporation in this state.
32 (3) A statement ~~executed~~ *signed* by an officer of the
33 corporation setting forth:
34 (I) A general description of the purposes of the
35 corporation; and
36 (II) The authorized stock of the corporation and the
37 number and par value of shares having par value and the number of
38 shares having no par value.
39 (b) Lodge in the Office of the Secretary of State a copy of the
40 ~~document~~ *record* most recently filed by the corporation in the
41 jurisdiction of its incorporation setting forth the authorized stock of
42 the corporation, the number of par-value shares and their par value,
43 and the number of no-par-value shares.
44 2. The Secretary of State shall not file the ~~documents~~ *records*
45 required by subsection 1 for any foreign corporation whose name is



1 not distinguishable on the records of the Secretary of State from the
2 names of all other artificial persons formed, organized, registered or
3 qualified pursuant to the provisions of this title that are on file in the
4 Office of the Secretary of State and all names that are reserved in
5 the Office of the Secretary of State pursuant to the provisions of this
6 title, unless the written, acknowledged consent of the holder of the
7 name on file or reserved name to use the same name or the
8 requested similar name accompanies the articles of incorporation.

9 3. The Secretary of State shall not accept for filing the
10 ~~{documents}~~ records required by subsection 1 or NRS 80.110 for
11 any foreign corporation if the name of the corporation contains the
12 words "engineer," "engineered," "engineering," "professional
13 engineer," "registered engineer" or "licensed engineer" unless the
14 State Board of Professional Engineers and Land Surveyors certifies
15 that:

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

18 (b) The corporation is exempt from the prohibitions of
19 NRS 625.520.

20 4. 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 it appears from the ~~{documents}~~ records
23 that the business to be carried on by the corporation is subject to
24 supervision by the Commissioner of Financial Institutions, unless
25 the Commissioner certifies that:

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

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

30 5. The Secretary of State shall not accept for filing the
31 ~~{documents}~~ records required by subsection 1 or NRS 80.110 for
32 any foreign corporation if the name of the corporation contains the
33 words "accountant," "accounting," "accountancy," "auditor" or
34 "auditing" unless the Nevada State Board of Accountancy certifies
35 that the foreign corporation:

36 (a) Is registered pursuant to the provisions of chapter 628 of
37 NRS; or

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

42 6. The Secretary of State may adopt regulations that interpret
43 the requirements of this section.



1 **Sec. 80.** NRS 80.012 is hereby amended to read as follows:
2 80.012 1. The Secretary of State, when requested so to do,
3 shall reserve, for a period of 90 days, the right to use any name
4 available pursuant to NRS 80.010, for the use of any foreign
5 corporation. During the period, a name so reserved is not available
6 for use or reservation by any other artificial person forming,
7 organizing, registering or qualifying in the Office of the Secretary of
8 State pursuant to the provisions of this title without the written,
9 acknowledged consent of the person at whose request the
10 reservation was made.

11 2. The use by any other artificial person of a name in violation
12 of subsection 1 or NRS 80.010 may be enjoined, even if the
13 ~~{document}~~ *record* under which the artificial person is formed,
14 organized, registered or qualified has been filed by the Secretary of
15 State.

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

17 80.025 1. If a foreign corporation cannot qualify to do
18 business in this state because its name does not meet the
19 requirements of subsection 2 or 3 of NRS 80.010, it may apply for a
20 certificate to do business by having its board of directors adopt a
21 resolution setting forth the name under which the corporation elects
22 to do business in this state. The resolution may:

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

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

27 2. In addition to the ~~{documents}~~ *records* required by
28 subsection 1 of NRS 80.010, the corporation shall file a resolution
29 certifying the adoption of the modified name.

30 3. If the Secretary of State determines that the modified
31 corporate name complies with the provisions of subsection 2 or 3 of
32 NRS 80.010, he shall issue the certificate in the foreign
33 corporation's modified name if the foreign corporation otherwise
34 qualifies to do business in this state.

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

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

40 80.030 1. Each foreign corporation admitted to do business in
41 this state shall, within 90 days after the filing of any ~~{document}~~
42 *record* amendatory or otherwise relating to the original articles in
43 the place of its creation, file in the Office of the Secretary of State:

44 (a) A copy of the ~~{document}~~ *record* certified by an authorized
45 officer of the place of its creation, or a certificate evidencing the



1 filing, issued by the authorized officer of the place of its creation
2 with whom the ~~{document}~~ record was filed; and

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

6 2. When a foreign corporation authorized to do business in this
7 state becomes a constituent of a merger permitted by the laws of the
8 state or country in which it is incorporated, it shall, within 90 days
9 after the merger becomes effective, file a copy of the agreement of
10 merger filed in the place of its creation, certified by an authorized
11 officer of the place of its creation, or a certificate, issued by the
12 proper officer of the place of its creation, attesting to the occurrence
13 of the event, in the Office of the Secretary of State.

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

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

19 80.050 1. Except as otherwise provided in subsection 3,
20 foreign corporations shall pay the same fees to the Secretary of State
21 as are required to be paid by corporations organized pursuant to the
22 laws of this state, but the amount of fees to be charged must not
23 exceed:

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

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

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

33 3. Foreign corporations which are nonprofit corporations and
34 do not have or issue shares of stock shall pay the same fees to the
35 Secretary of State as are required to be paid by nonprofit
36 corporations organized pursuant to the laws of this state.

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

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

40 80.070 1. A foreign corporation may change its resident
41 agent by filing with the Secretary of State:

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

44 (1) The name of the corporation;



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

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

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

8 The change authorized by this subsection becomes effective upon
9 the filing of the certificate of change.

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

14 3. Upon the filing of the statement of resignation with the
15 Secretary of State, the capacity of the resigning person as resident
16 agent terminates. If the statement of resignation is not accompanied
17 by a statement of the corporation appointing a successor resident
18 agent, the resigning resident agent shall give written notice, by mail,
19 to the corporation, of the filing of the statement and its effect. The
20 notice must be addressed to any officer of the corporation other than
21 the resident agent.

22 4. If a resident agent dies, resigns or moves from the State, the
23 corporation, within 30 days thereafter, shall file with the Secretary
24 of State a certificate of acceptance ~~executed~~ *signed* by the new
25 resident agent. The certificate must set forth the name of the new
26 resident agent, his street address for the service of process, and his
27 mailing address if different from his street address.

28 5. A corporation that fails to file a certificate of acceptance
29 ~~executed~~ *signed* by a new resident agent within 30 days after the
30 death, resignation or removal of its resident agent shall be deemed
31 in default and is subject to the provisions of NRS 80.150 and
32 80.160.

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

34 80.090 If a foreign corporation doing business in this state
35 maintains and keeps in the State a resident agent as provided by
36 NRS 80.060 and files or has microfilmed the papers, ~~documents~~
37 *records* and instruments required by NRS 80.010 to 80.040,
38 inclusive, the foreign corporation is entitled to the benefit of the
39 laws of this state limiting the time for the commencement of civil
40 actions.

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

42 80.140 1. Every list required to be filed under the provisions
43 of NRS 80.110 to 80.170, inclusive, must, after the name of each
44 officer and director listed thereon, set forth the ~~post-office box~~



1 *mailing* or street address, either residence or business, of each
2 officer and director.

3 2. If the addresses are not stated for each person on any list
4 offered for filing, the Secretary of State may refuse to file the list,
5 and the corporation for which the list has been offered for filing is
6 subject to all the provisions of NRS 80.110 to 80.170, inclusive,
7 relating to failure to file the list within or at the times therein
8 specified, unless a list is subsequently submitted for filing which
9 conforms to the provisions of this section.

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

11 80.200 1. Any foreign corporation qualified to do business in
12 this state under the provisions of this chapter may withdraw
13 therefrom and surrender its right by:

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

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

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

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

24 **Sec. 89.** *"Record" means information that is inscribed on a*
25 *tangible medium or that is stored in an electronic or other medium*
26 *and is retrievable in perceivable form.*

27 **Sec. 90.** *"Sign" means to affix a signature to a record.*

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

29 81.001 As used in this chapter, unless the context otherwise
30 requires, the words and terms defined in NRS 81.0015 and 81.0025
31 *and sections 89 and 90 of this act* have the meanings ascribed to
32 them in those sections.

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

34 81.0015 ~~["Signed" means to have executed or adopted]~~
35 *"Signature" means* a name, word, *symbol* or mark ~~[, including,~~
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 . ~~[, with the present intention to authenticate a~~
41 ~~document.]~~

42 **Sec. 93.** NRS 81.003 is hereby amended to read as follows:

43 81.003 No ~~document~~ *record* which is written in a language
44 other than English may be filed or submitted for filing in the Office
45 of the Secretary of State pursuant to the provisions of this chapter



1 unless it is accompanied by a verified translation of that ~~document~~
2 *record* into the English language.
3 **Sec. 94.** NRS 81.040 is hereby amended to read as follows:
4 81.040 Each corporation formed under NRS 81.010 to 81.160,
5 inclusive, must prepare and file articles of incorporation in writing,
6 setting forth:
7 1. The name of the corporation.
8 2. The purpose for which it is formed.
9 3. The name of the person designated as the resident agent, the
10 street address for the service of process, and the mailing address if
11 different from the street address.
12 4. The term for which it is to exist, which may be perpetual.
13 5. If formed with stock, the amount of its stock and the number
14 and par value, if any, and the shares into which it is divided, and the
15 amount of common and of preferred stock that may be issued with
16 the preferences, privileges, voting rights, restrictions and
17 qualifications pertaining thereto.
18 6. The names and addresses of those selected to act as
19 directors, not less than three, for the first year or until their
20 successors have been elected and have accepted office.
21 7. Whether the property rights and interest of each member are
22 equal or unequal, and if unequal the articles must set forth a general
23 rule applicable to all members by which the property rights and
24 interests of each member may be determined, but the corporation
25 may admit new members who may vote and share in the property of
26 the corporation with the old members, in accordance with the
27 general rule.
28 8. The name and ~~post-office box~~ *mailing* or street address,
29 either residence or business, of each of the incorporators ~~executing~~
30 *signing* the articles of incorporation.
31 **Sec. 95.** NRS 81.060 is hereby amended to read as follows:
32 81.060 1. The articles of incorporation must be:
33 (a) ~~Subscribed~~ *Signed* by three or more of the original
34 members, a majority of whom must be residents of this state.
35 (b) Filed, together with a certificate of acceptance of
36 appointment ~~executed~~ *signed* by the resident agent of the
37 corporation, in the Office of the Secretary of State in all respects in
38 the same manner as other articles of incorporation are filed.
39 2. If a corporation formed under NRS 81.010 to 81.160,
40 inclusive, is authorized to issue stock, there must be paid to the
41 Secretary of State for filing the articles of incorporation the fee
42 applicable to the amount of authorized stock of the corporation
43 which the Secretary of State is required by law to collect upon the
44 filing of articles of incorporation which authorize the issuance of
45 stock.



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

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

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

12 81.200 1. Every association formed under NRS 81.170 to
13 81.270, inclusive, shall prepare articles of association in writing,
14 setting forth:

- 15 (a) The name of the association.
- 16 (b) The purpose for which it is formed.
- 17 (c) The name of the person designated as the resident agent, the
18 street address for service of process, and the mailing address if
19 different from the street address.
- 20 (d) The term for which it is to exist, which may be perpetual.
- 21 (e) The number of the directors thereof, and the names and
22 residences of those selected for the first year.
- 23 (f) The amount which each member is to pay upon admission as
24 a fee for membership, and that each member signing the articles has
25 actually paid the fee.
- 26 (g) That the interest and right of each member therein is to be
27 equal.

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

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

33 3. The articles so ~~{subscribed}~~ *signed* must be filed, together
34 with a certificate of acceptance of appointment ~~{executed}~~ *signed* by
35 the resident agent for the association, in the Office of the Secretary
36 of State, who shall furnish a certified copy thereof. From the time of
37 the filing in the Office of the Secretary of State, the association may
38 exercise all the powers for which it was formed.

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

40 81.220 Every association formed under NRS 81.170 to 81.270,
41 inclusive, may:

- 42 1. Sue and be sued in any court in its associate name.
- 43 2. Make and use a common seal and alter it at pleasure, but the
44 use or nonuse of such a seal does not affect the legality of any
45 ~~{document.}~~ *record.*



- 1 3. Receive by gift, devise or purchase, hold and convey, real
- 2 and personal property as the purposes of the association may
- 3 require.
- 4 4. Appoint such subordinate agents or officers as the business
- 5 may require.
- 6 5. Admit associates or members, and sell or forfeit their
- 7 interest in the association for default of installments, dues, work or
- 8 labor required, as provided by the bylaws.
- 9 6. Enter into any and all lawful contracts or obligations
- 10 essential to the transaction of its affairs, for the purpose for which it
- 11 was formed.
- 12 7. Borrow money.
- 13 8. Issue all such notes, bills or evidence of indebtedness or
- 14 mortgage as its bylaws may provide for.
- 15 9. Trade, barter, buy, sell and exchange.
- 16 10. Do all other things proper to be done for the purpose of
- 17 carrying into effect the objects for which the association is formed.
- 18 **Sec. 98.** NRS 81.230 is hereby amended to read as follows:
- 19 81.230 1. Every association formed under NRS 81.170 to
- 20 81.270, inclusive, must, within 40 days after it so becomes an
- 21 association, adopt a code of bylaws for the government and
- 22 management of the association, not inconsistent with NRS 81.170 to
- 23 81.270, inclusive. A majority of all the associates is necessary to the
- 24 adoption of bylaws, and the bylaws must be written in a book ~~[-and~~
- 25 ~~subscribed]~~ *and signed* by the members adopting them.
- 26 2. The bylaws cannot be amended or modified except by the
- 27 vote of a majority of all the members after notice of the proposed
- 28 amendment is given as the bylaws may provide.
- 29 3. The bylaws must provide for the amount of the indebtedness
- 30 which the association may incur.
- 31 4. The association may, by its code of bylaws, provide for:
- 32 (a) The time, place and manner of calling and conducting its
- 33 meetings.
- 34 (b) The number of directors, the time of their election, their term
- 35 of office, the mode and manner of their removal, the mode and
- 36 manner of filling vacancies in the board caused by death,
- 37 resignation, removal or otherwise, and the power and authority of
- 38 directors, and how many thereof are necessary to the exercise of the
- 39 powers of the directors or of any officer.
- 40 (c) The number of the officers, if any, other than the directors,
- 41 and their term of office, the mode of removal, and the method of
- 42 filling a vacancy.
- 43 (d) The mode and manner of conducting business.



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

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

15 (g) The amount of any membership fee, and the dues,
16 installments or labor which each member ~~shall be~~ is required to
17 pay or perform, if any, and the manner of collection or enforcement,
18 and for forfeiture or sale of a member's interest for nonpayment or
19 nonperformance.

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

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

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

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

35 81.440 Each corporation formed under NRS 81.410 to 81.540,
36 inclusive, shall prepare and file articles of incorporation in writing,
37 setting forth:

- 38 1. The name of the corporation.
- 39 2. The purpose for which it is formed.
- 40 3. The name of the person designated as the resident agent, the
41 street address for service of process, and the mailing address if
42 different from the street address.
- 43 4. The term for which it is to exist, which may be perpetual.
- 44 5. The number of directors thereof, which must be not less than
45 three and which may be any number in excess thereof, and the



1 names and residences of those selected for the first year and until
2 their successors have been elected and have accepted office.

3 6. Whether the voting power and the property rights and
4 interest of each member are equal or unequal, and if unequal the
5 articles must set forth a general rule applicable to all members by
6 which the voting power and the property rights and interests of each
7 member may be determined, but the corporation may admit new
8 members who may vote and share in the property of the corporation
9 with the old members, in accordance with the general rule.

10 7. The name and ~~[post-office box]~~ *mailing* or street address,
11 either residence or business, of each of the incorporators executing
12 the articles of incorporation.

13 **Sec. 100.** NRS 81.450 is hereby amended to read as follows:

14 81.450 1. The articles of incorporation must be:

15 (a) ~~[Subscribed]~~ *Signed* by three or more of the original
16 members, a majority of whom must be residents of this state.

17 (b) Filed, together with a certificate of acceptance of
18 appointment ~~[executed]~~ *signed* by the resident agent for the
19 corporation, in the Office of the Secretary of State in all respects in
20 the same manner as other articles of incorporation are filed.

21 2. The Secretary of State shall issue to the corporation over the
22 Great Seal of the State a certificate that a copy of the articles
23 containing the required statements of facts has been filed in his
24 office.

25 3. Upon the issuance of the certificate by the Secretary of State
26 the persons signing the articles and their associates and successors
27 are a body politic and corporate. When so filed, the articles of
28 incorporation or certified copies thereof must be received in all the
29 courts of this state, and other places, as prima facie evidence of the
30 facts contained therein.

31 **Sec. 101.** Chapter 82 of NRS is hereby amended by adding
32 thereto the provisions set forth as sections 102 and 103 of this act.

33 **Sec. 102.** *“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. 103. 1.** *A corporation may correct a record filed in the*
37 *Office of the Secretary of State with respect to the corporation if*
38 *the record contains an inaccurate description of a corporate*
39 *action or if the record was defectively signed, attested, sealed,*
40 *verified or acknowledged.*

41 2. *To correct a record, the corporation shall:*

42 (a) *Prepare a certificate of correction which:*

43 (1) *States the name of the corporation;*

44 (2) *Describes the record, including, without limitation, its*
45 *filing date;*



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



1 new articles was made, that a quorum was present at the meeting
2 and that acceptance and adoption was authorized by at least a
3 majority of the votes which members or stockholders present at the
4 meeting in person or by proxy were entitled to cast.

5 (d) If there are no members or stockholders entitled to vote
6 thereon, a statement of that fact, the date of the meeting of the board
7 of directors at which the election to accept and adopt was made, that
8 a quorum was present at the meeting and that the acceptance and
9 adoption were authorized by a majority vote of the directors present
10 at the meeting.

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

15 (f) 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 (g) If the corporation has issued shares of stock, a statement of
19 that fact including the number of shares theretofore authorized, the
20 number issued and outstanding and that upon the effective date of
21 the certificate of acceptance the authority of the corporation to issue
22 shares of stock is thereby terminated.

23 2. The certificate so signed must be filed in the Office of the
24 Secretary of State.

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

26 82.063 1. The board of directors of a corporation without
27 shares of stock which was organized before October 1, 1991,
28 pursuant to any provision of chapter 81 of NRS or a predecessor
29 statute and whose permissible term of existence as stated in the
30 articles of incorporation has expired, may, within 10 years after the
31 date of the expiration of its existence, elect to revive its charter and
32 accept this chapter by adopting a resolution reviving the expired
33 charter and adopting new articles of incorporation conforming to
34 this chapter and any other statutes pursuant to which the corporation
35 may have been organized. The new articles of incorporation need
36 not contain the names, addresses, signatures or acknowledgments of
37 the incorporators.

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

41 (a) The name of the corporation.

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



1 (c) A statement by the corporation that since the expiration of its
2 charter it has remained organized and continued to carry on the
3 activities for which it was formed and authorized by its original
4 articles of incorporation and amendments thereto, and desires to
5 continue through revival its existence pursuant to and subject to the
6 provisions of this chapter.

7 (d) A statement that the attached copy of the articles of
8 incorporation of the corporation are the new articles of incorporation
9 of the corporation.

10 (e) A statement setting forth the date of the meeting of the board
11 of directors at which the election to accept and adopt was made, that
12 a quorum was present at the meeting and that the acceptance and
13 adoption were authorized by a majority vote of the directors present
14 at the meeting.

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

18 4. The new articles of incorporation become effective on the
19 date of filing the certificate. The corporation's existence continues
20 from the date of expiration of the original term, with all the
21 corporation's rights, franchises, privileges and immunities and
22 subject to all its existing and preexisting debts, duties and liabilities.

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

24 82.081 1. One or more natural persons may associate to
25 establish a corporation no part of the income or profit of which is
26 distributable to its members, directors or officers, except as
27 otherwise provided in this chapter, for the transaction of any lawful
28 business, or to promote or conduct any legitimate object or purpose,
29 pursuant and subject to the requirements of this chapter, by:

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

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

35 2. The Secretary of State shall require articles of incorporation
36 to be in the form prescribed by NRS 82.086. If any articles are
37 defective in this respect, the Secretary of State shall return them for
38 correction.

39 **Sec. 111.** NRS 82.086 is hereby amended to read as follows:

40 82.086 The articles of incorporation must set forth:

41 1. The name of the corporation. A name appearing to be that of
42 a natural person and containing a given name or initials must not be
43 used as a corporate name except with an additional word or words
44 such as "Incorporated," "Inc.," "Limited," "Ltd.," "Company,"



1 “Co.,” “Corporation,” “Corp.,” or other word which identifies it as
2 not being a natural person.

3 2. The name of the person designated as the corporation’s
4 resident agent, his street address where he maintains an office for
5 service of process, and his mailing address if different from the
6 street address.

7 3. That the corporation is a nonprofit corporation.

8 4. The nature of the business, or objects or purposes proposed
9 to be transacted, promoted or carried on by the corporation. It is
10 sufficient to state, either alone or with other purposes, that the
11 corporation may engage in any lawful activity, subject to expressed
12 limitations, if any. Such a statement makes all lawful activities
13 within the objects or purposes of the corporation.

14 5. The ~~number.~~ names and ~~post-office-box~~ *mailing* or street
15 addresses, residence or business, of the first board of directors or
16 trustees, together with any desired provisions relative to the right to
17 change the number of directors.

18 6. The names and ~~post-office-box~~ *mailing* or street address,
19 residence or business, of each of the incorporators signing the
20 articles of incorporation.

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

22 82.101 1. The Secretary of State, when requested to do so,
23 shall reserve, for a period of 90 days, the right to use any name
24 available under NRS 82.096 for the use of any proposed
25 corporation. During the period, a name so reserved is not available
26 for use or reservation by any other artificial person forming,
27 organizing, registering or qualifying in the Office of the Secretary of
28 State pursuant to the provisions of this title without the written,
29 acknowledged consent of the person at whose request the
30 reservation was made.

31 2. The use by any other artificial person of a name in violation
32 of subsection 1 or NRS 82.096 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. 113.** NRS 82.126 is hereby amended to read as follows:

37 82.126 1. Every corporation, by virtue of its existence as
38 such, may adopt and use a common seal or stamp, and alter it at
39 pleasure.

40 2. The use of a seal or stamp by a corporation on any corporate
41 ~~documents~~ *record* is not necessary. The corporation may use a seal
42 or stamp, if it desires, but use or failure to use does not in any way
43 affect the legality of the ~~document.~~ *record*.



1 **Sec. 114.** NRS 82.181 is hereby amended to read as follows:
2 82.181 1. A corporation shall keep a copy of the following
3 records at its registered office:
4 (a) A copy, certified by the Secretary of State, of its articles and
5 all amendments thereto;
6 (b) A copy, certified by an officer of the corporation, of its
7 bylaws and all amendments thereto;
8 (c) If the corporation has members, a members' ledger or a
9 duplicate members' ledger, revised annually, containing the names,
10 alphabetically arranged, of all persons who are members of the
11 corporation, showing their places of residence, if known, and the
12 class of membership held by each; or
13 (d) In lieu of the members' ledger or duplicate members' ledger
14 specified in paragraph (c), a statement setting out the name of the
15 custodian of the members' ledger or duplicate members' ledger, and
16 the present and complete ~~post office address, including street and~~
17 ~~number, if any,~~ *mailing or street address* where the members'
18 ledger or duplicate members' ledger specified in this section is kept.
19 2. A corporation must maintain the records required by
20 subsection 1 in written form or in another form capable of
21 conversion into written form within a reasonable time.
22 3. A director or any person who has been a member of record
23 of a corporation for at least 6 months, or at least 5 percent of the
24 members of the corporation, upon at least 5 days' written demand, is
25 entitled to inspect in person or by agent or attorney, during usual
26 business hours, the members' ledger or duplicate ledger, whether
27 kept in the registered office or elsewhere as provided in paragraph
28 (d) of subsection 1, and to make copies therefrom. Every
29 corporation that neglects or refuses to keep the members' ledger or
30 duplicate copy thereof open for inspection, as required in this
31 subsection, shall forfeit to the State the sum of \$25 for every day of
32 such neglect or refusal.
33 4. An inspection authorized by subsection 3 may be denied to a
34 member or other person upon his refusal to furnish to the
35 corporation an affidavit that the inspection is not desired for any
36 purpose not relating to his interest as a member, including, but not
37 limited, to those purposes set forth in subsection 6.
38 5. When the corporation keeps and maintains a statement in the
39 manner provided for in paragraph (d) of subsection 1, the
40 information contained thereon must be given to any director or
41 member of such corporation as provided in subsection 2 when the
42 demand is made during business hours. Every corporation that
43 neglects or refuses to keep such statement available, as required in
44 this subsection, shall forfeit to the State the sum of \$25 for every
45 day of such neglect or refusal.



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

5 (a) To solicit money or property from the members unless the
6 money or property will be used solely to solicit the votes of
7 members;

8 (b) For any commercial purpose or purpose in competition with
9 the corporation;

10 (c) To sell to any person; or

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

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

15 8. In every instance where an attorney or other agent of the
16 director or member seeks the right of inspection, the demand must
17 be accompanied by a power of attorney ~~executed~~ signed by the
18 director or member authorizing the attorney or other agent to inspect
19 on behalf of the director or member.

20 9. The right to copy records under subsection 3 includes, if
21 reasonable, the right to make copies by photographic, xerographic or
22 other means.

23 10. The corporation may impose a reasonable charge, covering
24 costs of labor, materials and copies of any ~~documents~~ records
25 provided to the member or director.

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

27 82.186 1. Any director or person authorized in writing by at
28 least 15 percent of the members of the corporation upon at least 5
29 days' written demand ~~is~~ is entitled to inspect in person or by agent
30 or attorney, during normal business hours, the books of account and
31 all financial records of the corporation and to make extracts
32 therefrom. The right of members and directors to inspect the
33 corporate records may not be limited in the articles or bylaws of any
34 corporation.

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

37 3. The rights authorized by subsection 1 may be denied to a
38 director or member upon his refusal to furnish the corporation an
39 affidavit that such inspection, extracts or audit is not desired for any
40 purpose not related to his interest in the corporation as a director or
41 member. Any director or member or other person, exercising rights
42 under subsection 1, who uses or attempts to use information,
43 ~~documents,~~ records or other data obtained from the corporation,
44 for any purpose not related to his interest in the corporation as a
45 director or member, is guilty of a gross misdemeanor.



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

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

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

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

13 (a) For any commercial purpose or purpose in competition with
14 the corporation;

15 (b) To sell to any person; or

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

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

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

22 82.216 1. The statement in the articles or bylaws of the
23 objects, purposes, powers and authorized business of the corporation
24 constitutes, as between the corporation and its directors, officers or
25 members, an authorization to the directors and a limitation upon the
26 actual authority of the representatives of the corporation. These
27 limitations may be asserted in a proceeding by a director or a
28 member entitled to vote for the election of directors or the Attorney
29 General to enjoin the doing or continuation of unauthorized business
30 by the corporation or its officers, or both, in cases where third
31 parties have not acquired rights thereby, or to dissolve the
32 corporation, or in a proceeding by the corporation, a director or a
33 member entitled to vote for the election of directors suing in a
34 representative suit against the officers or directors of the corporation
35 for violation of their authority.

36 2. No limitation upon the business, purposes or powers of the
37 corporation or upon the powers of the members, officers or
38 directors, or the manner of exercise of such powers, contained in or
39 implied by the articles or bylaws may be asserted as between the
40 corporation, the directors or members and any third person.

41 3. Any contract or conveyance, otherwise lawful, made in the
42 name of a corporation, which is authorized or ratified by the
43 directors, or is done within the scope of the authority, actual or
44 apparent, given by the directors, binds the corporation, and the



1 corporation acquires rights thereunder, whether the contract is
2 ~~executed~~ signed or is wholly or in part executory.

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

4 82.321 1. At any meeting of the members of any corporation,
5 any member may designate another person or persons to act as a
6 proxy or proxies. If a member designates two or more persons to act
7 as proxies, a majority of those persons present at the meeting, or, if
8 only one is present, then that one, have and may exercise all of the
9 powers conferred by the member upon all of the persons so
10 designated unless the member provides otherwise.

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

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

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

36 3. Any copy, communication by telecopier, or other reliable
37 reproduction of the writing or transmission created pursuant to
38 subsection 2 may be substituted for the original writing or
39 transmission for any purpose for which the original writing or
40 transmission could be used, if the copy, communication by
41 telecopier, or other reproduction is a complete reproduction of the
42 entire original writing or transmission.

43 4. No such proxy is valid after the expiration of 6 months from
44 the date of its creation, unless coupled with an interest, or unless the
45 member specifies in it the length of time for which it is to continue



1 in force, which may not exceed 7 years from the date of its creation.
2 Subject to these restrictions, any proxy properly created is not
3 revoked and continues in full force and effect until another
4 instrument or transmission revoking it or a properly created proxy
5 bearing a later date is filed with or transmitted to the secretary of
6 the corporation or another person or persons appointed by the
7 corporation to count the votes of members and determine the
8 validity of proxies and ballots.

9 **Sec. 117.5.** NRS 82.326 is hereby amended to read as follows:

10 82.326 1. Except as otherwise provided in subsection 5 and
11 unless prohibited or limited by the articles or bylaws, an action that
12 may be taken at a regular or special meeting of members, including
13 the election of directors, may be taken without a meeting if the
14 corporation mails or delivers a written ballot to every member
15 entitled to vote on the matter.

16 2. A written ballot must:

17 (a) Set forth each proposed action or candidate; and

18 (b) Provide an opportunity to vote for or against each proposed
19 action.

20 3. Approval by written ballot under this section is valid only
21 when the number of votes cast by ballot equals or exceeds the
22 quorum required to be present at a meeting authorizing the action,
23 and the number of approvals equals or exceeds the number of votes
24 that would be required to approve the matter at a meeting at which
25 the total number of votes cast was the same as the number of votes
26 cast by ballot.

27 4. Solicitations for votes by written ballot must:

28 (a) Indicate the number of responses needed to meet the
29 requirement of a quorum;

30 (b) State the percentage of approvals necessary to approve each
31 matter other than election of directors; and

32 (c) Specify the time by which a ballot must be received by the
33 corporation in order to be counted.

34 5. Except as otherwise provided in the articles or bylaws, a
35 written ballot may not be revoked.

36 **6. *Nothing in this section shall be construed to restrict the***
37 ***rights of a corporation to act as provided in NRS 82.276.***

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

39 82.346 1. If the first meeting of the directors has not taken
40 place and if there are no members, a majority of the incorporators of
41 a corporation may amend the original articles by ~~executing~~ **signing**
42 and proving in the manner required for original articles, and filing
43 with the Secretary of State **§** a certificate amending, modifying,
44 changing or altering the original articles, in whole or in part. The
45 certificate must state that:



1 (a) The signers thereof are a majority of the original
2 incorporators of the corporation; and

3 (b) As of the date of the certification, no meeting of the
4 directors has taken place and the corporation has no members other
5 than the incorporators.

6 2. The amendment is effective upon the filing of the certificate
7 with the Secretary of State.

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

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

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

13 82.351 1. A corporation whose directors have held a first
14 meeting or which has members who are not incorporators may
15 amend its articles in any of the following respects:

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

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

20 (c) By changing the name of the corporation.

21 (d) By making any other change or alteration in its articles of
22 incorporation that may be desired.

23 2. All such changes or alterations may be effected by one
24 certificate of amendment. Articles so amended, changed or altered
25 may contain only such provisions as it would be lawful and proper
26 to insert in original articles, pursuant to NRS 82.086 and 82.091 or
27 the other statutes governing the contents of the corporation's
28 articles, if the original articles were ~~executed~~ signed and filed at
29 the time of making the amendment.

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

31 82.356 1. Every amendment adopted pursuant to the
32 provisions of NRS 82.351 must be made in the following manner:

33 (a) The board of directors must adopt a resolution setting forth
34 the amendment proposed, approve it and, if the corporation has
35 members entitled to vote on an amendment to the articles, call a
36 meeting, either annual or special, of the members. The amendment
37 must also be approved by every public official or other person
38 whose approval of an amendment of articles is required by the
39 articles.

40 (b) At the meeting of members, of which notice must be given
41 to each member entitled to vote pursuant to the provisions of this
42 section, a vote of the members entitled to vote in person or by proxy
43 must be taken for and against the proposed amendment. A majority
44 of a quorum of the voting power of the members or such greater
45 proportion of the voting power of members as may be required in



1 the case of a vote by classes, as provided in subsection 3, or as may
2 be required by the articles, must vote in favor of the amendment.

3 (c) Upon approval of the amendment by the directors, or if the
4 corporation has members entitled to vote on an amendment to the
5 articles, by both the directors and those members, and such other
6 persons or public officers, if any, as are required to do so by the
7 articles, ~~{the chairman of the board or the president or vice~~
8 ~~president, and the secretary or assistant secretary, must execute}~~ *an*
9 *officer of the corporation must sign* a certificate setting forth the
10 amendment, or setting forth the articles as amended, that the public
11 officers or other persons, if any, required by the articles have
12 approved the amendment, and the vote of the members and directors
13 by which the amendment was adopted.

14 (d) The certificate so ~~{executed}~~ *signed* must be filed in the
15 Office of the Secretary of State.

16 2. Upon filing the certificate, the articles of incorporation are
17 amended accordingly.

18 3. If any proposed amendment would alter or change any
19 preference or any relative or other right given to any class of
20 members, then the amendment must be approved by the vote, in
21 addition to the affirmative vote otherwise required, of the holders of
22 a majority of a quorum of the voting power of each class of
23 members affected by the amendment regardless of limitations or
24 restrictions on their voting power.

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

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

28 82.371 1. A corporation may restate, or amend and restate, in
29 a single certificate the entire text of its articles as amended by filing
30 with the Secretary of State a certificate which must set forth the
31 articles as amended to the date of the certificate. If the certificate
32 alters or amends the articles in any manner, it must comply with the
33 provisions of NRS 82.346, 82.351 and 82.356, as applicable, and
34 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 articles of incorporation on file
38 with the Secretary of State are being altered or amended.

39 2. If the certificate does not alter or amend the articles, it must
40 be signed by ~~{the chairman of the board or the president or vice~~
41 ~~president, and the secretary or assistant secretary,}~~ *an officer* of the
42 corporation and must state that ~~{they have}~~ *he has* been authorized
43 to ~~{execute}~~ *sign* the certificate by resolution of the board of
44 directors adopted on the date stated, and that the certificate correctly



1 sets forth the text of the articles as amended to the date of the
2 certificate.

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

4 (a) The names, addresses, signatures and acknowledgments of
5 the incorporators;

6 (b) The names and addresses of the members of the past and
7 present board of directors; and

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

9 4. Whenever a corporation is required to file a certified copy of
10 its articles, in lieu thereof it may file a certified copy of the most
11 recent certificate restating its articles as amended, subject to the
12 provisions of subsection 2, together with certified copies of all
13 certificates of amendment filed after the restated articles and
14 certified copies of all certificates supplementary to the original
15 articles.

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

17 82.451 1. A corporation may be dissolved and its affairs
18 wound up voluntarily if the board of directors adopts a resolution to
19 that effect and calls a meeting of the members entitled to vote to
20 take action upon the resolution. The resolution must also be
21 approved by any person or superior organization whose approval is
22 required by a provision of the articles authorized by NRS 82.091.
23 The meeting of the members must be held with due notice. If at the
24 meeting the members entitled to exercise a majority of all the voting
25 power consent by resolution to the dissolution, a certificate setting
26 forth that the dissolution has been approved in compliance with this
27 section, together with a list of the names and residences of the
28 directors and officers, ~~executed by the chairman of the board,~~
29 ~~president or vice president, and the secretary or an assistant~~
30 ~~secretary,] signed by an officer of the corporation,~~ must be filed in
31 the Office of the Secretary of State.

32 2. If a corporation has no members entitled to vote upon a
33 resolution calling for the dissolution of the corporation, the
34 corporation may be dissolved and its affairs wound up voluntarily
35 by the board of directors if it adopts a resolution to that effect. The
36 resolution must also be approved by any person or superior
37 organization whose approval is required by a provision of the
38 articles authorized by NRS 82.091. A certificate setting forth that
39 the dissolution has been approved in compliance with this section
40 and a list of the officers and directors, ~~executed]~~ signed as provided
41 in subsection 1, must be filed in the Office of the Secretary of State.

42 3. Upon the dissolution of any corporation under the provisions
43 of this section or upon the expiration of its period of corporate
44 existence, the directors are the trustees of the corporation in
45 liquidation and in winding up the affairs of the corporation. The act



1 of a majority of the directors as trustees remaining in office is the
2 act of the directors as trustees.

3 **Sec. 123.** NRS 82.526 is hereby amended to read as follows:
4 82.526 The Secretary of State may microfilm any ~~{document}~~
5 *record* which is filed in his office by a corporation pursuant to this
6 chapter and may return the original ~~{document}~~ *record* to the
7 corporation.

8 **Sec. 124.** NRS 82.528 is hereby amended to read as follows:
9 82.528 No ~~{document}~~ *record* which is written in a language
10 other than English may be filed or submitted for filing in the Office
11 of the Secretary of State pursuant to the provisions of this chapter
12 unless it is accompanied by a verified translation of that ~~{document}~~
13 *record* into the English language.

14 **Sec. 125.** NRS 82.531 is hereby amended to read as follows:
15 82.531 1. The fee for filing articles of incorporation,
16 amendments to or restatements of articles of incorporation,
17 certificates pursuant to NRS 82.061 and 82.063 and ~~{documents}~~
18 *records* for dissolution is \$25 for each ~~{document}~~ *record*.

19 2. Except as otherwise provided in NRS 82.193 and subsection
20 1, the fees for filing ~~{documents}~~ *records* are those set forth in NRS
21 78.765 to 78.785, inclusive.

22 **Sec. 126.** NRS 82.533 is hereby amended to read as follows:
23 82.533 An incorporator or officer of a corporation may
24 authorize the Secretary of State in writing to replace any page of a
25 ~~{document}~~ *record* submitted for filing on an expedited basis, before
26 the actual filing, and to accept the page as if it were part of the
27 originally signed filing. The signed authorization of the incorporator
28 or officer to the Secretary of State permits, but does not require, the
29 Secretary of State to alter the original ~~{document}~~ *record* as
30 requested.

31 **Sec. 127.** NRS 82.546 is hereby amended to read as follows:
32 82.546 1. Any corporation which did exist or is existing
33 pursuant to the laws of this state may, upon complying with the
34 provisions of NRS 78.150 and 82.193, procure a renewal or revival
35 of its charter for any period, together with all the rights, franchises,
36 privileges and immunities, and subject to all its existing and
37 preexisting debts, duties and liabilities secured or imposed by its
38 original charter and amendments thereto, or its existing charter, by
39 filing:

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

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



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

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

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

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

15 (b) A list of its president, secretary and treasurer and all of its
16 directors and their ~~post office box and~~ *mailing or* street addresses,
17 either residence or business.

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

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

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

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

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

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

43 **Sec. 131.** NRS 84.002 is hereby amended to read as follows:

44 84.002 As used in this chapter, unless the context otherwise
45 requires, the words and terms defined in NRS 84.004 and 84.006



1 *and sections 129 and 130 of this act* have the meanings ascribed to
2 them in those sections.

3 **Sec. 132.** NRS 84.004 is hereby amended to read as follows:
4 84.004 ~~["Signed" means to have]~~ *"Signature" means a name,*
5 *word, symbol or mark* executed or *otherwise* adopted ~~[a name, word~~
6 ~~or mark, including,]~~ *, or a record encrypted or similarly processed*
7 *in whole or in part, by a person with the present intent to identify*
8 *himself and adopt or accept a record. The term includes,* without
9 limitation, an electronic signature as defined in NRS 719.100 . ~~[~~
10 ~~with the present intention to authenticate a document.]~~

11 **Sec. 133.** NRS 84.020 is hereby amended to read as follows:
12 84.020 An archbishop, bishop, president, trustee in trust,
13 president of stake, president of congregation, overseer, presiding
14 elder, district superintendent, other presiding officer or clergyman of
15 a church or religious society or denomination, who has been chosen,
16 elected or appointed in conformity with the constitution, canons,
17 rites, regulations or discipline of the church or religious society or
18 denomination, and in whom is vested the legal title to property held
19 for the purposes, use or benefit of the church or religious society or
20 denomination, may make and ~~[subscribe]~~ *sign* written articles of
21 incorporation, in duplicate, and file one copy of the articles, together
22 with a certificate of acceptance of appointment ~~[executed]~~ *signed* by
23 the resident agent of the corporation, in the Office of the Secretary
24 of State and retain possession of the other.

25 **Sec. 134.** NRS 84.090 is hereby amended to read as follows:
26 84.090 1. The fee for filing articles of incorporation,
27 amendments to or restatements of articles of incorporation,
28 certificates of reinstatement and ~~[documents]~~ *records* for dissolution
29 is \$25 for each ~~[document.]~~ *record*.

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

32 **Sec. 135.** NRS 84.100 is hereby amended to read as follows:
33 84.100 No ~~[document]~~ *record* which is written in a language
34 other than English may be filed or submitted for filing in the Office
35 of the Secretary of State pursuant to the provisions of this chapter
36 unless it is accompanied by a verified translation of that ~~[document]~~
37 *record* into the English language.

38 **Sec. 136.** NRS 84.110 is hereby amended to read as follows:
39 84.110 1. Every corporation sole must have a resident agent
40 in the manner provided in NRS 78.090 and 78.095, subsections 1 to
41 4, inclusive, of NRS 78.097 and NRS 78.110. The resident agent
42 shall comply with the provisions of those sections.

43 2. A corporation sole that fails to file a certificate of acceptance
44 ~~[executed]~~ *signed* by the new resident agent within 30 days after the
45 death, resignation or removal of its former resident agent shall be



1 deemed in default and is subject to the provisions of NRS 84.130
2 and 84.140.

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

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

6 84.120 1. A resident agent who wishes to resign shall file
7 with the Secretary of State a signed statement for each corporation
8 sole that he is unwilling to continue to act as the agent of the
9 corporation for the service of process. A resignation is not effective
10 until the signed statement is filed with the Secretary of State.

11 2. The statement of resignation may contain a statement of the
12 affected corporation sole appointing a successor resident agent for
13 that corporation. A certificate of acceptance ~~executed~~ *signed* by
14 the new resident agent, stating the full name, complete street address
15 and, if different from the street address, mailing address of the new
16 resident agent, must accompany the statement appointing a
17 successor resident agent.

18 3. Upon the filing of the statement of resignation with the
19 Secretary of State, the capacity of the resigning person as resident
20 agent terminates. If the statement of resignation contains no
21 statement by the corporation sole appointing a successor resident
22 agent, the resigning resident agent shall immediately give written
23 notice, by mail, to the corporation of the filing of the statement and
24 its effect. The notice must be addressed to the person in whom is
25 vested the legal title to property specified in NRS 84.020.

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

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

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

39 84.150 1. Except as otherwise provided in subsections 3 and
40 4, the Secretary of State shall reinstate any corporation sole which
41 has forfeited its right to transact business under the provisions of
42 this chapter and restore the right to carry on business in this state
43 and exercise its corporate privileges and immunities, if it:



1 (a) Files with the Secretary of State a certificate of acceptance of
2 appointment ~~executed~~ *signed* by the resident agent of the
3 corporation; and

4 (b) Pays to the Secretary of State:

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

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

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

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

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

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

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

23 **Sec. 139.** (Deleted by amendment.)

24 **Sec. 140.** Chapter 86 of NRS is hereby amended by adding
25 thereto a new section to read as follows:

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

29 **Secs. 141 and 142.** (Deleted by Amendment.)

30 **Sec. 143.** NRS 86.011 is hereby amended to read as follows:

31 86.011 As used in this chapter, unless the context otherwise
32 requires, the words and terms defined in NRS 86.022 to 86.128,
33 inclusive, *and section 140 of this act* have the meanings ascribed to
34 them in those sections.

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

36 86.126 “Sign” means to affix a signature to a ~~document.~~
37 *record.*

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

39 86.127 “Signature” means a name, word, *symbol* or mark
40 executed or *otherwise* adopted, *or a record encrypted or similarly*
41 *processed in whole or in part*, by a person with the present
42 ~~intention to authenticate a document.~~ *intent to identify himself*
43 *and adopt or accept a record.* The term includes, without limitation,
44 an electronic signature as defined in NRS 719.100.



1 **Sec. 146.** NRS 86.151 is hereby amended to read as follows:
2 86.151 1. One or more persons may form a limited-liability
3 company by:

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

6 (b) Filing with the Secretary of State a certificate of acceptance
7 of appointment, ~~executed~~ *signed* by the resident agent of the
8 company.

9 2. Upon the filing of the articles of organization and the
10 certificate of acceptance with the Secretary of State, and the
11 payment to him of the required filing fees, the Secretary of State
12 shall issue to the company a certificate that the articles, containing
13 the required statement of facts, have been filed.

14 3. A signer of the articles of organization or a manager
15 designated in the articles does not thereby become a member of the
16 company. At all times after commencement of business by the
17 company, the company must have one or more members. The filing
18 of the articles does not, by itself, constitute commencement of
19 business by the company.

20 **Sec. 147.** NRS 86.161 is hereby amended to read as follows:

21 86.161 1. The articles of organization must set forth:

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

23 (b) The name and complete street address of its resident agent,
24 and the mailing address of the resident agent if different from the
25 street address;

26 (c) The name and ~~post-office~~ *mailing* or street address, either
27 residence or business, of each of the organizers ~~executing~~ *signing*
28 the articles; and

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

30 (1) One or more managers, the name and ~~post-office~~
31 *mailing* or street address, either residence or business, of each
32 *initial* manager; or

33 (2) The members, the name and ~~post-office~~ *mailing* or
34 street address, either residence or business, of each *initial* member.

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

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

42 (a) The rights ~~[-if any,]~~ of the members to contract debts on
43 behalf of the limited-liability company ~~[-or~~

44 ~~-(b)] if the limited-liability company is managed by its~~
45 *members;*



1 ***(b) The rights of the manager or managers to contract debts***
2 ***on behalf of the limited-liability company if the limited-liability***
3 ***company is managed by a manager or managers; or***

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

5 **Sec. 148.** NRS 86.171 is hereby amended to read as follows:

6 86.171 1. The name of a limited-liability company formed
7 under the provisions of this chapter must contain the words
8 “Limited-Liability Company,” ***“Limited Liability Company,”***
9 “Limited Company,” or “Limited” or the abbreviations “Ltd.,”
10 “L.L.C.,” “L.C.,” “LLC” or “LC.” The word “Company” may be
11 abbreviated as “Co.”

12 2. The name proposed for a limited-liability company must be
13 distinguishable on the records of the Secretary of State from the
14 names of all other artificial persons formed, organized, registered or
15 qualified pursuant to the provisions of this title that are on file in the
16 Office of the Secretary of State and all names that are reserved in
17 the Office of the Secretary of State pursuant to the provisions of this
18 title. If a proposed name is not so distinguishable, the Secretary of
19 State shall return the articles of organization to the organizer, unless
20 the written, acknowledged consent of the holder of the name on file
21 or reserved name to use the same name or the requested similar
22 name accompanies the articles of organization.

23 3. For the purposes of this section and NRS 86.176, a proposed
24 name is not distinguishable from a name on file or reserved name
25 solely because one or the other contains distinctive lettering, a
26 distinctive mark, a trademark or a trade name, or any combination of
27 these.

28 4. The name of a limited-liability company whose charter has
29 been revoked, which has merged and is not the surviving entity or
30 whose existence has otherwise terminated is available for use by any
31 other artificial person.

32 5. The Secretary of State shall not accept for filing any articles
33 of organization for any limited-liability company if the name of the
34 limited-liability company contains the words “accountant,”
35 “accounting,” “accountancy,” “auditor” or “auditing” unless the
36 Nevada State Board of Accountancy certifies that the limited-
37 liability company:

38 (a) Is registered pursuant to the provisions of chapter 628 of
39 NRS; or

40 (b) Has filed with the State Board of Accountancy under penalty
41 of perjury a written statement that the limited-liability company is
42 not engaged in the practice of accounting and is not offering to
43 practice accounting in this state.

44 6. The Secretary of State may adopt regulations that interpret
45 the requirements of this section.



1 **Sec. 149.** NRS 86.176 is hereby amended to read as follows:
2 86.176 1. The Secretary of State, when requested so to do,
3 shall reserve, for a period of 90 days, the right to use any name
4 available under NRS 86.171, for the use of any proposed limited-
5 liability company. During the period, a name so reserved is not
6 available for use or reservation by any other artificial person
7 forming, organizing, registering or qualifying in the Office of the
8 Secretary of State pursuant to the provisions of this title without the
9 written, acknowledged consent of the person at whose request
10 the reservation was made.

11 2. The use by any other artificial person of a name in violation
12 of subsection 1 or NRS 86.171 may be enjoined, even if the
13 ~~document~~ record under which the artificial person is formed,
14 organized, registered or qualified has been filed by the Secretary of
15 State.

16 **Sec. 150.** NRS 86.221 is hereby amended to read as follows:
17 86.221 1. The articles of organization of a limited-liability
18 company may be amended for any purpose, not inconsistent with
19 law, as determined by all of the members or permitted by the articles
20 or an operating agreement.

21 2. An amendment must be made in the form of a certificate
22 setting forth:

- 23 (a) The name of the limited-liability company;
- 24 (b) Whether the limited-liability company is managed by one or
25 more managers or members; and
- 26 (c) The amendment to the articles of organization.

27 3. The certificate of amendment must be signed by a manager
28 of the company or, if management is not vested in a manager, by a
29 member.

30 4. Restated articles of organization may be ~~executed~~ signed
31 and filed in the same manner as a certificate of amendment. If the
32 certificate alters or amends the articles in any manner, it must be
33 accompanied by:

- 34 (a) A resolution; or
- 35 (b) A form prescribed by the Secretary of State,
36 setting forth which provisions of the articles of organization on file
37 with the Secretary of State are being altered or amended.

38 **Sec. 151.** NRS 86.226 is hereby amended to read as follows:

39 86.226 1. A signed certificate of amendment, or a certified
40 copy of a judicial decree of amendment, must be filed with the
41 Secretary of State. A person who ~~executes~~ signs a certificate as an
42 agent, officer or fiduciary of the limited-liability company need not
43 exhibit evidence of his authority as a prerequisite to filing. Unless
44 the Secretary of State finds that a certificate does not conform to



1 law, upon his receipt of all required filing fees he shall file the
2 certificate.

3 2. A certificate of amendment or judicial decree of amendment
4 is effective upon filing with the Secretary of State or upon a later
5 date specified in the certificate or judicial decree, which must not be
6 more than 90 days after the certificate or judicial decree is filed.

7 3. If a certificate specifies an effective date and if the
8 resolution of the members approving the proposed amendment
9 provides that one or more managers or, if management is not vested
10 in a manager, one or more members may abandon the proposed
11 amendment, then those managers or members may terminate the
12 effectiveness of the certificate by filing a certificate of termination
13 with the Secretary of State that:

14 (a) Is filed before the effective date specified in the certificate or
15 judicial decree filed pursuant to subsection 1;

16 (b) Identifies the certificate being terminated;

17 (c) States that, pursuant to the resolution of the members, the
18 manager of the company or, if management is not vested in a
19 manager, a designated member is authorized to terminate the
20 effectiveness of the certificate;

21 (d) States that the effectiveness of the certificate has been
22 terminated;

23 (e) Is signed by a manager of the company or, if management is
24 not vested in a manager, a designated member; and

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

26 **Sec. 152.** NRS 86.241 is hereby amended to read as follows:

27 86.241 1. Each limited-liability company shall continuously
28 maintain in this state an office, which may but need not be a place of
29 its business in this state, at which it shall keep, unless otherwise
30 provided by an operating agreement:

31 (a) A current list of the full name and last known business
32 address of each member and manager, separately identifying the
33 members in alphabetical order and the managers, if any, in
34 alphabetical order;

35 (b) A copy of the filed articles of organization and all
36 amendments thereto, together with ~~executed~~ *signed* copies of any
37 powers of attorney pursuant to which any ~~document~~ *record* has
38 been ~~executed;~~ *signed*; and

39 (c) Copies of any then effective operating agreement of the
40 company.

41 2. Records kept pursuant to this section are subject to
42 inspection and copying at the reasonable request, and at the expense,
43 of any member during ordinary business hours, unless otherwise
44 provided in an operating agreement.



1 **Sec. 153.** NRS 86.251 is hereby amended to read as follows:

2 86.251 1. A resident agent who desires to resign shall file
3 with the Secretary of State a signed statement for each limited-
4 liability company that he is unwilling to continue to act as the agent
5 of the limited-liability company for the service of process. A
6 resignation is not effective until the signed statement is filed with
7 the Secretary of State.

8 2. The statement of resignation may contain a statement of the
9 affected limited-liability company appointing a successor resident
10 agent for that limited-liability company, giving the agent's full
11 name, street address for the service of process, and mailing address
12 if different from the street address. A certificate of acceptance
13 ~~executed~~ signed by the new resident agent must accompany the
14 statement appointing a successor resident agent.

15 3. Upon the filing of the statement of resignation with the
16 Secretary of State, the capacity of the resigning person as resident
17 agent terminates. If the statement of resignation contains no
18 statement by the limited-liability company appointing a successor
19 resident agent, the resigning agent shall immediately give written
20 notice, by mail, to the limited-liability company of the filing of the
21 statement and its effect. The notice must be addressed to any
22 manager or, if none, to any member ~~of~~ of the limited-liability
23 company other than the resident agent.

24 4. If a resident agent dies, resigns or moves from the State, the
25 limited-liability company, within 30 days thereafter, shall file with
26 the Secretary of State a certificate of acceptance ~~executed~~ signed
27 by the new resident agent. The certificate must set forth the name,
28 complete street address and mailing address, if different from the
29 street address, of the new resident agent.

30 5. Each limited-liability company which fails to file a
31 certificate of acceptance ~~executed~~ signed by the new resident
32 agent within 30 days after the death, resignation or removal of its
33 resident agent as provided in subsection 4 ~~of~~ shall be deemed in
34 default and is subject to the provisions of NRS 86.272 and 86.274.

35 **Sec. 154.** NRS 86.269 is hereby amended to read as follows:

36 86.269 1. Every list required to be filed under the provisions
37 of NRS 86.263 must, after the name of each manager and member
38 listed thereon, set forth the ~~post-office-box~~ mailing or street
39 address, either residence or business, of each manager or member.

40 2. If the addresses are not stated for each person on any list
41 offered for filing, the Secretary of State may refuse to file the list,
42 and the limited-liability company for which the list has been offered
43 for filing is subject to the provisions of NRS 86.272 and 86.274
44 relating to failure to file the list within or at the times therein



1 specified, unless a list is subsequently submitted for filing which
2 conforms to the provisions of this section.

3 **Sec. 155.** NRS 86.301 is hereby amended to read as follows:

4 86.301 Except as otherwise provided in this chapter, its articles
5 of organization or its operating agreement, no debt may be
6 contracted or liability incurred by or on behalf of a limited-liability
7 company, except by ~~one or more of its managers if management of~~
8 ~~the limited liability company has been vested by the members in a~~
9 ~~manager or managers or, if management of the limited liability~~
10 ~~company is retained by the members, then by any member.]:~~

11 *1. One or more managers of a company which is managed by*
12 *a manager or managers;*

13 *2. Any member of a company which is managed by its*
14 *members;*

15 *3. Any agent, officer, employee or other representative of the*
16 *company authorized in the operating agreement or in another*
17 *writing by a manager or managers, if the company is managed by*
18 *a manager or managers; or*

19 *4. Any agent, officer, employee or other representative of the*
20 *company authorized in the operating agreement or in another*
21 *writing by a member, if the company is managed by its members.*

22 **Sec. 156.** NRS 86.311 is hereby amended to read as follows:

23 86.311 Real and personal property owned or purchased by a
24 ~~limited liability~~ company must be held and owned, and
25 conveyance made, in the name of the company. Except as otherwise
26 provided in the *company's* articles of organization ~~or~~ *or operating*
27 *agreement*, instruments and ~~documents~~ *records* providing for the
28 acquisition, mortgage or disposition of property of the company are
29 valid and binding upon the company if ~~executed by one or more~~
30 ~~managers of a company which has a manager or managers or as~~
31 ~~provided by the articles of organization of a company in which~~
32 ~~management has been retained by the members.] signed by:~~

33 *1. One or more managers of a company which is managed by*
34 *a manager or managers;*

35 *2. Any member of a company which is managed by its*
36 *members;*

37 *3. Any agent, officer, employee or other representative of the*
38 *company authorized in the operating agreement or in another*
39 *writing by a manager or managers, if the company is managed by*
40 *a manager or managers; or*

41 *4. Any agent, officer, employee or other representative of the*
42 *company authorized in the operating agreement or in another*
43 *writing by a member, if the company is managed by its members.*



1 **Sec. 157.** NRS 86.483 is hereby amended to read as follows:
2 86.483 A ~~[member who owns a member's interest in a limited-~~
3 ~~liability company or a noneconomic]~~ member, when permitted by
4 the terms of the articles of organization or operating agreement, may
5 bring an action in the right of a limited-liability company to recover
6 a judgment in its favor if managers or members with authority to do
7 so have refused to bring the action or if an effort to cause those
8 managers or members to bring the action is not likely to succeed.

9 **Sec. 158.** NRS 86.485 is hereby amended to read as follows:
10 86.485 In a derivative action, the plaintiff must be a member
11 ~~[who owns a member's interest or a noneconomic member at the~~
12 ~~time of bringing the action and]~~ at the time of the transaction of
13 which he complains.

14 **Sec. 159.** NRS 86.544 is hereby amended to read as follows:
15 86.544 Before transacting business in this state, a foreign
16 limited-liability company must register with the Secretary of State.
17 In order to register, a foreign limited-liability company must submit
18 to the Secretary of State an application for registration as a foreign
19 limited-liability company, signed by a manager of the company or,
20 if management is not vested in a manager, a member of the
21 company and a signed certificate of acceptance of a resident agent.
22 The application for registration must set forth:

23 1. The name of the foreign limited-liability company and, if
24 different, the name under which it proposes to register and transact
25 business in this state;

26 2. The state and date of its formation;

27 3. The name and address of the resident agent *in this state*
28 whom the foreign limited-liability company elects to appoint;

29 4. A statement that the Secretary of State is appointed the agent
30 of the foreign limited-liability company for service of process if the
31 authority of the resident agent has been revoked, or if the resident
32 agent has resigned or cannot be found or served with the exercise of
33 reasonable diligence;

34 5. The address of the office required to be maintained in the
35 state of its organization by the laws of that state or, if not so
36 required, of the principal office of the foreign limited-liability
37 company;

38 6. The name and business address of each manager or, if
39 management is not vested in a manager, each member; and

40 7. The address of the office at which is kept a list of the names
41 and addresses of the members and their capital contributions,
42 together with an undertaking by the foreign limited-liability
43 company to keep those records until the registration in this state of
44 the foreign limited-liability company is cancelled or withdrawn.



1 **Sec. 160.** (Deleted by amendment.)

2 **Sec. 161.** NRS 86.561 is hereby amended to read as follows:

3 86.561 1. The Secretary of State shall charge and collect for:
4 (a) Filing the original articles of organization, or for registration
5 of a foreign company, \$175;

6 (b) Amending or restating the articles of organization, amending
7 the registration of a foreign company or filing a certificate of
8 correction, \$150;

9 (c) Filing the articles of dissolution of a domestic or foreign
10 company, \$60;

11 (d) Filing a statement of change of address of a records or
12 registered office, or change of the resident agent, \$30;

13 (e) Certifying articles of organization or an amendment to the
14 articles, in both cases where a copy is provided, \$20;

15 (f) Certifying an authorized printed copy of this chapter, \$20;

16 (g) Reserving a name for a limited-liability company, \$20;

17 (h) Filing a certificate of cancellation, \$60;

18 (i) ~~Executing,~~ **Signing**, filing or certifying any other
19 ~~document,~~ **record**, \$40; and

20 (j) Copies made at the Office of the Secretary of State, \$1 per
21 page.

22 2. The Secretary of State shall charge and collect at the time of
23 any service of process on him as agent for service of process of a
24 limited-liability company, \$10 which may be recovered as taxable
25 costs by the party to the action causing the service to be made if the
26 party prevails in the action.

27 3. Except as otherwise provided in this section, the fees set
28 forth in NRS 78.785 apply to this chapter.

29 **Sec. 162.** NRS 86.563 is hereby amended to read as follows:

30 86.563 Before the issuance of members' interests an organizer,
31 and after the issuance of members' interests, a manager, of a
32 limited-liability company may authorize the Secretary of State in
33 writing to replace any page of a ~~document~~ **record** submitted for
34 filing on an expedited basis, before the actual filing, and to accept
35 the page as if it were part of the ~~originally signed filing,~~ **original**
36 **record**. The signed authorization of the organizer or manager to the
37 Secretary of State permits, but does not require, the Secretary of
38 State to alter the original ~~document~~ **record** as requested.

39 **Sec. 163.** NRS 86.566 is hereby amended to read as follows:

40 86.566 No ~~document~~ **record** which is written in a language
41 other than English may be filed or submitted for filing in the Office
42 of the Secretary of State pursuant to the provisions of this chapter
43 unless it is accompanied by a verified translation of that ~~document~~
44 **record** into the English language.



1 **Sec. 164.** NRS 86.568 is hereby amended to read as follows:

2 86.568 1. A limited-liability company may correct a
3 ~~{document filed by}~~ *record filed in the Office of* the Secretary of
4 State with respect to the limited-liability company if the ~~{document}~~
5 *record* contains an inaccurate ~~{record}~~ *description* of a company
6 action ~~{described in the document}~~ or was defectively ~~{executed,}~~
7 *signed*, attested, sealed, verified or acknowledged.

8 2. To correct a ~~{document,}~~ *record*, the limited-liability
9 company must:

10 (a) Prepare a certificate of correction that:

11 (1) States the name of the limited-liability company;

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 manager of the company, or if
18 management is not vested in a manager, by a member of the
19 company.

20 (b) Deliver the certificate to the Secretary of State for filing.

21 (c) Pay a filing fee of \$150 to the Secretary of State.

22 3. A certificate of correction is effective on the effective date
23 of the ~~{document}~~ *record* it corrects except as to persons relying on
24 the uncorrected ~~{document}~~ *record* and adversely affected by the
25 correction. As to those persons, the certificate is effective when
26 filed.

27 **Sec. 165.** NRS 86.580 is hereby amended to read as follows:

28 86.580 1. A limited-liability company which did exist or is
29 existing pursuant to the laws of this state may, upon complying with
30 the provisions of NRS 86.276, procure a renewal or revival of its
31 charter for any period, together with all the rights, franchises,
32 privileges and immunities, and subject to all its existing and
33 preexisting debts, duties and liabilities secured or imposed by its
34 original charter and amendments thereto, or existing charter, by
35 filing:

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

38 (1) The name of the limited-liability company, which must
39 be the name of the limited-liability company at the time of the
40 renewal or revival, or its name at the time its original charter
41 expired.

42 (2) The name of the person designated as the resident agent
43 of the limited-liability company, his street address for the service of
44 process, and his mailing address if different from his street address.



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

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

7 (5) That the limited-liability company desiring to renew or
8 revive its charter is, or has been, organized and carrying on the
9 business authorized by its existing or original charter and
10 amendments thereto, and desires to renew or continue through
11 revival its existence pursuant to and subject to the provisions of this
12 chapter.

13 (b) A list of its managers, or if there are no managers, all its
14 managing members and their ~~post office box~~ mailing or street
15 addresses, either residence or business.

16 2. A limited-liability company whose charter has not expired
17 and is being renewed shall cause the certificate to be signed by its
18 manager, or if there is no manager, by a person designated by its
19 members. The certificate must be approved by a majority in interest.

20 3. A limited-liability company seeking to revive its original or
21 amended charter shall cause the certificate to be signed by a person
22 or persons designated or appointed by the members. The ~~execution~~
23 signing and filing of the certificate must be approved by the written
24 consent of a majority in interest and must contain a recital that this
25 consent was secured. The limited-liability company shall pay to the
26 Secretary of State the fee required to establish a new limited-
27 liability company pursuant to the provisions of this chapter.

28 4. The filed certificate, or a copy thereof which has been
29 certified under the hand and seal of the Secretary of State, must be
30 received in all courts and places as prima facie evidence of the facts
31 therein stated and of the existence of the limited-liability company
32 therein named.

33 **Sec. 166.** NRS 87.020 is hereby amended to read as follows:

34 87.020 As used in this chapter, unless the context otherwise
35 requires:

36 1. "Bankrupt" includes bankrupt under the Federal Bankruptcy
37 Act or insolvent under any state insolvent act.

38 2. "Business" includes every trade, occupation or profession.

39 3. "Conveyance" includes every assignment, lease, mortgage
40 or encumbrance.

41 4. "Court" includes every court and judge having jurisdiction
42 in the case.

43 5. "Professional service" means any type of personal service
44 which may legally be performed only pursuant to a license or
45 certificate of registration.



1 6. "Real property" includes land and any interest or estate in
2 land.

3 7. *"Record" means information that is inscribed on a*
4 *tangible medium or that is stored in an electronic or other medium*
5 *and is retrievable in perceivable form.*

6 8. "Registered limited-liability partnership" means a
7 partnership formed pursuant to an agreement governed by this
8 chapter for the purpose of rendering a professional service and
9 registered pursuant to and complying with NRS 87.440 to 87.560,
10 inclusive.

11 ~~[8.]~~ 9. *"Sign" means to affix a signature to a record.*

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

18 ~~[9. "Signed" means to have affixed a signature to a document.~~

19 ~~—10.]~~ 11. "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 **Sec. 167.** NRS 87.100 is hereby amended to read as follows:

23 87.100 1. Where title to real property is in the partnership
24 name, any partner may convey title to such property by a
25 conveyance ~~[executed]~~ *signed* in the partnership name, ~~[;]~~ but the
26 partnership may recover such property unless the partner's act binds
27 the partnership under the provisions of subsection 1 of NRS 87.090
28 or unless such property has been conveyed by the grantee or a
29 person claiming through such grantee to a holder for value without
30 knowledge that the partner, in making the conveyance, has exceeded
31 his authority.

32 2. Where title to real property is in the name of the partnership,
33 a conveyance ~~[executed]~~ *signed* by a partner, in his own name,
34 passes the equitable interest of the partnership, provided the act is
35 one within the authority of the partner under the provisions of
36 subsection 1 of NRS 87.090.

37 3. Where title to real property is in the name of one or more but
38 not all the partners, and the record does not disclose the right of the
39 partnership, the partners in whose name the title stands may convey
40 title to such property, but the partnership may recover such property
41 if the partners' act does not bind the partnership under the
42 provisions of subsection 1 of NRS 87.090, unless the purchaser, or
43 his assignee, is a holder for value without knowledge.

44 4. Where the title to real property is in the name of one or more
45 or all the partners, or in a third person in trust for the partnership, a



1 conveyance ~~executed~~ signed by a partner in the partnership name,
2 or in his own name, passes the equitable interest of the partnership,
3 provided the act is one within the authority of the partner under the
4 provisions of subsection 1 of NRS 87.090.

5 5. Where the title to real property is in the names of all the
6 partners a conveyance ~~executed~~ signed by all the partners passes
7 all their rights in such property.

8 **Sec. 168.** NRS 87.440 is hereby amended to read as follows:

9 87.440 1. To become a registered limited-liability
10 partnership, a partnership shall file with the Secretary of State a
11 certificate of registration stating each of the following:

12 (a) The name of the partnership.

13 (b) The street address of its principal office.

14 (c) The name of the person designated as the partnership's
15 resident agent, the street address of the resident agent where process
16 may be served upon the partnership and the mailing address of the
17 resident agent if it is different than his street address.

18 (d) The name and business address of each managing partner in
19 this state.

20 (e) A brief statement of the professional service rendered by the
21 partnership.

22 (f) That the partnership thereafter will be a registered limited-
23 liability partnership.

24 (g) Any other information that the partnership wishes to include.

25 2. The certificate of registration must be ~~executed~~ signed by a
26 majority in interest of the partners or by one or more partners
27 authorized to ~~execute~~ sign such a certificate.

28 3. The certificate of registration must be accompanied by a fee
29 of \$175.

30 4. The Secretary of State shall register as a registered limited-
31 liability partnership any partnership that submits a completed
32 certificate of registration with the required fee.

33 5. The registration of a registered limited-liability partnership
34 is effective at the time of the filing of the certificate of registration.

35 **Sec. 169.** NRS 87.470 is hereby amended to read as follows:

36 87.470 The registration of a registered limited-liability
37 partnership is effective until:

38 1. Its certificate of registration is revoked pursuant to NRS
39 87.520; or

40 2. The registered limited-liability partnership files with the
41 Secretary of State a ~~written~~ notice of withdrawal ~~executed~~ signed
42 by a managing partner. The notice must be accompanied by a fee of
43 \$60.



1 **Sec. 170.** NRS 87.500 is hereby amended to read as follows:
2 87.500 1. A resident agent of a registered limited-liability
3 partnership who wishes to resign shall file with the Secretary of
4 State a signed statement that he is unwilling to continue to act as the
5 resident agent of the registered limited-liability partnership for
6 service of process. A resignation is not effective until the signed
7 statement is filed with the Secretary of State.
8 2. The statement of resignation may contain a statement by the
9 affected registered limited-liability partnership appointing a
10 successor resident agent. A certificate of acceptance signed by the
11 new agent, stating the full name, complete street address and, if
12 different from the street address, the mailing address of the new
13 agent, must accompany the statement appointing the new resident
14 agent.
15 3. Upon the filing of the statement with the Secretary of State,
16 the capacity of the person as resident agent terminates. If the
17 statement of resignation contains no statement by the registered
18 limited-liability partnership appointing a successor resident agent,
19 the resigning agent shall immediately give written notice, by
20 certified mail, to the registered limited-liability partnership of the
21 filing of the statement and its effect. The notice must be addressed
22 to a managing partner in this state.
23 4. If a resident agent dies, resigns or removes himself from the
24 State, the registered limited-liability partnership shall, within 30
25 days thereafter, file with the Secretary of State a certificate of
26 acceptance, ~~executed~~ *signed* by the new resident agent. The
27 certificate must set forth the full name, complete street address and,
28 if different from the street address, the mailing address of the newly
29 designated resident agent. If a registered limited-liability partnership
30 fails to file a certificate of acceptance within the period required by
31 this subsection, it is in default and is subject to the provisions of
32 NRS 87.520.

33 **Sec. 171.** NRS 87.545 is hereby amended to read as follows:
34 87.545 A managing partner of a registered limited-liability
35 partnership may authorize the Secretary of State in writing to
36 replace any page of a ~~document~~ *record* submitted for filing on an
37 expedited basis, before the actual filing, and to accept the page as if
38 it were part of the ~~originally signed filing~~ *original record*. The
39 signed authorization of the managing partner to the Secretary of
40 State permits, but does not require, the Secretary of State to alter the
41 original ~~document~~ *record* as requested.

42 **Sec. 172.** NRS 87.547 is hereby amended to read as follows:
43 87.547 1. A limited-liability partnership may correct a
44 ~~document filed by~~ *record filed in the Office of* the Secretary of
45 State with respect to the limited-liability partnership if the



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

5 2. To correct a ~~{document,}~~ *record*, the limited-liability
6 partnership must:

- 7 (a) Prepare a certificate of correction that:
8 (1) States the name of the limited-liability partnership;
9 (2) Describes the ~~{document,}~~ *record*, including, without
10 limitation, its filing date;
11 (3) Specifies the inaccuracy or defect;
12 (4) Sets forth the inaccurate or defective portion of the
13 ~~{document}~~ *record* in an accurate or corrected form; and
14 (5) Is signed by a managing partner of the limited-liability
15 partnership.

16 (b) Deliver the certificate to the Secretary of State for filing.

17 (c) Pay a filing fee of \$150 to the Secretary of State.

18 3. A certificate of correction is effective on the effective date
19 of the ~~{document}~~ *record* it corrects except as to persons relying on
20 the uncorrected ~~{document}~~ *record* and adversely affected by the
21 correction. As to those persons, the certificate is effective when
22 filed.

23 **Sec. 173.** NRS 87.550 is hereby amended to read as follows:

24 87.550 In addition to any other fees required by NRS 87.440 to
25 87.540, inclusive, and 87.560, the Secretary of State shall charge
26 and collect the following fees for services rendered pursuant to
27 those sections:

28 1. For certifying ~~{documents}~~ *records* required by NRS 87.440
29 to 87.540, inclusive, and 87.560, \$20 per certification.

30 2. For ~~{executing}~~ *signing* a certificate verifying the existence
31 of a registered limited-liability partnership, if the registered limited-
32 liability partnership has not filed a certificate of amendment, \$40.

33 3. For ~~{executing}~~ *signing* a certificate verifying the existence
34 of a registered limited-liability partnership, if the registered limited-
35 liability partnership has filed a certificate of amendment, \$40.

36 4. For ~~{executing,}~~ *signing*, certifying or filing any certificate
37 or ~~{document}~~ *record* not required by NRS 87.440 to 87.540,
38 inclusive, and 87.560, \$40.

39 5. For any copies made by the Office of the Secretary of State,
40 \$1 per page.

41 6. For examining and provisionally approving any ~~{document}~~
42 *record* before the ~~{document}~~ *record* is presented for filing, \$100.



- 1 **Secs. 174-176.** (Deleted by amendment.)
2 **Sec. 177.** NRS 88.315 is hereby amended to read as follows:
3 88.315 As used in this chapter, unless the context otherwise
4 requires:
5 1. "Certificate of limited partnership" means the certificate
6 referred to in NRS 88.350, and the certificate as amended or
7 restated.
8 2. "Contribution" means any cash, property, services rendered,
9 or a promissory note or other binding obligation to contribute cash
10 or property or to perform services, which a partner contributes to a
11 limited partnership in his capacity as a partner.
12 3. "Event of withdrawal of a general partner" means an event
13 that causes a person to cease to be a general partner as provided in
14 NRS 88.450.
15 4. "Foreign limited partnership" means a partnership formed
16 under the laws of any state other than this state and having as
17 partners one or more general partners and one or more limited
18 partners.
19 5. "General partner" means a person who has been admitted to
20 a limited partnership as a general partner in accordance with the
21 partnership agreement and named in the certificate of limited
22 partnership as a general partner.
23 6. "Limited partner" means a person who has been admitted to
24 a limited partnership as a limited partner in accordance with the
25 partnership agreement.
26 7. "Limited partnership" and "domestic limited partnership"
27 mean a partnership formed by two or more persons under the laws
28 of this state and having one or more general partners and one or
29 more limited partners.
30 8. "Partner" means a limited or general partner.
31 9. "Partnership agreement" means any valid agreement, written
32 or oral, of the partners as to the affairs of a limited partnership and
33 the conduct of its business.
34 10. "Partnership interest" means a partner's share of the profits
35 and losses of a limited partnership and the right to receive
36 distributions of partnership assets.
37 11. *"Record" means information that is inscribed on a*
38 *tangible medium or that is stored in an electronic or other medium*
39 *and is retrievable in perceivable form.*
40 12. "Registered office" means the office maintained at the
41 street address of the resident agent.
42 ~~12.~~ 13. "Resident agent" means the agent appointed by the
43 limited partnership upon whom process or a notice or demand
44 authorized by law to be served upon the limited partnership may be
45 served.



1 ~~[13.]~~ 14. "Sign" means to affix a signature to a ~~[document.~~
2 ~~—14.] record.~~

3 15. "Signature" means a name, word , *symbol* or mark
4 executed or *otherwise* adopted , *or a record encrypted or similarly*
5 *processed in whole or in part*, by a person with the present
6 ~~[intention to authenticate a document.]~~ *intent to identify himself*
7 *and adopt or accept a record.* The term includes, without limitation,
8 an electronic signature as defined in NRS 719.100.

9 ~~[15.]~~ 16. "State" means a state, territory or possession of the
10 United States, the District of Columbia or the Commonwealth of
11 Puerto Rico.

12 ~~[16.]~~ 17. "Street address" of a resident agent means the actual
13 physical location in this state at which a resident is available for
14 service of process.

15 **Sec. 178.** NRS 88.325 is hereby amended to read as follows:
16 88.325 1. The exclusive right to the use of a name may be
17 reserved by:

18 (a) Any person intending to organize a limited partnership under
19 this chapter and to adopt that name;

20 (b) Any domestic limited partnership or any foreign limited
21 partnership registered in this state which, in either case, intends to
22 adopt that name;

23 (c) Any foreign limited partnership intending to register in this
24 state and adopt that name; and

25 (d) Any person intending to organize a foreign limited
26 partnership and intending to have it registered in this state and adopt
27 that name.

28 2. The reservation must be made by filing with the Secretary of
29 State an application, ~~[executed]~~ *signed* by the applicant, to reserve a
30 specified name. If the Secretary of State finds that the name is
31 available for use by a domestic or foreign limited partnership, he
32 shall reserve the name for the exclusive use of the applicant for a
33 period of 90 days. The right to the exclusive use of a reserved name
34 may be transferred to any other person by filing in the Office of the
35 Secretary of State a notice of the transfer, ~~[executed]~~ *signed* by the
36 applicant for whom the name was reserved and specifying the name
37 and address of the transferee.

38 **Sec. 179.** NRS 88.332 is hereby amended to read as follows:

39 88.332 1. Any person who has been designated by a limited
40 partnership as its resident agent and who thereafter desires to resign
41 shall file with the Secretary of State a signed statement that he is
42 unwilling to continue to act as the resident agent of the limited
43 partnership. A resignation is not effective until the signed statement
44 is filed with the Secretary of State. The statement of resignation may
45 contain a statement by the affected limited partnership appointing a



1 successor resident agent for the limited partnership. A certificate of
2 acceptance ~~executed~~ *signed* by the new agent, stating the full
3 name, complete street address and, if different from the street
4 address, mailing address of the new agent, must accompany the
5 statement appointing the new agent.

6 2. Upon the filing of the statement with the Secretary of State
7 the capacity of the person as resident agent terminates. If the
8 statement of resignation does not contain a statement by the limited
9 partnership appointing a successor resident agent, the resigning
10 agent shall immediately give written notice, by mail, to the limited
11 partnership of the filing of the statement and the effect thereof. The
12 notice must be addressed to a general partner of the partnership
13 other than the resident agent.

14 3. If a designated resident agent dies, resigns or removes from
15 the State, the limited partnership, within 30 days thereafter, shall file
16 with the Secretary of State a certificate of acceptance, ~~executed~~
17 *signed* by the new resident agent. The certificate must set forth the
18 full name, complete street address and, if different from the street
19 address, mailing address of the newly designated resident agent.

20 4. Each limited partnership which fails to file a certificate of
21 acceptance ~~executed~~ *signed* by the new resident agent within 30
22 days after the death, resignation or removal of its resident agent as
23 provided in subsection 3 shall be deemed in default and is subject to
24 the provisions of NRS 88.400 and 88.405.

25 **Sec. 180.** NRS 88.335 is hereby amended to read as follows:

26 88.335 1. A limited partnership shall keep at the office
27 referred to in paragraph (a) of subsection 1 of NRS 88.330 the
28 following:

29 (a) A current list of the full name and last known business
30 address of each partner separately identifying the general partners in
31 alphabetical order and the limited partners in alphabetical order;

32 (b) A copy of the certificate of limited partnership and all
33 certificates of amendment thereto, together with ~~executed~~ *signed*
34 copies of any powers of attorney pursuant to which any certificate
35 has been ~~executed;~~ *signed;*

36 (c) Copies of the limited partnership's federal, state, and local
37 income tax returns and reports, if any, for the 3 most recent years;

38 (d) Copies of any then effective written partnership agreements
39 and of any financial statements of the limited partnership for the 3
40 most recent years; and

41 (e) Unless contained in a written partnership agreement, a
42 writing setting out:

43 (1) The amount of cash and a description and statement of
44 the agreed value of the other property or services contributed by
45 each partner and which each partner has agreed to contribute;



1 (2) The times at which or events on the happening of which
2 any additional contributions agreed to be made by each partner are
3 to be made;

4 (3) Any right of a partner to receive, or of a general partner
5 to make, distributions to a partner which include a return of all or
6 any part of the partner's contribution; and

7 (4) Any events upon the happening of which the limited
8 partnership is to be dissolved and its affairs wound up.

9 2. Records kept pursuant to this section are subject to
10 inspection and copying at the reasonable request, and at the expense,
11 of any partner during ordinary business hours.

12 **Sec. 181.** NRS 88.337 is hereby amended to read as follows:

13 88.337 A general partner of a limited partnership may
14 authorize the Secretary of State in writing to replace any page of a
15 ~~{document}~~ record submitted for filing on an expedited basis, before
16 the actual filing, and to accept the page as if it were part of the
17 ~~{originally signed filing.}~~ original record. The signed authorization
18 of the general partner to the Secretary of State permits, but does not
19 require, the Secretary of State to alter the original ~~{document}~~
20 record as requested.

21 **Sec. 182.** NRS 88.338 is hereby amended to read as follows:

22 88.338 No ~~{document}~~ record which is written in a language
23 other than English may be filed or submitted for filing in the Office
24 of the Secretary of State pursuant to the provisions of this chapter
25 unless it is accompanied by a verified translation of that ~~{document}~~
26 record into the English language.

27 **Sec. 183.** NRS 88.339 is hereby amended to read as follows:

28 88.339 1. A limited partnership may correct a ~~{document}~~
29 ~~filed-by}~~ record filed in the Office of the Secretary of State with
30 respect to the limited partnership if the ~~{document}~~ record contains
31 an inaccurate ~~{record}~~ description of a partnership action ~~{described}~~
32 ~~in the document}~~ or if the record was defectively ~~{executed.}~~
33 signed, attested, sealed, verified or acknowledged.

34 2. To correct a ~~{document.}~~ record, the limited partnership
35 must:

36 (a) Prepare a certificate of correction that:

37 (1) States the name of the limited partnership;

38 (2) Describes the ~~{document.}~~ record, including, without
39 limitation, its filing date;

40 (3) Specifies the inaccuracy or defect;

41 (4) Sets forth the inaccurate or defective portion of the
42 ~~{document}~~ record in an accurate or corrected form; and

43 (5) Is signed by a general partner of the limited partnership.

44 (b) Deliver the certificate to the Secretary of State for filing.

45 (c) Pay a filing fee of \$150 to the Secretary of State.



1 3. A certificate of correction is effective on the effective date
2 of the ~~document~~ *record* it corrects except as to persons relying on
3 the uncorrected ~~document~~ *record* and adversely affected by the
4 correction. As to those persons, the certificate is effective when
5 filed.

6 **Sec. 184.** NRS 88.340 is hereby amended to read as follows:
7 88.340 The Secretary of State may microfilm any ~~document~~
8 *record* which is filed in his office by or relating to a limited
9 partnership pursuant to this chapter and may return the original
10 ~~document~~ *record* to the filer.

11 **Sec. 185.** NRS 88.350 is hereby amended to read as follows:
12 88.350 1. In order to form a limited partnership, a certificate
13 of limited partnership must be ~~executed~~ *signed* and filed in the
14 Office of the Secretary of State. The certificate must set forth:

- 15 (a) The name of the limited partnership;
- 16 (b) The address of the office which contains records and the
17 name and address of the resident agent required to be maintained by
18 NRS 88.330;
- 19 (c) The name and the business address of each general partner;
- 20 (d) The latest date upon which the limited partnership is to
21 dissolve; and
- 22 (e) Any other matters the general partners determine to include
23 therein.

24 2. A certificate of acceptance of appointment of a resident
25 agent, ~~executed~~ *signed* by the agent, must be filed with the
26 certificate of limited partnership.

27 3. A limited partnership is formed at the time of the filing of
28 the certificate of limited partnership and the certificate of acceptance
29 in the Office of the Secretary of State or at any later time specified
30 in the certificate of limited partnership if, in either case, there has
31 been substantial compliance with the requirements of this section.

32 **Sec. 186.** NRS 88.355 is hereby amended to read as follows:
33 88.355 1. A certificate of limited partnership is amended by
34 filing a certificate of amendment thereto in the Office of the
35 Secretary of State. The certificate must set forth:

- 36 (a) The name of the limited partnership; and
 - 37 (b) The amendment.
- 38 2. Within 30 days after the happening of any of the following
39 events an amendment to a certificate of limited partnership
40 reflecting the occurrence of the event or events must be filed:
- 41 (a) The admission of a new general partner;
 - 42 (b) The withdrawal of a general partner; or
 - 43 (c) The continuation of the business under NRS 88.550 after an
44 event of withdrawal of a general partner.



1 3. A general partner who becomes aware that any statement in
2 a certificate of limited partnership was false when made or that any
3 arrangements or other facts described, except the address of its
4 office or the name or address of its resident agent, have changed,
5 making the certificate inaccurate in any respect, shall promptly
6 amend the certificate.

7 4. A certificate of limited partnership may be amended at any
8 time for any other proper purpose the general partners determine.

9 5. No person has any liability because an amendment to a
10 certificate of limited partnership has not been filed to reflect the
11 occurrence of any event referred to in subsection 2 if the amendment
12 is filed within the 30-day period specified in subsection 2.

13 6. A restated certificate of limited partnership may be
14 ~~executed~~ *signed* and filed in the same manner as a certificate of
15 amendment. If the certificate alters or amends the certificate of
16 limited partnership in any manner, it must be accompanied by:

17 (a) A resolution; or

18 (b) A form prescribed by the Secretary of State,
19 setting forth which provisions of the certificate of limited
20 partnership on file with the Secretary of State are being altered or
21 amended.

22 **Sec. 187.** NRS 88.365 is hereby amended to read as follows:

23 88.365 If a person required by NRS 88.375 to ~~execute~~ *sign* a
24 certificate fails or refuses to do so, any other person who is
25 adversely affected by the failure or refusal may petition the district
26 court to direct the ~~execution~~ *signing* of the certificate. If the court
27 finds that it is proper for the certificate to be ~~executed~~ *signed* and
28 that any person so designated has failed or refused to ~~execute~~ *sign*
29 the certificate, it shall order the Secretary of State to record an
30 appropriate certificate.

31 **Sec. 188.** NRS 88.375 is hereby amended to read as follows:

32 88.375 1. Each certificate required by NRS 88.350 to 88.390,
33 inclusive, to be filed in the Office of the Secretary of State must be
34 ~~executed~~ *signed* in the following manner:

35 (a) An original certificate of limited partnership must be signed
36 by all general partners;

37 (b) A certificate of amendment must be signed by at least one
38 general partner and by each other general partner designated in the
39 certificate as a new general partner; and

40 (c) A certificate of cancellation must be signed by all general
41 partners.

42 2. Any person may sign a certificate by an attorney in fact, but
43 a power of attorney to sign a certificate relating to the admission of
44 a general partner must specifically describe the admission.



1 3. The ~~execution~~ *signing* of a certificate by a general partner
2 constitutes an affirmation under the penalties of perjury that the
3 facts stated therein are true.

4 **Sec. 189.** NRS 88.380 is hereby amended to read as follows:

5 88.380 1. A signed copy of the certificate of limited
6 partnership and of any certificates of amendment or cancellation or
7 of any judicial decree of amendment or cancellation must be
8 delivered to the Secretary of State. A person who ~~executes~~ *signs* a
9 certificate as an agent or fiduciary need not exhibit evidence of his
10 authority as a prerequisite to filing. Unless the Secretary of State
11 finds that any certificate does not conform to law, upon receipt of all
12 filing fees required by law he shall file the certificate.

13 2. Upon the filing of a certificate of amendment or judicial
14 decree of amendment in the Office of the Secretary of State, the
15 certificate of limited partnership is amended as set forth therein, and
16 upon the effective date of a certificate of cancellation or a judicial
17 decree thereof, the certificate of limited partnership is cancelled.

18 **Sec. 190.** NRS 88.385 is hereby amended to read as follows:

19 88.385 If any certificate of limited partnership or certificate of
20 amendment or cancellation contains a false statement, one who
21 suffers loss by reliance on the statement may recover damages for
22 the loss from:

23 1. Any person who ~~executes~~ *signs* the certificate, or causes
24 another to ~~execute~~ *sign* it on his behalf, and knew, and any general
25 partner who knew or should have known, the statement to be false at
26 the time the certificate was ~~executed;~~ *signed;* and

27 2. Any general partner who thereafter knows or should have
28 known that any arrangement or other fact described in the certificate
29 has changed, making the statement inaccurate in any respect within
30 a sufficient time before the statement was relied upon reasonably to
31 have enabled that general partner to cancel or amend the certificate,
32 or to file a petition for its cancellation or amendment under
33 NRS 88.365.

34 **Sec. 191.** NRS 88.415 is hereby amended to read as follows:

35 88.415 The Secretary of State, for services relating to his
36 official duties and the records of his office, shall charge and collect
37 the following fees:

38 1. For filing a certificate of limited partnership, or for
39 registering a foreign limited partnership, \$175.

40 2. For filing a certificate of amendment of limited partnership
41 or restated certificate of limited partnership, \$150.

42 3. For filing a certificate of a change of location of the records
43 office of a limited partnership or the office of its resident agent, or a
44 designation of a new resident agent, \$30.



1 4. For certifying a certificate of limited partnership, an
2 amendment to the certificate, or a certificate as amended where a
3 copy is provided, \$20 per certification.

4 5. For certifying an authorized printed copy of the limited
5 partnership law, \$20.

6 6. For reserving a limited partnership name, or for ~~executing,~~
7 *signing*, filing or certifying any other ~~document,~~ *record*, \$20.

8 7. For copies made at the Office of the Secretary of State, \$1
9 per page.

10 8. For filing a certificate of cancellation of a limited
11 partnership, \$60.

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

14 **Sec. 192.** NRS 88.435 is hereby amended to read as follows:

15 88.435 1. Except as provided in subsection 2, a person who
16 makes a contribution to a business enterprise and erroneously but in
17 good faith believes that he has become a limited partner in the
18 enterprise is not a general partner in the enterprise and is not bound
19 by its obligations by reason of making the contribution, receiving
20 distributions from the enterprise, or exercising any rights of a
21 limited partner, if, on ascertaining the mistake, he:

22 (a) Causes an appropriate certificate of limited partnership or a
23 certificate of amendment to be ~~executed~~ *signed* and filed; or

24 (b) Withdraws from future equity participation in the enterprise
25 by ~~executing~~ *signing* and filing in the Office of the Secretary of
26 State a certificate declaring withdrawal under this section.

27 2. A person who makes a contribution of the kind described in
28 subsection 1 is liable as a general partner to any third party who
29 transacts business with the enterprise:

30 (a) Before the person withdraws and an appropriate certificate is
31 filed to show withdrawal; or

32 (b) Before an appropriate certificate is filed to show that he is
33 not a general partner,
34 but in either case only if the third party actually believed in good
35 faith that the person was a general partner at the time of the
36 transaction.

37 **Sec. 193.** NRS 88.535 is hereby amended to read as follows:

38 88.535 1. On application to a court of competent jurisdiction
39 by any judgment creditor of a partner, the court may charge the
40 partnership interest of the partner with payment of the unsatisfied
41 amount of the judgment with interest. To the extent so charged, the
42 judgment creditor has only the rights of an assignee of the
43 partnership interest.

44 2. The court may appoint a receiver of the share of the
45 distributions due or to become due to the judgment debtor in respect



1 of the partnership. The receiver has only the rights of an assignee.
2 The court may make all other orders, directions, accounts and
3 inquiries that the judgment debtor might have made or which the
4 circumstances of the case may require.

5 3. A charging order constitutes a lien on the partnership
6 interest of the judgment debtor. The court may order a foreclosure
7 of the partnership interest subject to the charging order at any time.
8 The purchaser at the foreclosure sale has only the rights of an
9 assignee.

10 4. Unless otherwise provided in the ~~articles of organization or~~
11 ~~operating~~ *certificate of partnership or partnership* agreement, at
12 any time before foreclosure, a partnership interest charged may be
13 redeemed:

- 14 (a) By the judgment debtor;
15 (b) With property other than property of the limited partnership,
16 by one or more of the other partners; or
17 (c) By the limited partnership with the consent of all of the
18 partners whose interests are not so charged.

19 5. This section provides the exclusive remedy by which a
20 judgment creditor of a partner or an assignee of a partner may
21 satisfy a judgment out of the partnership interest of the judgment
22 debtor.

23 6. No creditor of a partner has any right to obtain possession
24 of, or otherwise exercise legal or equitable remedies with respect to,
25 the property of the limited partnership.

26 7. This section does not deprive any partner of the benefit of
27 any exemption laws applicable to his partnership interest.

28 **Sec. 194.** (Deleted by amendment.)

29 **Sec. 195.** Chapter 88A of NRS is hereby amended by adding
30 thereto a new section to read as follows:

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

34 **Sec. 196.** NRS 88A.010 is hereby amended to read as follows:

35 88A.010 As used in this chapter, unless the context otherwise
36 requires, the words and terms defined in NRS 88A.020 to 88A.110,
37 inclusive, *and section 195 of this act* have the meanings ascribed to
38 them in those sections.

39 **Sec. 197.** NRS 88A.050 is hereby amended to read as follows:

40 88A.050 “Governing instrument” means the trust instrument
41 that creates a ~~business~~ trust and provides for the governance of its
42 affairs and the conduct of its business.

43 **Sec. 198.** NRS 88A.080 is hereby amended to read as follows:

44 88A.080 “Sign” means to affix a signature to a ~~document~~
45 *record.*



1 **Sec. 199.** NRS 88A.090 is hereby amended to read as follows:
2 88A.090 “Signature” means a name, word , *symbol* or mark
3 executed or *otherwise* adopted , *or a record encrypted or similarly*
4 *processed in whole or in part*, by a person with the present
5 ~~intention to authenticate a document.~~ *intent to identify himself*
6 *and adopt or accept a record.* The term includes, without limitation,
7 an electronic signature as defined in NRS 719.100.

8 **Sec. 200.** NRS 88A.210 is hereby amended to read as follows:
9 88A.210 1. One or more persons may ~~{form}~~ *create* a
10 business trust by ~~{executing}~~ *adopting a governing instrument and*
11 *signing* and filing with the Secretary of State a certificate of trust
12 and a certificate of acceptance of appointment signed by the resident
13 agent of the business trust. The certificate of trust must set forth:

- 14 (a) The name of the business trust;
- 15 (b) The name and the ~~{post-office-box}~~ *mailing* or street address,
16 either residence or business, of at least one trustee;
- 17 (c) The name of the person designated as the resident agent for
18 the business trust, the street address of the resident agent where
19 process may be served upon the business trust and the mailing
20 address of the resident agent if different from the street address;
- 21 (d) The name and ~~{post-office-box}~~ *mailing* or street address,
22 either residence or business, of each person signing the certificate of
23 trust; and
- 24 (e) Any other information the trustees determine to include.

25 2. Upon the filing of the certificate of trust and the certificate
26 of acceptance with the Secretary of State and the payment to him of
27 the required filing fee, the Secretary of State shall issue to the
28 business trust a certificate that the required ~~{documents}~~ *records*
29 with the required content have been filed. From the date of that
30 filing, the business trust is legally formed pursuant to this chapter.

31 **Sec. 201.** NRS 88A.240 is hereby amended to read as follows:
32 88A.240 1. The Secretary of State, when requested to do so,
33 shall reserve, for a period of 90 days, the right to use a name
34 available pursuant to NRS 88A.230 for the use of a proposed
35 business trust. During the period, the name so reserved is not
36 available for use or reservation by any other artificial person
37 forming, organizing, registering or qualifying in the Office of the
38 Secretary of State pursuant to the provisions of this title without the
39 ~~{written, acknowledged}~~ *signed* consent of the person at whose
40 request the reservation was made.

41 2. The use by any artificial person of a name in violation of
42 subsection 1 or NRS 88A.230 may be enjoined, even if the
43 ~~{document}~~ *record* under which the artificial person is formed,
44 organized, registered or qualified has been filed by the Secretary of
45 State.



1 **Sec. 202.** NRS 88A.510 is hereby amended to read as follows:
2 88A.510 1. Within 30 days after changing the location of his
3 office from one address to another in this state, a resident agent shall
4 ~~execute~~ *sign* a certificate setting forth:

- 5 (a) The names of all the business trusts represented by him;
6 (b) The address at which he has maintained the registered office
7 for each of those business trusts; and
8 (c) The new address to which his office is transferred and at
9 which he will maintain the registered office for each of those
10 business trusts.

11 2. Upon the filing of the certificate with the Secretary of State,
12 the registered office of each of the business trusts listed in the
13 certificate is located at the new address set forth in the certificate.

14 **Sec. 203.** NRS 88A.530 is hereby amended to read as follows:
15 88A.530 1. A resident agent who desires to resign shall file
16 with the Secretary of State a signed statement for each business trust
17 for which he is unwilling to continue to act. A resignation is not
18 effective until the signed statement is so filed.

19 2. The statement of resignation may contain a statement of the
20 affected business trust appointing a successor resident agent. A
21 certificate of acceptance ~~executed~~ *signed* by the new resident
22 agent, stating the full name, complete street address and, if different
23 from the street address, mailing address of the new resident agent,
24 must accompany the statement appointing a successor resident
25 agent.

26 3. Upon the filing of the statement of resignation with the
27 Secretary of State, the capacity of the resigning person as resident
28 agent terminates. If the statement of resignation contains no
29 statement by the business trust appointing a successor resident
30 agent, the resigning agent shall immediately give written notice, by
31 mail, to the business trust of the filing of the statement of
32 resignation and its effect. The notice must be addressed to a trustee
33 of the business trust other than the resident agent.

34 4. If its resident agent dies, resigns or removes from the State,
35 a business trust, within 30 days thereafter, shall file with the
36 Secretary of State a certificate of acceptance ~~executed~~ *signed* by a
37 new resident agent. The certificate must set forth the full name and
38 complete street address of the new resident agent, and may contain a
39 mailing address, such as a post office box, different from the street
40 address.

41 5. A business trust that fails to file a certificate of acceptance
42 ~~executed~~ *signed* by its new resident agent within 30 days after the
43 death, resignation or removal of its former resident agent shall be
44 deemed in default and is subject to the provisions of NRS 88A.630
45 to 88A.660, inclusive.



1 **Sec. 204.** NRS 88A.540 is hereby amended to read as follows:
2 88A.540 1. If a business trust formed pursuant to this chapter
3 desires to change its resident agent, the change may be effected by
4 filing with the Secretary of State a certificate of change, signed by at
5 least one trustee of the business trust, setting forth:

- 6 (a) The name of the business trust;
7 (b) The name and street address of the present resident agent;
8 and
9 (c) The name and street address of the new resident agent.

10 2. A certificate of acceptance ~~executed~~ *signed* by the new
11 resident agent must be a part of or attached to the certificate of
12 change.

13 3. The change authorized by this section becomes effective
14 upon the filing of the certificate of change.

15 **Sec. 205.** NRS 88A.620 is hereby amended to read as follows:

16 88A.620 1. Each list required to be filed pursuant to the
17 provisions of NRS 88A.600 to 88A.660, inclusive, must, after the
18 name of each trustee listed thereon, set forth his ~~post-office-box~~
19 *mailing* or street address, either residence or business.

20 2. If the addresses are not stated on a list offered for filing, the
21 Secretary of State may refuse to file the list, and the business trust
22 for which the list has been offered for filing is subject to all the
23 provisions of NRS 88A.600 to 88A.660, inclusive, relating to failure
24 to file the list when or at the times therein specified, unless a list is
25 subsequently submitted for filing which conforms to the provisions
26 of those sections.

27 **Sec. 206.** NRS 88A.900 is hereby amended to read as follows:

28 88A.900 The Secretary of State shall charge and collect the
29 following fees for:

30 1. Filing an original certificate of trust, or for registering a
31 foreign business trust, \$175.

32 2. Filing an amendment or restatement, or a combination
33 thereof, to a certificate of trust, \$150.

34 3. Filing a certificate of cancellation, \$175.

35 4. Certifying a copy of a certificate of trust or an amendment or
36 restatement, or a combination thereof, \$20 per certification.

37 5. Certifying an authorized printed copy of this chapter, \$20.

38 6. Reserving a name for a business trust, \$20.

39 7. ~~Executing~~ *Signing* a certificate of existence of a business
40 trust which does not list the previous ~~documents~~ *records* relating
41 to it, or a certificate of change in the name of a business trust, \$40.

42 8. ~~Executing~~ *Signing* a certificate of existence of a business
43 trust which lists the previous ~~documents~~ *records* relating to it, \$40.

44 9. Filing a statement of change of address of the registered
45 office for each business trust, \$30.



- 1 10. Filing a statement of change of the registered agent, \$30.
- 2 11. ~~{Executing,}~~ *Signing*, certifying or filing any certificate or
- 3 ~~{document}~~ *record* not otherwise provided for in this section, \$40.
- 4 12. Examining and provisionally approving a ~~{document}~~
- 5 *record* before the ~~{document}~~ *record* is presented for filing, \$100.
- 6 13. Copying a ~~{document}~~ *record* on file with him, for each
- 7 page, \$1.

8 **Sec. 207.** NRS 88A.910 is hereby amended to read as follows:
9 88A.910 ~~{A signature on any certificate authorized to be filed~~
10 ~~with the Secretary of State pursuant to a provision of this chapter~~
11 ~~may be a facsimile. The certificate}~~ *A record* may be filed by
12 telecopy , *facsimile* or similar electronic transmission, but the
13 Secretary of State need not accept ~~{the filing if the certificate}~~ *any*
14 *record that* is illegible or otherwise unsuitable for the procedures of
15 his office.

16 **Sec. 208.** NRS 88A.920 is hereby amended to read as follows:
17 88A.920 A trustee of a business trust may authorize the
18 Secretary of State in writing to replace any page of a ~~{document}~~
19 *record* submitted for filing ~~{}~~ on an expedited basis, before the
20 actual filing, and to accept the page as if it were part of the
21 ~~{originally signed filing.}~~ *original record*.

22 **Sec. 209.** NRS 88A.930 is hereby amended to read as follows:
23 88A.930 1. A business trust may correct a ~~{document filed~~
24 ~~by}~~ *record filed in the Office of* the Secretary of State with respect
25 to the business trust if the ~~{document}~~ *record* contains an inaccurate
26 ~~{record}~~ *description* of a trust action ~~{described in the document}~~ or
27 *if the record* was defectively ~~{executed,}~~ *signed*, attested, sealed,
28 verified or acknowledged.

- 29 2. To correct a ~~{document,}~~ *record*, the business trust must:
 - 30 (a) Prepare a certificate of correction that:
 - 31 (1) States the name of the business trust;
 - 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 trustee of the business trust.
 - 38 (b) Deliver the certificate to the Secretary of State for filing.
 - 39 (c) Pay a filing fee of \$150 to the Secretary of State.
- 40 3. A certificate of correction is effective on the effective date
- 41 of the ~~{document}~~ *record* it corrects except as to persons relying on
- 42 the uncorrected ~~{document}~~ *record* and adversely affected by the
- 43 correction. As to those persons, the certificate is effective when
- 44 filed.



1 **Sec. 210.** NRS 89.020 is hereby amended to read as follows:
2 89.020 As used in this chapter, unless the context requires
3 otherwise:

4 1. "Employee" means a person licensed or otherwise legally
5 authorized to render professional service within this state who
6 renders such service through a professional corporation or a
7 professional association, but does not include clerks, bookkeepers,
8 technicians or other persons who are not usually considered by
9 custom and practice of the profession to be rendering professional
10 services to the public.

11 2. "Licensed" means legally authorized by the appropriate
12 regulating board of this state to engage in a regulated profession in
13 this state.

14 3. "Professional association" means a common-law association
15 of two or more persons licensed or otherwise legally authorized to
16 render professional service within this state when created by written
17 articles of association which contain in substance the following
18 provisions characteristic of corporate entities:

19 (a) The death, insanity, bankruptcy, retirement, resignation,
20 expulsion or withdrawal of any member of the association does not
21 cause its dissolution.

22 (b) The authority to manage the affairs of the association is
23 vested in a board of directors or an executive board or committee,
24 elected by the members of the association.

25 (c) The members of the association are employees of the
26 association.

27 (d) Members' ownership is evidenced by certificates.

28 4. "Professional corporation" means a corporation organized
29 under this chapter to render a professional service.

30 5. "Professional service" means any type of personal service
31 which may legally be performed only pursuant to a license,
32 certificate of registration or other legal authorization.

33 6. *"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 7. "Regulating board" means the body which regulates and
37 authorizes the admission to the profession which a professional
38 corporation or a professional association is authorized to perform.

39 8. *"Sign" means to affix a signature to a record.*

40 9. *"Signature" means a name, word, symbol or mark*
41 *executed or otherwise adopted, or a record encrypted or similarly*
42 *processed in whole or in part, by a person with the present intent*
43 *to identify himself and adopt or accept a record. The term*
44 *includes, without limitation, an electronic signature as defined in*
45 *NRS 719.100.*



1 **Sec. 211.** NRS 89.027 is hereby amended to read as follows:
2 89.027 No ~~document~~ *record* which is written in a language
3 other than English may be filed or submitted for filing in the Office
4 of the Secretary of State pursuant to the provisions of this chapter
5 unless it is accompanied by a verified translation of that ~~document~~
6 *record* into the English language.

7 **Sec. 212.** NRS 89.040 is hereby amended to read as follows:
8 89.040 1. One or more persons may organize a professional
9 corporation in the manner provided for organizing a private
10 corporation pursuant to chapter 78 of NRS. Each person organizing
11 the corporation must, except as otherwise provided in subsection 2
12 of NRS 89.050, be authorized to perform the professional service
13 for which the corporation is organized. The articles of incorporation
14 must contain the following additional information:

15 (a) The profession to be practiced by means of the professional
16 corporation.

17 (b) The names and ~~post-office-boxes~~ *mailing* or street
18 addresses, either residence or business, of the original stockholders
19 and directors of the professional corporation.

20 (c) Except as otherwise provided in paragraph (d) of this
21 subsection, a certificate from the regulating board of the profession
22 to be practiced showing that each of the directors, and each of the
23 stockholders who is a natural person, is licensed to practice the
24 profession.

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

33 2. The corporate name of a professional corporation must
34 contain the words "Professional Corporation" or the abbreviation
35 "Prof. Corp.," *"P.C." or "PC,"* or the word "Chartered" or
36 "Limited" or the abbreviation "Ltd." The corporate name must
37 contain the last name of one or more of its *current or former*
38 stockholders. The corporation may render professional services and
39 exercise its authorized powers under a fictitious name if the
40 corporation has first registered the name in the manner required by
41 chapter 602 of NRS.

42 **Sec. 213.** NRS 89.060 is hereby amended to read as follows:

43 89.060 The provisions of this chapter relating to professional
44 corporations do not modify any law applicable to the relationship
45 between a person furnishing professional service and a person



1 receiving such service, including liability arising out of such
2 professional service, ~~{}~~ but nothing contained in this section ~~{shall~~
3 ~~render:}~~ *renders:*

4 1. A person personally liable in tort for any act in which he has
5 not personally participated.

6 2. A director, officer or employee of a professional corporation
7 liable in contract for any contract which he ~~{executes}~~ *signs* on
8 behalf of a professional corporation within the limits of his actual
9 authority.

10 **Sec. 214.** NRS 89.210 is hereby amended to read as follows:

11 89.210 1. Within 30 days after the organization of a
12 professional association under this chapter, the association shall file
13 with the Secretary of State a copy of the articles of association, duly
14 ~~{executed,}~~ *signed*, and shall pay at that time a filing fee of \$175.
15 Any such association formed as a common-law association before
16 July 1, 1969, shall file, within 30 days after July 1, 1969, a certified
17 copy of its articles of association, with any amendments thereto,
18 with the Secretary of State, and shall pay at that time a filing fee of
19 \$25. A copy of any amendments to the articles of association
20 adopted after July 1, 1969, must also be filed with the Secretary of
21 State within 30 days after the adoption of such amendments. Each
22 copy of amendments so filed must be certified as true and correct
23 and be accompanied by a filing fee of \$150.

24 2. The name of such a professional association must contain
25 the words "Professional Association," "Professional Organization"
26 or the abbreviations "Prof. Ass'n" or "Prof. Org." The association
27 may render professional services and exercise its authorized powers
28 under a fictitious name if the association has first registered the
29 name in the manner required under chapter 602 of NRS.

30 **Sec. 215.** NRS 89.220 is hereby amended to read as follows:

31 89.220 The provisions of this chapter relating to professional
32 associations do not modify any law applicable to the relationship
33 between a person furnishing professional service and a person
34 receiving such service, including liability arising out of such
35 professional service, but:

36 1. A member or employee of a professional association shall
37 not be personally liable in tort for any act in which he has not
38 personally participated.

39 2. A member or employee of a professional association shall
40 not be personally liable in contract for any contract which he
41 ~~{executes}~~ *signs* on behalf of a professional association within the
42 limits of his actual authority.

43 **Sec. 216.** NRS 89.250 is hereby amended to read as follows:

44 89.250 1. Except as otherwise provided in subsection 2, a
45 professional association shall, on or before the first day of the



1 second month after the filing of its articles of association with the
2 Secretary of State, and annually thereafter on or before the last day
3 of the month in which the anniversary date of its organization occurs
4 in each year, furnish a statement to the Secretary of State showing
5 the names and residence addresses of all members and employees in
6 the association and certifying that all members and employees are
7 licensed to render professional service in this state.

8 2. A professional association organized and practicing pursuant
9 to the provisions of this chapter and NRS 623.349 shall, on or
10 before the first day of the second month after the filing of its articles
11 of association with the Secretary of State, and annually thereafter on
12 or before the last day of the month in which the anniversary date of
13 its organization occurs in each year, furnish a statement to the
14 Secretary of State:

15 (a) Showing the names and residence addresses of all members
16 and employees of the association who are licensed or otherwise
17 authorized by law to render professional service in this state;

18 (b) Certifying that all members and employees who render
19 professional service are licensed or otherwise authorized by law to
20 render professional service in this state; and

21 (c) Certifying that all members who are not licensed to render
22 professional service in this state do not render professional service
23 on behalf of the association except as authorized by law.

24 3. Each statement filed pursuant to this section must be:

25 (a) Made on a form prescribed by the Secretary of State and
26 must not contain any fiscal or other information except that
27 expressly called for by this section.

28 (b) Signed by the chief executive officer of the association.

29 (c) Accompanied by a declaration under penalty of perjury that
30 the professional association has complied with the provisions of
31 chapter 364A of NRS.

32 4. Upon filing:

33 (a) The initial statement required by this section, the association
34 shall pay to the Secretary of State a fee of \$165.

35 (b) Each annual statement required by this section, the
36 association shall pay to the Secretary of State a fee of \$85.

37 ~~[5. As used in this section, "signed" means to have executed or~~
38 ~~adopted a name, word or mark, including, without limitation, an~~
39 ~~electronic signature as defined in NRS 719.100, with the present~~
40 ~~intention to authenticate a document.]~~

41 **Sec. 217.** Chapter 90 of NRS is hereby amended by adding
42 thereto a new section to read as follows:

43 *"Record" means information that is inscribed on a tangible*
44 *medium or that is stored in an electronic or other medium and is*
45 *retrievable in perceivable form.*



1 **Sec. 218.** NRS 90.211 is hereby amended to read as follows:
2 90.211 As used in this chapter, unless the context otherwise
3 requires, the words and terms defined in NRS 90.215 to 90.305,
4 inclusive, *and section 217 of this act* have the meanings ascribed to
5 them in those sections.

6 **Sec. 219.** NRS 90.235 is hereby amended to read as follows:

7 90.235 1. "Filing" means:

8 (a) The actual delivery of a ~~{document}~~ *record* or application to
9 the Administrator or his designee or to the principal office of the
10 Administrator; or

11 (b) The electronic delivery of a ~~{document}~~ *record* or
12 application to the Administrator or his designee or to the principal
13 office of the Administrator using a system that has been approved
14 by the Administrator.

15 2. "File" has a corresponding meaning.

16 **Sec. 220.** NRS 90.390 is hereby amended to read as follows:

17 90.390 1. The Administrator by regulation may require that:

18 (a) A licensed broker-dealer who is not registered under the
19 Securities Exchange Act of 1934 maintain minimum net capital and
20 a prescribed ratio between net capital and aggregate indebtedness,
21 which may vary with type or class of broker-dealer; or

22 (b) A licensed investment adviser who is not registered under
23 the Investment Advisers Act of 1940 maintain a minimum net
24 worth.

25 2. If a licensed broker-dealer or investment adviser knows, or
26 has reasonable cause to know, that a requirement imposed on it
27 under this section is not being met, the broker-dealer or investment
28 adviser shall promptly notify the Administrator of its current
29 financial condition.

30 3. The Administrator by regulation may require a fidelity bond
31 from a broker-dealer who is not registered under the Securities
32 Exchange Act of 1934.

33 4. A licensed broker-dealer or investment adviser shall file
34 financial and other reports that the Administrator determines by
35 regulation or order are necessary, but filing a copy of the financial
36 reports filed under the Securities Exchange Act of 1934, in the case
37 of a broker-dealer, or the Investment Advisers Act of 1940, in the
38 case of an investment adviser, satisfies the requirements regarding
39 the filing of financial reports pursuant to this subsection.

40 5. A licensed broker-dealer, sales representative, investment
41 adviser or representative of an investment adviser shall make and
42 maintain records that the Administrator determines by regulation are
43 necessary and appropriate, but compliance with the recordkeeping
44 requirements of the Securities Exchange Act of 1934, in the case of
45 a broker-dealer, or the Investment Advisers Act of 1940, in the case



1 of an investment adviser, satisfies the requirements of this
2 subsection.

3 6. Required records may be maintained in any form of data
4 storage if they are readily accessible to the Administrator. Required
5 records must be preserved for 5 years unless the Administrator by
6 regulation specifies a different period for a particular type or class of
7 records.

8 7. If the information contained in a ~~document~~ record filed
9 with the Administrator as part of the application for licensing or
10 under the section, except information the Administrator by
11 regulation or order excludes, is or becomes inaccurate or incomplete
12 in a material respect, the licensed person shall promptly file
13 correcting information, unless notification of termination has been
14 given pursuant to subsection 5 of NRS 90.380.

15 **Sec. 221.** NRS 90.470 is hereby amended to read as follows:

16 90.470 1. Securities for which a registration statement has
17 been filed under the Securities Act of 1933 in connection with the
18 offering of the securities may be registered by filing, whether or not
19 they are also eligible for registration under NRS 90.480 or 90.490,
20 if:

21 (a) The issuer is organized under the laws of the United States or
22 a state or, if the issuer is not organized under the laws of the United
23 States or a state, it has appointed a duly authorized agent in the
24 United States for service of process;

25 (b) The issuer has actively engaged in business operations in the
26 United States for a period of at least 36 consecutive calendar months
27 immediately before the filing of the federal registration statement;

28 (c) The issuer has registered a class of equity securities under
29 section 12(b) or 12(g) of the Securities Exchange Act of 1934, and
30 the class of securities is held of record by 500 or more persons;

31 (d) The issuer has:

32 (1) Either a total net worth of \$4,000,000 or a total net worth
33 of \$2,000,000 and net pretax income from operations before
34 allowances for extraordinary items, for at least 2 of the 3 preceding
35 fiscal years;

36 (2) Not less than 400,000 units of the class of security
37 registered under section 12 of the Securities Exchange Act of 1934
38 held by the public, excluding securities held by officers and
39 directors of the issuer, underwriters and persons beneficially owning
40 10 percent or more of that class of security; and

41 (3) No outstanding warrants and options held by the
42 underwriters and executive officers and directors of the issuer in an
43 amount exceeding 10 percent of the total number of shares to be
44 outstanding after completion of the offering of the securities being
45 registered;



1 (e) The issuer has been subject to the requirements of section 12
2 of the Securities Exchange Act of 1934 and has filed all the material
3 required to be filed under sections 13 and 14 of that act for at least
4 36 consecutive calendar months immediately before the filing of the
5 statement and the issuer has filed in a timely manner all reports
6 required to be filed during the 12 calendar months next preceding
7 the filing of the federal registration statement;

8 (f) For at least 30 days during the 3 months next preceding the
9 offering of the securities registered there have been at least four
10 market makers for the class of equity securities registered under
11 section 12 of the Securities Exchange Act of 1934;

12 (g) Each of the underwriters participating in the offering of the
13 security and each broker-dealer who will offer the security in this
14 state is a member of or is subject to the regulations of fair practice
15 of a national association of securities dealers with respect to the
16 offering and the underwriters have contracted to purchase the
17 securities offered in a principal capacity;

18 (h) The aggregate commissions or discounts to be received by
19 the underwriters will not exceed 10 percent of the aggregate price at
20 which the securities being registered are offered to the public;

21 (i) Neither the issuer nor any of its subsidiaries, since the end of
22 the fiscal year next preceding the filing of the registration statement,
23 have:

24 (1) Failed to pay a dividend or sinking fund installment on
25 preferred stock;

26 (2) Defaulted on indebtedness for borrowed money; or

27 (3) Defaulted on the rental on one or more long-term leases,
28 and the defaults in the aggregate are material to the financial
29 position of the issuer and its subsidiaries, taken as a whole; and

30 (j) In the case of an equity security, the price at which the
31 security will be offered to the public is not less than \$5 per share.

32 2. A registration statement under this section must contain the
33 following information and be accompanied by the following
34 ~~documents~~ records in addition to the information specified in
35 subsection 4 of NRS 90.500 and the consent to service of process
36 required by NRS 90.770:

37 (a) A statement demonstrating eligibility for registration by
38 filing;

39 (b) The name, address and form of organization of the issuer;

40 (c) With respect to a person on whose behalf a part of the
41 offering is to be made in a nonissuer distribution:

42 (1) Name and address;

43 (2) The amount of securities of the issuer held by the person
44 as of the date of the filing of the registration statement; and

45 (3) A statement of the reasons for making the offering;



- 1 (d) A description of the security being registered; and
- 2 (e) A copy of the latest prospectus filed with the registration
- 3 statement under and satisfying the requirements of section 10 of the
- 4 Securities Act of 1933.

5 3. If the information and ~~documents~~ records required to be
6 filed by subsection 2 have been on file with the Administrator for at
7 least 5 business days, or any shorter period the Administrator allows
8 by regulation or order, and the applicable registration fee has been
9 paid before the effectiveness of the federal registration statement, a
10 registration statement under this section automatically becomes
11 effective concurrently with the effectiveness of the federal
12 registration statement. If the federal statement becomes effective
13 before the conditions in this section are satisfied and they are not
14 waived, the registration statement becomes effective when the
15 conditions are satisfied. The registrant shall promptly notify the
16 Administrator by telephone or telegram of the date and time when
17 the federal registration statement became effective and the content
18 of the price amendment, if any, and shall file promptly a
19 posteffective amendment containing the information and
20 ~~documents~~ records in the price amendment. The Administrator
21 shall promptly acknowledge receipt of notification and effectiveness
22 of the registration statement as of the date and time the registration
23 statement became effective with the Securities and Exchange
24 Commission.

25 **Sec. 222.** NRS 90.480 is hereby amended to read as follows:

26 90.480 1. Securities for which a registration statement has
27 been filed under the Securities Act of 1933 in connection with the
28 offering of the securities may be registered by coordination.

29 2. A registration statement under this section must contain the
30 following information and be accompanied by the following
31 ~~documents~~ records in addition to the information specified in
32 subsection 4 of NRS 90.500 and the consent to service of process
33 required by NRS 90.770:

34 (a) One copy of the latest form of prospectus filed under the
35 Securities Act of 1933;

36 (b) If the Administrator by regulation or order requires:

37 (1) A copy of the articles of incorporation and bylaws, or
38 their substantial equivalents, currently in effect;

39 (2) A copy of any agreement with or among underwriters;

40 (3) A copy of any indenture or other instrument governing
41 the issuance of the security to be registered; and

42 (4) A copy, specimen or description of the security;

43 (c) If the Administrator requests and subject to the provisions of
44 NRS 90.730, any other information or copies of any other
45 ~~documents~~ records filed under the Securities Act of 1933; and



1 (d) An undertaking to forward promptly and in any event not
2 later than the first business day after the day they are forwarded to
3 or filed with the Securities and Exchange Commission, all future
4 amendments to the federal prospectus, other than an amendment that
5 delays the effective date of the registration statement, whichever
6 occurs first.

7 3. A registration statement under this section becomes effective
8 when the federal registration statement becomes effective and all the
9 following conditions are satisfied:

10 (a) No order is in effect, and no proceeding is pending, under
11 NRS 90.510;

12 (b) The registration statement has been on file with the
13 Administrator for at least 10 days, but if the registration statement is
14 not filed with the Administrator within 5 days after the initial filing
15 under the Securities Act of 1933, the registration statement must
16 have been on file with the Administrator for 30 days or any shorter
17 period as the Administrator by regulation or order specifies; and

18 (c) A statement of the maximum and minimum proposed
19 offering prices and the maximum underwriting discounts and
20 commissions has been on file for 2 full business days or any shorter
21 period the Administrator permits and the offering is made within
22 those limitations.

23 4. The registrant shall promptly notify the Administrator of the
24 date and time when the federal registration statement became
25 effective and the content of the price amendment, if any, and shall
26 promptly file a posteffective amendment containing the information
27 and ~~documents~~ records in the price amendment.

28 5. Upon failure to receive the required notification and
29 posteffective amendment with respect to the price amendment, the
30 Administrator may enter an order, retroactively denying
31 effectiveness to the registration statement or suspending its
32 effectiveness until the registrant complies with subsection 4. The
33 Administrator shall promptly notify the registrant of the issuance of
34 the order. If the registrant proves compliance with the requirements
35 of subsection 4 as to notice and posteffective amendment, the order
36 is void as of its entry.

37 6. The Administrator by regulation or order may waive either
38 or both of the conditions specified in paragraphs (b) and (c) of
39 subsection 3.

40 7. If the federal registration statement becomes effective before
41 all the conditions in subsection 3 are satisfied and they are not
42 waived, the registration statement automatically becomes effective
43 when all the conditions are satisfied. If the registrant advises the
44 Administrator of the date when the federal registration statement is
45 expected to become effective, the Administrator shall promptly



1 advise the registrant, at the registrant's expense, whether all
2 conditions are satisfied and whether the Administrator then
3 contemplates the institution of a proceeding under NRS 90.510, but
4 the advice by the Administrator does not preclude the institution of a
5 proceeding for an order suspending the effectiveness of the
6 registration statement. An order issued under this subsection is not
7 retroactive.

8 8. The Administrator by regulation or order may waive or
9 modify the application of a requirement of this section if a provision
10 or an amendment, repeal or other alteration of the provisions of the
11 Securities Act of 1933 for the registration of securities or of the
12 regulations adopted under that act renders the waiver or
13 modification appropriate for further coordination of state and federal
14 registration.

15 **Sec. 223.** NRS 90.490 is hereby amended to read as follows:

16 90.490 1. A security may be registered by qualification.

17 2. A registration statement under this section must contain the
18 following information and be accompanied by the following
19 ~~documents~~ records in addition to the information specified in
20 subsection 4 of NRS 90.500 and the consent to service of process
21 required by NRS 90.770:

22 (a) With respect to the issuer and any significant subsidiary:

- 23 (1) Its name, address and form of organization;
24 (2) The state or foreign jurisdiction and date of its
25 organization;
26 (3) The general character and location of its business;
27 (4) A description of its physical property and equipment; and
28 (5) A statement of the general competitive conditions in the
29 industry or business in which it is or will be engaged;

30 (b) With respect to every director and officer of the issuer or
31 person occupying a similar status or performing similar functions:

- 32 (1) Name, address and principal occupation for the last 5
33 years;
34 (2) The amount of securities of the issuer held by the person
35 as of a specified date within 30 days before the filing of the
36 registration statement;
37 (3) The amount of the securities covered by the registration
38 statement to which the person has indicated an intention to
39 subscribe; and

40 (4) A description of any material interest in any material
41 transaction with the issuer or any significant subsidiary effected
42 within the past 3 years or proposed to be effected;

43 (c) With respect to persons covered by paragraph (b), the
44 compensation paid or given, directly or indirectly, during the last 12
45 months and estimated to be paid during the next 12 months by the



1 issuer together with all predecessors, parents, subsidiaries and
2 affiliates, to all those persons in the aggregate;
3 (d) With respect to any person owning of record, or beneficially
4 if known, 10 percent or more of the outstanding shares of a class of
5 equity security of the issuer, the information specified in paragraph
6 (b) other than occupation;
7 (e) With respect to a promoter, if the issuer was organized
8 within the last 3 years:
9 (1) The information specified in paragraph (b);
10 (2) The amount paid to the person within that period or
11 intended to be paid; and
12 (3) The consideration for the payment;
13 (f) With respect to a person on whose behalf a part of the
14 offering is to be made in a nonissuer distribution:
15 (1) Name and address;
16 (2) The amount of securities of the issuer held by the person
17 as of the date of the filing of the registration statement;
18 (3) A description of any material interest in any material
19 transaction with the issuer or any significant subsidiary effected
20 within the past 3 years or proposed to be effected; and
21 (4) A statement of the reasons for making the offering;
22 (g) The capitalization and long-term debt, on both a current and
23 a pro forma basis, of the issuer and any significant subsidiary,
24 including a description of each security outstanding or being
25 registered or otherwise offered, and a statement of the amount and
26 kind of consideration, whether in the form of cash, physical assets,
27 services, patents, goodwill or anything else, for which the issuer or a
28 subsidiary has issued its securities within the last 2 years or is
29 obligated to issue its securities;
30 (h) The kind and amount of securities to be offered, the
31 proposed offering price or the method by which it is to be computed,
32 any variation therefrom at which a proportion of the offering is to be
33 made to a person or class of persons other than the underwriters,
34 with a specification of the person or class, the basis upon which the
35 offering is to be made if otherwise than for cash, the estimated
36 aggregate underwriting and selling discounts or commissions and
37 finder's fees, including separately cash, securities, contracts or
38 anything else of value to accrue to the underwriters or finders in
39 connection with the offering or, if the selling discounts or
40 commissions are variable, the basis of determining them and their
41 maximum and minimum amounts, the estimated amounts of other
42 selling expenses, including legal, engineering and accounting
43 charges, the name and address of every underwriter and every
44 recipient of a finder's fee, a copy of any underwriting or selling-
45 group agreement pursuant to which the distribution is to be made, or



1 the proposed form of the agreement whose terms have not yet been
2 determined, and a description of the plan of distribution of securities
3 that are to be offered otherwise than through an underwriter;

4 (i) The estimated cash proceeds to be received by the issuer
5 from the offering, the purposes for which the proceeds are to be
6 used by the issuer, the amount to be used for each purpose, the order
7 of priority in which the proceeds will be used for the purposes
8 stated, the amounts of funds to be raised from other sources to
9 achieve the purposes stated, the sources of the funds, and, if part of
10 the proceeds is to be used to acquire property, including goodwill,
11 otherwise than in the ordinary course of business, the names and
12 addresses of the vendors, the purchase price, the names of the
13 persons who have received commissions in connection with the
14 acquisition and the amounts of commissions and any other expense
15 in connection with the acquisition, including the cost of borrowing
16 money to finance the acquisition;

17 (j) A description of the stock options or other security options
18 outstanding or to be created in connection with the offering and the
19 amount of the options held or to be held by every person required to
20 be named in paragraph (b), (d), (e), (f) or (h) and by a person who
21 holds or will hold 10 percent or more in the aggregate of the
22 options;

23 (k) The dates of, parties to and general effect, concisely stated,
24 of every management or other material contract made or to be made
25 otherwise than in the ordinary course of business if it is to be
26 performed in whole or in part at or after the filing of the registration
27 statement or was made within the last 2 years, and a copy of the
28 contract;

29 (l) A description of any pending litigation or proceedings to
30 which the issuer is a party and that materially affect its business or
31 assets, including any litigation or proceeding known to be
32 contemplated by a governmental authority;

33 (m) A copy of any prospectus, pamphlet, circular, form letter,
34 advertisement or other sales literature intended as of the effective
35 date to be used in connection with the offering;

36 (n) A copy, specimen or description of the security being
37 registered, a copy of the issuer's articles of incorporation and
38 bylaws or their substantial equivalents, as currently in effect, and a
39 copy of any indenture or other instrument covering the security to be
40 registered;

41 (o) A signed or conformed copy of an opinion of counsel as to
42 the legality of the security being registered, with an English
43 translation if it is in a foreign language, which states whether the
44 security when sold will be legally issued, fully paid and



1 nonassessable and, if a debt security, a binding obligation of the
2 issuer;

3 (p) The written consent of an accountant, engineer, appraiser or
4 other person whose profession gives authority to a statement made
5 by the person, if the person is named as having prepared or certified
6 a report or valuation, other than a public and official ~~document~~
7 *record* or statement, which is used in connection with the
8 registration statement;

9 (q) A statement of financial condition of the issuer as of a date
10 within 4 months before the filing of the registration statement, a
11 statement of results of operations and analysis of surplus for each of
12 the 3 fiscal years preceding the date of the statement of financial
13 condition and for any period between the close of the last fiscal year
14 and the date of the statement of financial condition, or for the period
15 of the issuer's and any predecessors' existence if less than 3 years,
16 and, if part of the proceeds of the offering is to be applied to the
17 purchase of a business, the same financial statements which would
18 be required if that business were the registrant; and

19 (r) Any additional information the Administrator by regulation
20 or order specifies.

21 3. A statement under this section becomes effective 30
22 calendar days, or any shorter period as the Administrator by
23 regulation or order specifies, after the date the registration statement
24 or the last amendment other than a price amendment is filed, if:

25 (a) No order is in effect and no proceeding is pending under
26 NRS 90.510;

27 (b) The Administrator has not, under subsection 4, ordered that
28 effectiveness be delayed; and

29 (c) The registrant has not requested that effectiveness be
30 delayed.

31 4. The Administrator may delay effectiveness for a single
32 period of not more than 90 days if the Administrator determines the
33 registration statement is not complete in all material respects and
34 promptly notifies the registrant of that determination. The
35 Administrator may delay effectiveness for a single period of not
36 more than 30 days if the Administrator determines that the delay is
37 necessary, whether or not the Administrator previously delayed
38 effectiveness under this subsection.

39 **Sec. 224.** NRS 90.500 is hereby amended to read as follows:

40 90.500 1. A registration statement may be filed by the issuer,
41 any other person on whose behalf the offering is to be made, or a
42 broker-dealer licensed under this chapter.

43 2. Except as provided in subsection 3, a person filing a
44 registration statement shall pay a filing fee of one-tenth of 1 percent
45 of the maximum aggregate offering price at which the registered



1 securities are to be offered in this state, but not less than \$350 or
2 more than \$2,500. If a registration statement is withdrawn before the
3 effective date or a pre-effective order is entered under NRS 90.510,
4 the Administrator shall retain the fee.

5 3. An open-end management company, a face amount
6 certificate company or a unit investment trust, as defined in the
7 Investment Company Act of 1940, may register an indefinite
8 amount of securities under a registration statement. The registrant
9 shall pay:

10 (a) A fee of \$500 at the time of filing; and

11 (b) Within 60 days after the registrant's fiscal year during which
12 its statement is effective, a fee of \$2,000, or file a report on a form
13 the Administrator adopts, specifying its sale of securities to persons
14 in this state during the fiscal year and pay a fee of one-tenth of 1
15 percent of the aggregate sales price of the securities sold to persons
16 in this state, but the latter fee must not be less than \$350 or more
17 than \$2,500.

18 4. Except as otherwise permitted by subsection 3, a statement
19 must specify:

20 (a) The amount of securities to be offered in this state and the
21 states in which a statement or similar ~~document~~ record in
22 connection with the offering has been or is to be filed; and

23 (b) Any adverse order, judgment or decree entered by a
24 securities agency or administrator in any state or by a court or the
25 Securities and Exchange Commission in connection with the
26 offering.

27 5. A ~~document~~ record filed under this chapter as now or
28 previously in effect, within 5 years before the filing of a registration
29 statement, may be incorporated by reference in the registration
30 statement if the ~~document~~ record is currently accurate.

31 6. The Administrator by regulation or order may permit the
32 omission of an item of information or ~~document~~ record from a
33 statement.

34 7. In the case of a nonissuer offering, the Administrator may
35 not require information under NRS 90.510 or subsection 13 of this
36 section unless it is known to the person filing the registration
37 statement or to the person on whose behalf the offering is to be
38 made, or can be furnished by one of them without unreasonable
39 effort or expense.

40 8. In the case of a registration under NRS 90.480 or 90.490 by
41 an issuer who has no public market for its shares and no significant
42 earnings from continuing operations during the last 5 years or any
43 shorter period of its existence, the Administrator by regulation or
44 order may require as a condition of registration that the following
45 securities be deposited in escrow for not more than 3 years:



1 (a) A security issued to a promoter within the 3 years
2 immediately before the offering or to be issued to a promoter for a
3 consideration substantially less than the offering price; and

4 (b) A security issued to a promoter for a consideration other
5 than cash, unless the registrant demonstrates that the value of the
6 noncash consideration received in exchange for the security is
7 substantially equal to the offering price for the security.

8 The Administrator by regulation may determine the conditions of an
9 escrow required under this subsection, but the Administrator may
10 not reject a depository solely because of location in another state.

11 9. The Administrator by regulation may require as a condition
12 of registration under NRS 90.480 or 90.490 that the proceeds from
13 the sale of the registered security in this state be impounded until the
14 issuer receives a specified amount from the sale of the security. The
15 Administrator by regulation or order may determine the conditions
16 of an impounding arrangement required under this subsection, but
17 the Administrator may not reject a depository solely because of its
18 location in another state.

19 10. If a security is registered pursuant to NRS 90.470 or
20 90.480, the prospectus filed under the Securities Act of 1933 must
21 be delivered to each purchaser in accordance with the requirements
22 of that act for the delivery of a prospectus.

23 11. If a security is registered pursuant to NRS 90.490, an
24 offering ~~{document}~~ *record* containing information the
25 Administrator by regulation or order designates must be delivered to
26 each purchaser with or before the earliest of:

27 (a) The first written offer made to the purchaser by or for the
28 account of the issuer or another person on whose behalf the offering
29 is being made or by an underwriter or broker-dealer who is offering
30 part of an unsold allotment or subscription taken by it as a
31 participant in the distribution;

32 (b) Confirmation of a sale made by or for the account of a
33 person named in paragraph (a);

34 (c) Payment pursuant to a sale; or

35 (d) Delivery pursuant to a sale.

36 12. Except for a registration statement under which an
37 indefinite amount of securities are registered as provided in
38 subsection 3, a statement remains effective for 1 year after its
39 effective date unless the Administrator by regulation extends the
40 period of effectiveness. A registration statement under which an
41 indefinite amount of securities are registered remains effective until
42 60 days after the beginning of the registrant's next fiscal year
43 following the date the statement was filed. All outstanding securities
44 of the same class as a registered security are considered to be
45 registered for the purpose of a nonissuer transaction while the



1 registration statement is effective, unless the Administrator by
2 regulation or order provides otherwise. A registration statement may
3 not be withdrawn after its effective date if any of the securities
4 registered have been sold in this state, unless the Administrator by
5 regulation or order provides otherwise. No registration statement is
6 effective while an order is in effect under subsection 1 of
7 NRS 90.510.

8 13. During the period that an offering is being made pursuant
9 to an effective registration statement, the Administrator by
10 regulation or order may require the person who filed the registration
11 statement to file reports, not more often than quarterly, to keep
12 reasonably current the information contained in the registration
13 statement and to disclose the progress of the offering.

14 14. A registration statement filed under NRS 90.470 or 90.480
15 may be amended after its effective date to increase the securities
16 specified to be offered and sold. The amendment becomes effective
17 upon filing of the amendment and payment of an additional filing
18 fee of 3 times the fee otherwise payable, calculated in the manner
19 specified in subsection 2, with respect to the additional securities to
20 be offered and sold. The effectiveness of the amendment relates
21 back to the date or dates of sale of the additional securities being
22 registered.

23 15. A registration statement filed under NRS 90.490 may be
24 amended after its effective date to increase the securities specified to
25 be offered and sold, if the public offering price and underwriters'
26 discounts and commissions are not changed from the respective
27 amounts which the Administrator was informed. The amendment
28 becomes effective when the Administrator so orders and relates
29 back to the date of sale of the additional securities being registered.
30 A person filing an amendment shall pay an additional filing fee of 3
31 times the fee otherwise payable, calculated in the manner specified
32 in subsection 2, with respect to the additional securities to be offered
33 and sold.

34 **Sec. 225.** NRS 90.530 is hereby amended to read as follows:

35 90.530 The following transactions are exempt from NRS
36 90.460 and 90.560:

37 1. An isolated nonissuer transaction, whether or not effected
38 through a broker-dealer.

39 2. A nonissuer transaction in an outstanding security if the
40 issuer of the security has a class of securities subject to registration
41 under section 12 of the Securities Exchange Act of 1934, 15 U.S.C.
42 § 78l, and has been subject to the reporting requirements of section
43 13 or 15(c) of the Securities Exchange Act of 1934, 15 U.S.C. §§
44 78m and 78o(d), for not less than 90 days next preceding the
45 transaction, or has filed and maintained with the Administrator for



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1 not less than 90 days preceding the transaction information, in such
2 form as the Administrator, by regulation, specifies, substantially
3 comparable to the information the issuer would be required to file
4 under section 12(b) or 12(g) of the Securities Exchange Act of 1934,
5 15 U.S.C. §§ 781(b) and 781(g), were the issuer to have a class of its
6 securities registered under section 12 of the Securities Exchange Act
7 of 1934, 15 U.S.C. § 781, and paid a fee with the filing of \$150.

8 3. A nonissuer transaction by a sales representative licensed in
9 this state, in an outstanding security if:

10 (a) The security is sold at a price reasonably related to the
11 current market price of the security at the time of the transaction;

12 (b) The security does not constitute all or part of an unsold
13 allotment to, or subscription or participation by, a broker-dealer as
14 an underwriter of the security;

15 (c) At the time of the transaction, a recognized securities manual
16 designated by the Administrator by regulation or order contains the
17 names of the issuer's officers and directors, a statement of the
18 financial condition of the issuer as of a date within the preceding 18
19 months, and a statement of income or operations for each of the last
20 2 years next preceding the date of the statement of financial
21 condition, or for the period as of the date of the statement of
22 financial condition if the period of existence is less than 2 years;

23 (d) The issuer of the security has not undergone a major
24 reorganization, merger or acquisition within the preceding 30 days
25 which is not reflected in the information contained in the manual;
26 and

27 (e) At the time of the transaction, the issuer of the security has a
28 class of equity security listed on the New York Stock Exchange,
29 American Stock Exchange or other exchange designated by the
30 Administrator, or on the National Market System of the National
31 Association of Securities Dealers Automated Quotation System. The
32 requirements of this paragraph do not apply if:

33 (1) The security has been outstanding for at least 180 days;

34 (2) The issuer of the security is actually engaged in business
35 and is not developing his business, in bankruptcy or in receivership;
36 and

37 (3) The issuer of the security has been in continuous
38 operation for at least 5 years.

39 4. A nonissuer transaction in a security that has a fixed
40 maturity or a fixed interest or dividend provision if there has been
41 no default during the current fiscal year or within the 3 preceding
42 years, or during the existence of the issuer, and any predecessors if
43 less than 3 years, in the payment of principal, interest or dividends
44 on the security.



- 1 5. A nonissuer transaction effected by or through a registered
2 broker-dealer pursuant to an unsolicited order or offer to purchase.
- 3 6. A transaction between the issuer or other person on whose
4 behalf the offering of a security is made and an underwriter, or a
5 transaction among underwriters.
- 6 7. A transaction in a bond or other evidence of indebtedness
7 secured by a real estate mortgage, deed of trust, personal property
8 security agreement, or by an agreement for the sale of real estate or
9 personal property, if the entire mortgage, deed of trust or agreement,
10 together with all the bonds or other evidences of indebtedness
11 secured thereby, is offered and sold as a unit.
- 12 8. A transaction by an executor, administrator, sheriff, marshal,
13 receiver, trustee in bankruptcy, guardian or conservator.
- 14 9. A transaction executed by a bona fide secured party without
15 the purpose of evading this chapter.
- 16 10. An offer to sell or sale of a security to a financial or
17 institutional investor or to a broker-dealer.
- 18 11. Except as otherwise provided in this subsection, a
19 transaction pursuant to an offer to sell securities of an issuer if:
- 20 (a) The transaction is part of an issue in which there are not
21 more than 25 purchasers in this state, other than those designated in
22 subsection 10, during any 12 consecutive months;
- 23 (b) No general solicitation or general advertising is used in
24 connection with the offer to sell or sale of the securities;
- 25 (c) No commission or other similar compensation is paid or
26 given, directly or indirectly, to a person, other than a broker-dealer
27 licensed or not required to be licensed under this chapter, for
28 soliciting a prospective purchaser in this state; and
- 29 (d) One of the following conditions is satisfied:
- 30 (1) The seller reasonably believes that all the purchasers in
31 this state, other than those designated in subsection 10, are
32 purchasing for investment; or
- 33 (2) Immediately before and immediately after the
34 transaction, the issuer reasonably believes that the securities of the
35 issuer are held by 50 or fewer beneficial owners, other than those
36 designated in subsection 10, and the transaction is part of an
37 aggregate offering that does not exceed \$500,000 during any 12
38 consecutive months.
- 39 The Administrator by rule or order as to a security or transaction or
40 a type of security or transaction, may withdraw or further condition
41 the exemption set forth in this subsection or waive one or more of
42 the conditions of the exemption.
- 43 12. An offer to sell or sale of a preorganization certificate or
44 subscription if:



- 1 (a) No commission or other similar compensation is paid or
2 given, directly or indirectly, for soliciting a prospective subscriber;
3 (b) No public advertising or general solicitation is used in
4 connection with the offer to sell or sale;
5 (c) The number of offers does not exceed 50;
6 (d) The number of subscribers does not exceed 10; and
7 (e) No payment is made by a subscriber.

8 13. An offer to sell or sale of a preorganization certificate or
9 subscription issued in connection with the organization of a
10 depository institution if that organization is under the supervision of
11 an official or agency of a state or of the United States which has and
12 exercises the authority to regulate and supervise the organization of
13 the depository institution. For the purpose of this subsection, "under
14 the supervision of an official or agency" means that the official or
15 agency by law has authority to require disclosures to prospective
16 investors similar to those required under NRS 90.490, impound
17 proceeds from the sale of a preorganization certificate or
18 subscription until organization of the depository institution is
19 completed, and require refund to investors if the depository
20 institution does not obtain a grant of authority from the appropriate
21 official or agency.

22 14. A transaction pursuant to an offer to sell to existing
23 security holders of the issuer, including persons who at the time of
24 the transaction are holders of transferable warrants exercisable
25 within not more than 90 days after their issuance, convertible
26 securities or nontransferable warrants, if:

27 (a) No commission or other similar compensation other than a
28 standby commission, is paid or given, directly or indirectly, for
29 soliciting a security holder in this state; or

30 (b) The issuer first files a notice specifying the terms of the offer
31 to sell, together with a nonrefundable fee of \$150, and the
32 Administrator does not by order disallow the exemption within the
33 next 5 full business days.

34 15. A transaction involving an offer to sell, but not a sale, of a
35 security not exempt from registration under the Securities Act of
36 1933, 15 U.S.C. §§ 77a et seq., if:

37 (a) A registration or offering statement or similar ~~document~~
38 *record* as required under the Securities Act of 1933, 15 U.S.C. §§
39 77a et seq., has been filed, but is not effective;

40 (b) A registration statement, if required, has been filed under
41 this chapter, but is not effective; and

42 (c) No order denying, suspending or revoking the effectiveness
43 of registration, of which the offeror is aware, has been entered by
44 the Administrator or the Securities and Exchange Commission, and



1 no examination or public proceeding that may culminate in that kind
2 of order is known by the offeror to be pending.

3 16. A transaction involving an offer to sell, but not a sale, of a
4 security exempt from registration under the Securities Act of 1933,
5 15 U.S.C. §§ 77a et seq., if:

6 (a) A registration statement has been filed under this chapter, but
7 is not effective; and

8 (b) No order denying, suspending or revoking the effectiveness
9 of registration, of which the offeror is aware, has been entered by
10 the Administrator and no examination or public proceeding that may
11 culminate in that kind of order is known by the offeror to be
12 pending.

13 17. A transaction involving the distribution of the securities of
14 an issuer to the security holders of another person in connection
15 with a merger, consolidation, exchange of securities, sale of assets
16 or other reorganization to which the issuer, or its parent or
17 subsidiary, and the other person, or its parent or subsidiary, are
18 parties, if:

19 (a) The securities to be distributed are registered under the
20 Securities Act of 1933, 15 U.S.C. §§ 77a et seq., before the
21 consummation of the transaction; or

22 (b) The securities to be distributed are not required to be
23 registered under the Securities Act of 1933, 15 U.S.C. §§ 77a et
24 seq., written notice of the transaction and a copy of the materials, if
25 any, by which approval of the transaction will be solicited, together
26 with a nonrefundable fee of \$150, are given to the Administrator at
27 least 10 days before the consummation of the transaction and the
28 Administrator does not, by order, disallow the exemption within the
29 next 10 days.

30 18. A transaction involving the offer to sell or sale of one or
31 more promissory notes each of which is directly secured by a first
32 lien on a single parcel of real estate, or a transaction involving the
33 offer to sell or sale of participation interests in the notes if the notes
34 and participation interests are originated by a depository institution
35 and are offered and sold subject to the following conditions:

36 (a) The minimum aggregate sales price paid by each purchaser
37 may not be less than \$250,000;

38 (b) Each purchaser must pay cash either at the time of the sale or
39 within 60 days after the sale; and

40 (c) Each purchaser may buy for his own account only.

41 19. A transaction involving the offer to sell or sale of one or
42 more promissory notes directly secured by a first lien on a single
43 parcel of real estate or participating interests in the notes, if the
44 notes and interests are originated by a mortgagee approved by the
45 Secretary of Housing and Urban Development under sections 203



1 and 211 of the National Housing Act, 12 U.S.C. §§ 1709 and 1715b,
2 and are offered or sold, subject to the conditions specified in
3 subsection 18, to a depository institution or insurance company, the
4 Federal Home Loan Mortgage Corporation, the Federal National
5 Mortgage Association or the Government National Mortgage
6 Association.

7 20. A transaction between any of the persons described in
8 subsection 19 involving a nonassignable contract to buy or sell the
9 securities described in subsection 18 if the contract is to be
10 completed within 2 years and if:

11 (a) The seller of the securities pursuant to the contract is one of
12 the parties described in subsection 18 or 19 who may originate
13 securities;

14 (b) The purchaser of securities pursuant to a contract is any
15 other person described in subsection 19; and

16 (c) The conditions described in subsection 18 are fulfilled.

17 21. A transaction involving one or more promissory notes
18 secured by a lien on real estate, or participating interests in those
19 notes, by:

20 (a) A mortgage company licensed pursuant to chapter 645E of
21 NRS to engage in those transactions; or

22 (b) A mortgage broker licensed pursuant to chapter 645B of
23 NRS to engage in those transactions.

24 **Sec. 226.** NRS 90.600 is hereby amended to read as follows:

25 90.600 It is unlawful for a person to make or cause to be made,
26 in a ~~{document}~~ *record* filed with the Administrator or in a
27 proceeding under this chapter a statement that the person knows or
28 has reasonable grounds to know is, at the time and in the light of the
29 circumstances under which it is made, false or misleading in a
30 material respect.

31 **Sec. 227.** NRS 90.610 is hereby amended to read as follows:

32 90.610 1. Neither the fact that an application for licensing or
33 a statement has been filed under this chapter, nor the fact that a
34 person is licensed or a security is registered under this chapter
35 constitutes a finding by the Administrator that any ~~{document}~~
36 *record* filed under this chapter is true, complete and not misleading.
37 Neither of those facts nor the fact that an exemption or exception is
38 available for a security or a transaction means that the Administrator
39 has passed upon the merits or qualifications of, or recommended or
40 given approval to, any person, security or transaction.

41 2. It is unlawful to make, or cause to be made, to a purchaser,
42 customer or client a representation inconsistent with subsection 1.

43 **Sec. 228.** NRS 90.620 is hereby amended to read as follows:

44 90.620 1. The Administrator may make an investigation,
45 within or outside of this state, as he finds necessary to determine



1 whether a person has violated or is about to violate this chapter or
2 any regulation or order of the Administrator under this chapter or to
3 aid in enforcement of this chapter.

4 2. Except as otherwise provided in subsection 4 of NRS
5 90.730, the Administrator may publish information concerning a
6 violation of this chapter or a regulation or order of the Administrator
7 under this chapter or concerning types of securities or acts or
8 practices in the offer, sale or purchase of types of securities which
9 may operate as a fraud or deceit.

10 3. For the purposes of an investigation or proceeding under this
11 chapter the Administrator or any officer or employee designated by
12 the Administrator by regulation, order or written direction may
13 conduct hearings, administer oaths and affirmations, render findings
14 of fact and conclusions of law, subpoena witnesses, compel their
15 attendance, take evidence and require the production, by subpoena
16 or otherwise, of books, papers, correspondence, memoranda,
17 agreements or other ~~documents or~~ records which the Administrator
18 determines to be relevant or material to the investigation or
19 proceeding. A person whom the Administrator does not consider to
20 be the subject of an investigation is entitled to reimbursement at the
21 rate of 25 cents per page for copies of ~~documents~~ records which
22 he is required by subpoena to produce. The Administrator may
23 require or permit a person to file a statement, under oath or
24 otherwise as the Administrator determines, as to the facts and
25 circumstances concerning the matter to be investigated.

26 4. If the activities constituting an alleged violation for which
27 the information is sought would be a violation of this chapter had
28 the activities occurred in this state, the Administrator may issue and
29 apply to enforce subpoenas in this state at the request of a securities
30 agency or administrator of another state.

31 5. If a person does not testify or produce the ~~documents~~
32 records required by the Administrator or a designated officer or
33 employee pursuant to subpoena, the Administrator or designated
34 officer or employee may apply to the court for an order compelling
35 compliance. A request for an order of compliance may be addressed
36 to:

37 (a) The district court in and for the county where service may be
38 obtained on the person refusing to testify or produce, if the person is
39 subject to service of process in this state; or

40 (b) A court of another state having jurisdiction over the person
41 refusing to testify or produce, if the person is not subject to service
42 of process in this state.

43 6. Not later than the time the Administrator requests an order
44 for compliance, the Administrator shall either send notice of the
45 request by registered or certified mail, return receipt requested, to



1 the respondent at the last known address or take other steps
2 reasonably calculated to give the respondent actual notice.

3 **Sec. 229.** NRS 90.730 is hereby amended to read as follows:

4 90.730 1. Except as otherwise provided in subsection 2,
5 information and ~~{documents}~~ records filed with or obtained by the
6 Administrator are public information and are available for public
7 examination.

8 2. Except as otherwise provided in subsections 3 and 4, the
9 following information and ~~{documents}~~ records do not constitute
10 public information under subsection 1 and are confidential:

11 (a) Information or ~~{documents}~~ records obtained by the
12 Administrator in connection with an investigation concerning
13 possible violations of this chapter; and

14 (b) Information or ~~{documents}~~ records filed with the
15 Administrator in connection with a registration statement filed under
16 this chapter or a report under NRS 90.390 which constitute trade
17 secrets or commercial or financial information of a person for which
18 that person is entitled to and has asserted a claim of privilege or
19 confidentiality authorized by law.

20 3. The Administrator may submit any information or evidence
21 obtained in connection with an investigation to the Attorney General
22 or appropriate district attorney for the purpose of prosecuting a
23 criminal action under this chapter.

24 4. The Administrator may disclose any information obtained in
25 connection with an investigation pursuant to NRS 90.620 to the
26 agencies and administrators specified in subsection 1 of NRS 90.740
27 but only if disclosure is provided for the purpose of a civil,
28 administrative or criminal investigation or proceeding, and the
29 receiving agency or administrator represents in writing that under
30 applicable law protections exist to preserve the integrity,
31 confidentiality and security of the information.

32 5. This chapter does not create any privilege or diminish any
33 privilege existing at common law, by statute, regulation or
34 otherwise.

35 **Sec. 230.** NRS 90.740 is hereby amended to read as follows:

36 90.740 1. To encourage uniform interpretation and
37 administration of this chapter and effective securities regulation and
38 enforcement, the Administrator and the employees of the Division
39 may cooperate with the securities agencies or administrator of one
40 or more states, Canadian provinces or territories, or another country,
41 the Securities and Exchange Commission, the Commodity Futures
42 Trading Commission, the Securities Investor Protection
43 Corporation, any self-regulatory organization, any national or
44 international organization of securities officers or agencies and any
45 governmental law enforcement or regulatory agency.



- 1 2. The cooperation authorized by subsection 1 includes:
- 2 (a) Establishing a central depository for licensing or registration
- 3 under this chapter and for ~~{documents-or}~~ records required or
- 4 allowed to be maintained under this chapter;
- 5 (b) Making a joint examination or investigation for licensing or
- 6 registration;
- 7 (c) Holding a joint administrative hearing;
- 8 (d) Filing and prosecuting a joint civil or administrative
- 9 proceeding;
- 10 (e) Sharing and exchanging personnel;
- 11 (f) Sharing and exchanging information and ~~{documents}~~
- 12 *records* subject to the restrictions of NRS 90.730; and
- 13 (g) Formulating, in accordance with chapter 233B of NRS,
- 14 regulations or proposed regulations on matters, statements of policy,
- 15 guidelines and interpretative opinions and releases.
- 16 **Sec. 231.** NRS 90.820 is hereby amended to read as follows:
- 17 90.820 1. The Administrator may use emergency
- 18 administrative proceedings in a situation involving an immediate
- 19 danger to the public welfare requiring immediate action.
- 20 2. The Administrator may take only such action as is necessary
- 21 to prevent or avoid the immediate danger to the public welfare that
- 22 justifies use of emergency administrative proceedings.
- 23 3. The Administrator shall issue an order, including a brief
- 24 statement of findings of fact, conclusions of law, and if it is an
- 25 exercise of the agency's discretion, reasons of policy for the
- 26 decision to justify the determination of an immediate danger and his
- 27 decision to take the specific action.
- 28 4. The Administrator shall give such notice as is practicable to
- 29 persons who are required to comply with the order. The order is
- 30 effective when issued.
- 31 5. After issuing an order under this section, the Administrator
- 32 shall proceed as quickly as feasible to complete proceedings that
- 33 would be required under chapter 233B of NRS if the matter did not
- 34 involve an immediate danger.
- 35 6. The record of the Administrator consists of the ~~{documents}~~
- 36 *records* regarding the matter that were considered or prepared by
- 37 him. He shall maintain these ~~{documents}~~ *records* as the official
- 38 record.
- 39 7. Unless otherwise required by law, the Administrator's
- 40 record need not constitute the exclusive basis for his action in
- 41 emergency administrative proceedings or for judicial review of the
- 42 action.
- 43 8. An order issued under this section is subject to judicial
- 44 review in the manner provided in chapter 233B of NRS for the final
- 45 decision in a contested case.



1 **Sec. 232.** NRS 90.847 is hereby amended to read as follows:
2 90.847 The Administrator may, by regulation or order, approve
3 systems for the electronic delivery of ~~{documents}~~ *records* and
4 applications to the Administrator or his designee or to the principal
5 office of the Administrator.

6 **Sec. 233.** Chapter 91 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. 234.** NRS 91.020 is hereby amended to read as follows:

12 91.020 As used in this chapter, unless the context otherwise
13 requires, the words and terms defined in NRS 91.030 to 91.150,
14 inclusive, *and section 233 of this act* have the meanings ascribed to
15 them in those sections.

16 **Sec. 235.** NRS 91.160 is hereby amended to read as follows:

17 91.160 1. This chapter must be administered by the
18 Administrator of the Securities Division of the Office of the
19 Secretary of State.

20 2. It is unlawful for the Administrator or any employee of the
21 Administrator to use for personal benefit any information which is
22 filed with or obtained by the Administrator and which is not made
23 public. It is unlawful for the Administrator or any employee of the
24 Administrator to conduct any dealings regarding a security or
25 commodity based upon any such information, even though made
26 public, if there has not been a sufficient period of time for the
27 securities or commodity markets to assimilate such information.

28 3. Except as otherwise provided in subsection 4, all
29 information and materials collected, assembled or maintained by the
30 Administrator are public records.

31 4. The following information is confidential:

32 (a) Information obtained in private investigations pursuant to
33 NRS 91.300; and

34 (b) Information obtained from federal agencies which may not
35 be disclosed under federal law.

36 5. The Administrator in his discretion may disclose any
37 information made confidential under subsection 4 to persons
38 identified in subsection 1 of NRS 91.170.

39 6. No provision of this chapter either creates or derogates any
40 privilege which exists at common law, by statute or otherwise when
41 any ~~{documentary}~~ *record* or other evidence is sought under
42 subpoena directed to the Administrator or any employee of the
43 Administrator.



1 **Sec. 236.** NRS 91.170 is hereby amended to read as follows:
2 91.170 1. To encourage uniform application and
3 interpretation of this chapter and regulation and enforcement of
4 securities laws in general, the Administrator and the employees of
5 the Administrator may cooperate, including bearing the expense
6 of the cooperation, with the securities agency or administrator of
7 another jurisdiction, Canadian province or territory, the Commodity
8 Futures Trading Commission, the Securities and Exchange
9 Commission, any self-regulatory organization established under the
10 Commodity Exchange Act or the Securities Exchange Act of 1934,
11 any national or international organization of officers or agencies
12 which regulate commodities or securities, and any governmental law
13 enforcement agency.

14 2. The cooperation authorized by subsection 1 includes, but is
15 not limited to, the following:

- 16 (a) Making joint examinations or investigations;
- 17 (b) Holding joint administrative hearings;
- 18 (c) Filing and prosecuting joint litigation;
- 19 (d) Sharing and exchanging personnel;
- 20 (e) Sharing and exchanging information and ~~documents;~~
21 *records;*
- 22 (f) Formulating and adopting mutual regulations, statements of
23 policy, guidelines, proposed statutory changes and releases; and
- 24 (g) Issuing and enforcing subpoenas at the request of the agency
25 administering this chapter in another jurisdiction, the securities
26 agency of another jurisdiction, the Commodity Futures Trading
27 Commission or the Securities and Exchange Commission if the
28 information sought would also be subject to lawful subpoena for
29 conduct occurring in this state.

30 **Sec. 237.** NRS 91.210 is hereby amended to read as follows:

31 91.210 1. The prohibitions in NRS 91.190 do not apply to the
32 following:

- 33 (a) An account, agreement or transaction within the exclusive
34 jurisdiction of the Commodity Futures Trading Commission granted
35 under the Commodity Exchange Act.
- 36 (b) A commodity contract for the purchase of one or more
37 precious metals which requires, and under which the purchaser
38 receives, within 7 calendar days after the payment of any portion of
39 the purchase price, physical delivery of the quantity of the precious
40 metals purchased by the payment. For purposes of this paragraph,
41 physical delivery shall be deemed to have occurred if, within the 7-
42 day period, the quantity of precious metals purchased by the
43 payment is delivered, whether in specifically segregated or fungible
44 bulk form, into the possession of a depository other than the seller
45 which is either:



- 1 (1) A financial institution;
- 2 (2) A depository the warehouse receipts of which are
- 3 recognized for delivery purposes for any commodity on a contract
- 4 market designated by the Commodity Futures Trading Commission;
- 5 (3) A storage facility licensed or regulated by the United
- 6 States or any agency thereof; or
- 7 (4) A depository designated by the Administrator,
- 8 and the depository issues, and the purchaser receives, a certificate,
- 9 ~~document~~ *record* of title, confirmation or other instrument
- 10 evidencing that such a quantity of precious metals has been
- 11 delivered to the depository and is being and will continue to be held
- 12 by the depository on the purchaser's behalf, free and clear of all
- 13 liens and encumbrances, other than liens of the purchaser, tax liens,
- 14 liens agreed to by the purchaser, or liens of the depository for fees
- 15 and expenses, which have previously been disclosed to the
- 16 purchaser.
- 17 (c) A commodity contract solely between persons engaged in
- 18 producing, processing, using commercially or handling as
- 19 merchants, each commodity subject thereto, or any by-product
- 20 thereof.
- 21 (d) A commodity contract under which the offeree or the
- 22 purchaser is a person referred to in NRS 91.200, an insurance
- 23 company, an investment company as defined in the Investment
- 24 Company Act of 1940, or an employee pension and profit-sharing or
- 25 benefit plan, other than a self-employed individual retirement plan
- 26 or individual retirement account.
- 27 2. The Administrator may adopt regulations or issue orders
- 28 prescribing the terms and conditions of all transactions and contracts
- 29 covered by the provisions of this chapter which are not within the
- 30 exclusive jurisdiction of the Commodity Futures Trading
- 31 Commission granted by the Commodity Exchange Act, exempting
- 32 any person or transaction from any provision of this chapter
- 33 conditionally or unconditionally and otherwise implementing the
- 34 provisions of this chapter for the protection of purchasers and sellers
- 35 of commodities.
- 36 **Sec. 238.** NRS 91.300 is hereby amended to read as follows:
- 37 91.300 1. The Administrator may make investigations, within
- 38 or outside of this state, as he finds necessary or appropriate to:
- 39 (a) Determine whether any person has violated, or is about to
- 40 violate, any provision of this chapter or any regulation or order of
- 41 the Administrator; or
- 42 (b) Aid in the enforcement of this chapter.
- 43 2. The Administrator may publish information concerning any
- 44 violation of this chapter or any regulation or order of the
- 45 Administrator.



1 3. For the purposes of any investigation or proceeding under
2 this chapter, the Administrator, or an officer or employee designated
3 by the Administrator, may administer oaths and affirmations,
4 subpoena witnesses, compel their attendance, take evidence and
5 require the production of any books, papers, correspondence,
6 memoranda, agreements or other ~~documents or~~ records which the
7 Administrator finds to be relevant or material to the inquiry.

8 4. If a person does not give testimony or produce the
9 ~~documents~~ records required by the Administrator or a designated
10 officer or employee pursuant to an administrative subpoena, the
11 Administrator or designated officer or employee may apply for a
12 court order compelling compliance with the subpoena or the giving
13 of the required testimony.

14 5. The request for an order of compliance may be addressed to
15 either:

- 16 (a) The District Court for the First Judicial District;
17 (b) The district court for any judicial district where service may
18 be obtained on the person refusing to testify or produce, if the
19 person is within this state; or
20 (c) The appropriate court of the state having jurisdiction over the
21 person refusing to testify or produce, if the person is outside of this
22 state.

23 6. If the activities constituting an alleged violation for which
24 the information is sought would be a violation of this chapter had
25 the activities occurred in this state, the Administrator may issue and
26 apply to enforce subpoenas, in the manner set forth in subsection 5,
27 in this state at the request of a securities agency or administrator of
28 another state.

29 **Sec. 239.** Chapter 92A of NRS is hereby amended by adding
30 thereto the provisions set forth as sections 240 to 244, inclusive, of
31 this act.

32 **Sec. 240.** *“Articles,” “articles of incorporation” and*
33 *“certificate of incorporation” are synonymous terms and unless*
34 *the context otherwise requires, include all certificates filed*
35 *pursuant to NRS 78.030, 78.1955, 78.209, 78.380, 78.385 and*
36 *78.390 and any articles of merger, conversion, exchange or*
37 *domestication filed pursuant to NRS 92A.200 to 92A.240,*
38 *inclusive, or 92A.270. Unless the context otherwise requires, these*
39 *terms include restated articles and certificates of incorporation.*

40 **Sec. 241.** *“Charter document” means the articles of*
41 *incorporation of a foreign corporation, whether or not for profit,*
42 *the articles of incorporation of a domestic corporation and a*
43 *domestic nonprofit corporation, the articles of organization of a*
44 *limited-liability company, the certificate of limited partnership of a*



1 *limited partnership or the certificate of trust of a business trust*
2 *and all amendments thereto.*

3 **Sec. 242.** *“Record” means information that is inscribed on a*
4 *tangible medium or that is stored in an electronic or other medium*
5 *and is retrievable in perceivable form.*

6 **Sec. 243.** *“Sign” means to affix a signature to a record.*

7 **Sec. 244.** *“Signature” means a name, word, symbol or mark*
8 *executed or otherwise adopted, or a record encrypted or similarly*
9 *processed in whole or in part, by a person with the present intent*
10 *to identify himself and adopt or accept a record. The term*
11 *includes, without limitation, an electronic signature as defined in*
12 *NRS 719.100.*

13 **Sec. 245.** NRS 92A.005 is hereby amended to read as follows:
14 92A.005 As used in this chapter, unless the context otherwise
15 requires, the words and terms defined in NRS 92A.007 to 92A.090,
16 inclusive, *and sections 240 to 244, inclusive, of this act* have the
17 meanings ascribed to them in those sections.

18 **Sec. 246.** NRS 92A.045 is hereby amended to read as follows:
19 92A.045 “Entity” means a foreign or domestic ~~corporation~~ :
20 1. *Corporation*, whether or not for profit ~~limited liability~~
21 ~~company, limited~~ ;
22 2. *Limited-liability company*;
23 3. *Limited* partnership ; or ~~business~~
24 4. *Business* trust.

25 **Sec. 247.** NRS 92A.100 is hereby amended to read as follows:
26 92A.100 1. Except as limited by NRS 78.411 to 78.444,
27 inclusive, one or more domestic entities may merge into another
28 entity if the plan of merger is approved pursuant to the provisions of
29 this chapter.

30 2. ~~The~~ *Except as otherwise provided in NRS 92A.180, the*
31 *plan of merger must set forth:*

32 (a) The name, address and jurisdiction of organization and
33 governing law of each constituent entity;

34 (b) The name, jurisdiction of organization and kind of entity or
35 entities that will survive the merger;

36 (c) The terms and conditions of the merger; and

37 (d) The manner and basis of converting the owner’s interests of
38 each constituent entity into owner’s interests, rights to purchase
39 owner’s interests, or other securities of the surviving or other entity
40 or into cash or other property in whole or in part.

41 3. The plan of merger may set forth:

42 (a) Amendments to the constituent documents of the surviving
43 entity; and

44 (b) Other provisions relating to the merger.

45 4. The plan of merger must be in writing.



1 **Sec. 248.** NRS 92A.105 is hereby amended to read as follows:
2 92A.105 1. Except as limited by NRS 78.411 to 78.444,
3 inclusive, one domestic general partnership or one domestic entity,
4 except a domestic nonprofit corporation, may convert into a
5 domestic entity *of a different type* or a foreign entity if the plan of
6 conversion is approved pursuant to the provisions of this chapter.

7 2. The plan of conversion must be in writing and set forth the:
8 (a) Name of the constituent entity and the proposed name for the
9 resulting entity;
10 (b) Address of the constituent entity and the resulting entity;
11 (c) Jurisdiction of the law that governs the constituent entity;
12 (d) Jurisdiction of the law that will govern the resulting entity;
13 (e) Terms and conditions of the conversion;
14 (f) Manner and basis of converting the owner's interest or the
15 interest of a partner in a general partnership of the constituent entity
16 into owner's interests, rights of purchase and other securities in the
17 resulting entity; and
18 (g) Full text of the constituent documents of the resulting entity.

19 3. The plan of conversion may set forth other provisions
20 relating to the conversion.

21 **Sec. 249.** NRS 92A.120 is hereby amended to read as follows:

22 92A.120 1. After adopting a plan of merger, exchange or
23 conversion, the board of directors of each domestic corporation that
24 is a constituent entity in the merger or conversion, or the board of
25 directors of the domestic corporation whose shares will be acquired
26 in the exchange, must submit the plan of merger, except as
27 otherwise provided in NRS 92A.130 ~~8~~ and 92A.180, the plan of
28 conversion or the plan of exchange for approval by its stockholders
29 who are entitled to vote on the plan.

30 2. For a plan of merger, conversion or exchange to be
31 approved:

32 (a) The board of directors must recommend the plan of merger,
33 conversion or exchange to the stockholders, unless the board of
34 directors determines that because of a conflict of interest or other
35 special circumstances it should make no recommendation and it
36 communicates the basis for its determination to the stockholders
37 with the plan; and

38 (b) The stockholders entitled to vote must approve the plan.

39 3. The board of directors may condition its submission of the
40 proposed merger, conversion or exchange on any basis.

41 4. Unless the plan of merger, conversion or exchange is
42 approved by the written consent of stockholders pursuant to
43 subsection ~~8~~ 7, the domestic corporation must notify each
44 stockholder, whether or not he is entitled to vote, of the proposed
45 stockholders' meeting in accordance with NRS 78.370. The notice



1 must also state that the purpose, or one of the purposes, of the
2 meeting is to consider the plan of merger, conversion or exchange
3 and must contain or be accompanied by a copy or summary of the
4 plan.

5 5. Unless this chapter, the articles of incorporation, the
6 resolutions of the board of directors establishing the class or series
7 of stock ~~[, subsection 6]~~ or the board of directors acting pursuant to
8 subsection 3 require a greater vote or a vote by classes of
9 stockholders, the plan of merger or conversion must be approved by
10 a majority of the voting power of the stockholders.

11 6. Unless the articles of incorporation or the resolution of the
12 board of directors establishing a class or series of stock provide
13 otherwise, or unless the board of directors acting pursuant to
14 subsection 3 requires a greater vote, the plan of exchange must be
15 approved by a majority of the voting power of each class and each
16 series to be exchanged pursuant to the plan of exchange.

17 7. ~~In addition to any other vote required, if a plan of merger
18 contains an amendment to the articles of incorporation of the
19 surviving domestic corporation or if a plan of conversion provides
20 for a resulting entity with constituent documents, that adversely alter
21 or change any preference or other right given to any class or series
22 of outstanding stock of the surviving domestic corporation, then the
23 plan of merger or conversion must be approved by the vote of
24 stockholders representing a majority of the voting power of each
25 class or series adversely affected by the amendment or the
26 constituent documents, regardless of limitations or restrictions on
27 the voting power of that class or series of stock.~~

28 ~~—8.]~~ Unless otherwise provided in the articles of incorporation or
29 the bylaws of the domestic corporation, the plan of merger,
30 conversion or exchange may be approved by written consent as
31 provided in NRS 78.320.

32 ~~[9.]~~ 8. If an officer, director or stockholder of a domestic
33 corporation, which will be the constituent entity in a conversion,
34 will have any liability for the obligations of the resulting entity after
35 the conversion because he will be the owner of an owner's interest
36 in the resulting entity, then that officer, director or stockholder must
37 also approve the plan of conversion.

38 ~~[10.]~~ 9. Unless otherwise provided in the articles of
39 incorporation or bylaws of a domestic corporation, a plan of merger,
40 conversion or exchange may contain a provision that permits
41 amendment of the plan of merger, conversion or exchange at any
42 time after the stockholders of the domestic corporation approve the
43 plan of merger, conversion or exchange, but before the articles of
44 merger, conversion or exchange become effective, without obtaining



1 the approval of the stockholders of the domestic corporation for the
2 amendment if the amendment does not:

3 (a) Alter or change the manner or basis of exchanging an
4 owner's interest to be acquired for owner's interests, rights to
5 purchase owner's interests, or other securities of the acquiring entity
6 or any other entity, or for cash or other property in whole or in part;
7 or

8 (b) Alter or change any of the terms and conditions of the plan
9 of merger, conversion or exchange in a manner that adversely
10 affects the stockholders of the domestic corporation.

11 ~~11-1~~ **10.** This section does not prevent or restrict a board of
12 directors from cancelling the proposed meeting or removing the plan
13 of merger, conversion or exchange from consideration at the
14 meeting if the board of directors determines that it is not advisable
15 to submit the plan of merger, conversion or exchange to the
16 stockholders for approval.

17 **Sec. 250.** NRS 92A.165 is hereby amended to read as follows:

18 92A.165 Unless otherwise provided in the certificate of trust or
19 governing instrument of a *domestic* business trust, a plan of merger,
20 conversion or exchange must be approved by all the trustees and
21 beneficial owners of each *domestic* business trust that is a
22 constituent entity in the merger.

23 **Sec. 251.** NRS 92A.190 is hereby amended to read as follows:

24 92A.190 1. One or more foreign entities may merge or enter
25 into an exchange of owner's interests with one or more domestic
26 entities if:

27 (a) In a merger, the merger is permitted by the law of the
28 jurisdiction under whose law each foreign entity is organized and
29 governed and each foreign entity complies with that law in effecting
30 the merger;

31 (b) In an exchange, the entity whose owner's interests will be
32 acquired is a domestic entity, whether or not an exchange of
33 owner's interests is permitted by the law of the jurisdiction under
34 whose law the acquiring entity is organized;

35 (c) The foreign entity complies with NRS 92A.200 to 92A.240,
36 inclusive, if it is the surviving entity in the merger or acquiring
37 entity in the exchange and sets forth in the articles of merger or
38 exchange its address where copies of process may be sent by the
39 Secretary of State; and

40 (d) Each domestic entity complies with the applicable provisions
41 of NRS 92A.100 to 92A.180, inclusive, and, if it is the surviving
42 entity in the merger or acquiring entity in the exchange, with NRS
43 92A.200 to 92A.240, inclusive.



1 2. When the merger or exchange takes effect, the surviving
2 foreign entity in a merger and the acquiring foreign entity in an
3 exchange shall be deemed:

4 (a) To appoint the Secretary of State as its agent for service of
5 process in a proceeding to enforce any obligation *which accrued*
6 *before the merger or exchange became effective* or the rights of
7 dissenting owners of each domestic entity that was a party to the
8 merger or exchange. Service of such process must be made by
9 personally delivering to and leaving with the Secretary of State
10 duplicate copies of the process and the payment of a fee of \$50 for
11 accepting and transmitting the process. The Secretary of State shall
12 forthwith send by registered or certified mail one of the copies to
13 the surviving or acquiring entity at its specified address, unless the
14 surviving or acquiring entity has designated in writing to the
15 Secretary of State a different address for that purpose, in which case
16 it must be mailed to the last address so designated.

17 (b) To agree that it will promptly pay to the dissenting owners of
18 each domestic entity that is a party to the merger or exchange the
19 amount, if any, to which they are entitled under or created pursuant
20 to NRS 92A.300 to 92A.500, inclusive.

21 3. This section does not limit the power of a foreign entity to
22 acquire all or part of the owner's interests of one or more classes or
23 series of a domestic entity through a voluntary exchange or
24 otherwise.

25 **Sec. 252.** NRS 92A.200 is hereby amended to read as follows:

26 92A.200 After a plan of merger or exchange is approved as
27 required by this chapter, the surviving or acquiring entity shall
28 deliver to the Secretary of State for filing articles of merger or
29 exchange setting forth:

30 1. The name and jurisdiction of organization of each
31 constituent entity;

32 2. That a plan of merger or exchange has been adopted by each
33 constituent entity;

34 3. If approval of the owners of one or more constituent entities
35 was not required, a statement to that effect and the name of each
36 entity;

37 4. If approval of owners of one or more constituent entities was
38 required, the name of each entity and a statement for each entity that

39 ~~is~~
40 ~~—(a) The~~ *the* plan was approved by the required consent of the
41 owners; ~~or~~

42 ~~—(b) A plan was submitted to the owners pursuant to this chapter~~
43 ~~including:~~



1 ~~—— (1) The designation, percentage of total vote or number of~~
2 ~~votes entitled to be cast by each class of owner's interests entitled to~~
3 ~~vote separately on the plan; and~~

4 ~~—— (2) Either the total number of votes or percentage of owner's~~
5 ~~interests cast for and against the plan by the owners of each class of~~
6 ~~interests entitled to vote separately on the plan or the total number~~
7 ~~of undisputed votes or undisputed total percentage of owner's~~
8 ~~interests cast for the plan separately by the owners of each~~
9 ~~class,~~
10 ~~and the number of votes or percentage of owner's interests cast for~~
11 ~~the plan by the owners of each class of interests was sufficient for~~
12 ~~approval by the owners of that class;]~~

13 5. In the case of a merger, the amendment, if any, to the
14 ~~[articles of incorporation, articles of organization, certificate of~~
15 ~~limited partnership or certificate of trust]~~ *charter document* of the
16 surviving entity, which amendment may be set forth in the articles
17 of merger as a specific amendment or in the form of ~~[-~~

18 ~~—(a) Amended and restated articles of incorporation;~~
19 ~~—(b) Amended and restated articles of organization;~~
20 ~~—(c) An amended and restated certificate of limited partnership;~~
21 ~~or~~

22 ~~—(d) An] an~~ amended and restated ~~[certificate of trust,]~~ *charter*
23 *document* or attached in that form as an exhibit; and

24 6. If the entire plan of merger or exchange is not set forth, a
25 statement that the complete ~~[executed]~~ *signed* plan of merger or
26 plan of exchange is on file at the registered office if a corporation,
27 limited-liability company or business trust, or office described in
28 paragraph (a) of subsection 1 of NRS 88.330 if a limited
29 partnership, or other place of business of the surviving entity or the
30 acquiring entity, respectively.

31 7. Any of the terms of the plan of merger, conversion or
32 exchange may be made dependent upon facts ascertainable outside
33 of the plan of merger, conversion or exchange, provided that the
34 plan of merger, conversion or exchange clearly and expressly sets
35 forth the manner in which such facts shall operate upon the terms of
36 the plan. As used in this section, the term "facts" includes, without
37 limitation, the occurrence of an event, including a determination or
38 action by a person or body, including a constituent entity.

39 **Sec. 253.** NRS 92A.205 is hereby amended to read as follows:

40 92A.205 1. After a plan of conversion is approved as
41 required by this chapter, if the resulting entity is a domestic entity,
42 the constituent entity shall deliver to the Secretary of State for filing:

43 (a) Articles of conversion setting forth:

44 (1) The name and jurisdiction of organization of the
45 constituent entity and the resulting entity; and



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

4 (b) The ~~{following constituent}~~ *charter* document of the
5 domestic resulting entity ~~{~~:

6 ~~— (1) If the resulting entity is a domestic corporation, the~~
7 ~~articles of incorporation filed in compliance with chapter 78 or 89 of~~
8 ~~NRS, as applicable;~~

9 ~~— (2) If the resulting entity is a domestic limited partnership,~~
10 ~~the certificate of limited partnership filed in compliance with~~
11 ~~chapter 88 of NRS;~~

12 ~~— (3) If the resulting entity is a domestic limited liability~~
13 ~~company, the articles of organization filed in compliance with~~
14 ~~chapter 86 of NRS; or~~

15 ~~— (4) If the resulting entity is a domestic business trust, the~~
16 ~~certificate of trust filed in compliance with} *required by the*~~
17 ~~*applicable provisions of* chapter 78, 86, 88, 88A or 89 of NRS.~~

18 (c) A certificate of acceptance of appointment of a resident
19 agent for the resulting entity which is ~~{executed}~~ *signed* by the
20 resident agent.

21 2. After a plan of conversion is approved as required by this
22 chapter, if the resulting entity is a foreign entity, the constituent
23 entity shall deliver to the Secretary of State for filing articles of
24 conversion setting forth:

25 (a) The name and jurisdiction of organization of the constituent
26 entity and the resulting entity;

27 (b) That a plan of conversion has been adopted by the
28 constituent entity in compliance with the laws of this state; and

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

31 3. If the entire plan of conversion is not set forth in the articles
32 of conversion, the filing party must include in the articles of
33 conversion a statement that the complete ~~{executed}~~ *signed* plan
34 of conversion is on file at the registered office or principal place of
35 business of the resulting entity or, if the resulting entity is a
36 domestic limited partnership, the office described in paragraph (a)
37 of subsection 1 of NRS 88.330.

38 4. If the conversion takes effect on a later date specified in the
39 articles of conversion pursuant to NRS 92A.240, the ~~{constituent}~~
40 *charter* document *to be* filed with the Secretary of State pursuant to
41 paragraph (b) of subsection 1 must state the name and the
42 jurisdiction of the constituent entity and that the existence of the
43 resulting entity does not begin until the later date.



1 5. Any ~~{documents}~~ *records* filed with the Secretary of State
2 pursuant to this section must be accompanied by the fees required
3 pursuant to this title for filing the ~~{constituent}~~ *charter* document.

4 **Sec. 254.** NRS 92A.210 is hereby amended to read as follows:

5 92A.210 1. Except as otherwise provided in this section, the
6 fee for filing articles of merger, articles of conversion, articles of
7 exchange, articles of domestication or articles of termination is
8 \$325. The fee for filing the ~~{constituent}~~ *charter* documents of a
9 domestic resulting entity is the fee for filing the ~~{constituent}~~
10 *charter* documents determined by the chapter of NRS governing the
11 particular domestic resulting entity.

12 2. The fee for filing articles of merger of two or more domestic
13 corporations is the difference between the fee computed at the rates
14 specified in NRS 78.760 upon the aggregate authorized stock of the
15 corporation created by the merger and the fee computed upon the
16 aggregate amount of the total authorized stock of the constituent
17 corporation.

18 3. The fee for filing articles of merger of one or more domestic
19 corporations with one or more foreign corporations is the difference
20 between the fee computed at the rates specified in NRS 78.760 upon
21 the aggregate authorized stock of the corporation created by the
22 merger and the fee computed upon the aggregate amount of the total
23 authorized stock of the constituent corporations which have paid the
24 fees required by NRS 78.760 and 80.050.

25 4. The fee for filing articles of merger of two or more domestic
26 or foreign corporations must not be less than \$325. The amount paid
27 pursuant to subsection 3 must not exceed \$25,000.

28 **Sec. 255.** NRS 92A.230 is hereby amended to read as follows:

29 92A.230 1. Articles of merger, conversion or exchange must
30 be signed by each *foreign and* domestic constituent entity as
31 follows:

32 (a) By an officer of a ~~{domestic}~~ corporation, whether or not for
33 profit;

34 (b) By ~~{all}~~ *one of* the general partners of a ~~{domestic}~~ limited
35 partnership;

36 (c) By a manager of a ~~{domestic}~~ limited-liability company with
37 managers or by ~~{all the members}~~ *one member* of a ~~{domestic}~~
38 limited-liability company without managers; ~~{and}~~

39 (d) By a trustee of a ~~{domestic}~~ business trust ~~{~~

40 ~~—2. Articles of merger, conversion or exchange must be signed~~
41 ~~by each foreign constituent entity in the manner provided by the law~~
42 ~~governing it.~~

43 ~~—3. As used in this section, “signed” means to have executed or~~
44 ~~adopted a name, word or mark, including, without limitation, an~~



1 ~~electronic signature as defined in NRS 719.100, with the present~~
2 ~~intention to authenticate a document.]; and~~

3 *(e) By one general partner of a general partnership.*

4 **Sec. 256.** NRS 92A.240 is hereby amended to read as follows:

5 92A.240 1. A merger, conversion or exchange takes effect
6 upon filing the articles of merger, conversion or exchange or upon a
7 later date as specified in the articles, which must not be more than
8 90 days after the articles are filed.

9 2. If the filed articles of merger, conversion or exchange
10 specify such a later effective date, the constituent entity or entities
11 may file articles of termination before the effective date, setting
12 forth:

13 (a) The name of each constituent entity and, for a conversion,
14 the resulting entity; and

15 (b) That the merger, conversion or exchange has been
16 terminated pursuant to the plan of merger, conversion or exchange.

17 3. The articles of termination must be ~~executed~~ *signed* in the
18 manner provided in NRS 92A.230.

19 **Sec. 257.** NRS 92A.270 is hereby amended to read as follows:

20 92A.270 1. Any undomesticated organization may become
21 domesticated in this state as a domestic entity by:

22 (a) Paying to the Secretary of State the fees required pursuant to
23 this Title for filing the ~~constituent~~ *charter* document; and

24 (b) Filing with the Secretary of State:

25 (1) Articles of domestication which must be ~~executed~~
26 *signed* by an authorized representative of the undomesticated
27 organization approved in compliance with subsection 6;

28 (2) The appropriate ~~constituent~~ *charter* document for the
29 type of domestic entity ; ~~described in paragraph (b) of subsection 1~~
30 ~~of NRS 92A.205;~~ and

31 (3) A certificate of acceptance of appointment of a resident
32 agent for the domestic entity which is ~~executed~~ *signed* by the
33 resident agent.

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

35 (a) Date when and the jurisdiction where the undomesticated
36 organization was first formed, incorporated, organized or otherwise
37 created;

38 (b) Name of the undomesticated organization immediately
39 before filing the articles of domestication;

40 (c) Name and type of domestic entity as set forth in its
41 ~~constituent~~ *charter* document pursuant to subsection 1; and

42 (d) Jurisdiction that constituted the principal place of business or
43 central administration of the undomesticated organization, or any
44 other equivalent thereto pursuant to applicable law,
45 immediately before filing the articles of domestication.



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

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

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

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

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

27 (b) Applicable foreign law.

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

44 8. When an undomesticated organization is domesticated, the
45 domestic entity resulting from the domestication is for all purposes



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

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

30 **Sec. 258.** NRS 92A.380 is hereby amended to read as follows:
31 92A.380 1. Except as otherwise provided in NRS 92A.370
32 and 92A.390, ~~the~~ *any* stockholder is entitled to dissent from, and
33 obtain payment of the fair value of his shares in the event of any of
34 the following corporate actions:

35 (a) Consummation of a *conversion or* plan of merger to which
36 the domestic corporation is a constituent entity:

37 (1) If approval by the stockholders is required for the
38 *conversion or* merger by NRS 92A.120 to 92A.160, inclusive, or
39 the articles of incorporation, regardless of whether the stockholder is
40 entitled to vote on the *conversion or* plan of merger; or

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

43 (b) Consummation of a plan of exchange to which the domestic
44 corporation is a constituent entity as the corporation whose subject



1 owner's interests will be acquired, if his shares are to be acquired in
2 the plan of exchange.

3 (c) Any corporate action taken pursuant to a vote of the
4 stockholders to the ~~extent~~ *extent* that the articles of incorporation,
5 bylaws or a resolution of the board of directors provides that voting
6 or nonvoting stockholders are entitled to dissent and obtain payment
7 for their shares.

8 2. A stockholder who is entitled to dissent and obtain payment
9 pursuant to NRS 92A.300 to 92A.500, inclusive, may not challenge
10 the corporate action creating his entitlement unless the action is
11 unlawful or fraudulent with respect to him or the domestic
12 corporation.

13 **Sec. 259.** NRS 92A.440 is hereby amended to read as follows:

14 92A.440 1. A stockholder to whom a dissenter's notice is
15 sent must:

16 (a) Demand payment;

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

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

23 2. The stockholder who demands payment and deposits his
24 certificates, if any, before the proposed corporate action is taken
25 retains all other rights of a stockholder until those rights are
26 cancelled or modified by the taking of the proposed corporate
27 action.

28 3. The stockholder who does not demand payment or deposit
29 his certificates where required, each by the date set forth in the
30 dissenter's notice, is not entitled to payment for his shares under this
31 chapter.

32 **Sec. 260.** NRS 104.9318 is hereby amended to read as
33 follows:

34 104.9318 1. *A debtor that has sold an account, chattel*
35 *paper, payment intangible or promissory note does not retain a*
36 *legal or equitable interest in the collateral sold.*

37 2. For purposes of determining the rights of creditors of, and
38 purchasers for value of an account or chattel paper from, a debtor
39 that has sold an account or chattel paper, while the buyer's security
40 interest is unperfected, the debtor has rights and title to the account
41 or chattel paper identical to those the debtor sold.

42 **Sec. 261.** NRS 111.312 is hereby amended to read as follows:

43 111.312 1. The county recorder shall not record with respect
44 to real property, a notice of completion, a declaration of homestead,
45 a lien or notice of lien, an affidavit of death, a mortgage or deed of



1 trust, or any conveyance of real property or instrument in writing
2 setting forth an agreement to convey real property unless the
3 document being recorded contains:

4 (a) The mailing address of the grantee or, if there is no grantee,
5 the mailing address of the person who is requesting the recording of
6 the document; and

7 (b) The assessor's parcel number of the property at the top left
8 corner of the first page of the document, if the county assessor has
9 assigned a parcel number to the property. The county recorder is not
10 required to verify that the assessor's parcel number is correct.

11 2. The county recorder shall not record with respect to real
12 property any conveyance of real property or instrument in writing
13 setting forth an agreement to convey real property unless the
14 document being recorded contains the name and address of the
15 person to whom a statement of the taxes assessed on the real
16 property is to be mailed.

17 3. The assessor's parcel number shall not be deemed to be a
18 complete legal description of the real property conveyed.

19 4. Except as otherwise provided in subsection 5, if a document
20 that is being recorded includes a legal description of real property
21 that is provided in metes and bounds, the document must include the
22 name and mailing address of the person who prepared the legal
23 description. The county recorder is not required to verify the
24 accuracy of the name and mailing address of such a person.

25 5. If a document *including the same legal description*
26 described in subsection 4 previously has been recorded, the
27 document must include all information necessary to identify and
28 locate the previous recording, but the name and mailing address of
29 the person who prepared the legal description is not required for the
30 document to be recorded. The county recorder is not required to
31 verify the accuracy of the information concerning the previous
32 recording.

33 **Sec. 262.** NRS 602.010 is hereby amended to read as follows:

34 602.010 1. Every person doing business in this state under an
35 assumed or fictitious name ~~[which does not indicate the real]~~ *that is*
36 *in any way different from the legal* name of each person who owns
37 an interest in the business must file with the county clerk of each
38 county in which the business is being conducted a certificate
39 containing the information required by NRS 602.020.

40 2. A person intending to conduct a business under an assumed
41 or fictitious name may, before initiating the conduct of the business,
42 file a certificate with the county clerk of each county in which the
43 business is intended to be conducted.

44 ~~[3. If the board of county commissioners of a county has~~
45 ~~adopted an ordinance pursuant to NRS 602.035, a certificate filed~~



1 ~~pursuant to this section expires 5 years after it is filed with the~~
2 ~~county clerk.]~~

3 **Sec. 263.** NRS 602.020 is hereby amended to read as follows:

4 602.020 1. A certificate filed pursuant to NRS 602.010 or a
5 renewal certificate filed pursuant to NRS 602.035 must state the
6 assumed or fictitious name under which the business is being
7 conducted or is intended to be conducted, and if conducted by:

8 (a) A natural person:

9 (1) His full name;

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

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

13 (b) An artificial person required to make annual filings with the
14 Secretary of State to retain its good standing ~~[, -its]~~ :

15 (1) *Its* name as it appears in the records of the Secretary of
16 State; *and*

17 (2) *Its mailing address;*

18 (c) A general partnership:

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

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

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

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

28 (d) A trust:

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

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

32 (3) If the mailing address is different from the street address,
33 the mailing address of the residence or business of each trustee of
34 the trust.

35 2. The certificate must be:

36 (a) Signed:

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

38 (2) In the case of an artificial person required to make annual
39 filings with the Secretary of State to retain its good standing, by a
40 person required to sign the annual filing;

41 (3) In the case of a general partnership, by each of the
42 partners who is a natural person, and if one or more of the partners
43 is an artificial person described in subparagraph (2), by an officer of
44 the corporation or a person required to sign the annual filing; or

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



1 (b) Notarized.
2 **Sec. 263.5.** NRS 602.035 is hereby amended to read as
3 follows:

4 602.035 1. The board of county commissioners of a county
5 may provide, by ordinance, that a certificate filed with the county
6 clerk pursuant to NRS 602.010 expires 5 years after it is filed.

7 2. If such an ordinance is adopted, on or before the expiration
8 of the certificate, the person doing business in the county under an
9 assumed or fictitious name that does not indicate the real name of
10 each person who owns an interest in the business must file a renewal
11 certificate containing the information required by NRS 602.020 with
12 the county clerk.

13 3. A renewal certificate filed pursuant to this section:
14 (a) Expires 5 years after it is filed with the county clerk.

15 (b) Must include a statement indicating that the renewal
16 certificate expires 5 years after the date on which it is filed with the
17 county clerk.

18 4. Upon the adoption of such an ordinance, the county clerk
19 shall ~~cause to be published in a newspaper of general circulation in~~
20 ~~the county notice that~~ *notify* those persons who have filed
21 certificates in the county pursuant to NRS 602.010 *that they* are
22 required to renew those certificates pursuant to the provisions of this
23 section ~~by~~:

24 (a) *Publishing such notice in a newspaper of general*
25 *circulation in the county; and*

26 (b) *Mailing such notice to the last known address of those*
27 *persons.*

28 **Sec. 264.** NRS 602.050 is hereby amended to read as follows:
29 602.050 Every county clerk shall keep, in alphabetical order, in
30 a book or other suitable index provided for that purpose ~~[-~~

31 ~~1. A], a register of all the assumed or fictitious names [of the~~
32 ~~corporations, businesses, or fanciful or fictitious designations.]~~ as
33 shown in the certificates ~~[-~~

34 ~~2. Unless it is a corporation, the] filed pursuant to this~~
35 ~~chapter, together with the following information shown in the~~
36 ~~certificate for each assumed or fictitious name:~~

37 1. The name of each *natural* person ~~[shown to be interested in~~
38 ~~or a partner in such a business.]~~, *artificial person, general partner*
39 *or trustee conducting the business under such name.*

40 2. *The mailing or street address.*

41 **Secs. 265 and 266.** (Deleted by amendment.)

42 **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.

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