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SECOND REPRINT

S.B. 95

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SENATE BILL NO. 95—SENATOR OHRENSCHALL

FEBRUARY 3, 2021

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JOINT SPONSOR: ASSEMBLYMAN ORENTLICHER

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Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to business entities.  
(BDR 7-493)

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.

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AN ACT relating to business entities; revising provisions relating to service of process on management persons; making various changes to definitions relating to corporations; authorizing a corporation to include a federal forum selection clause in its articles of incorporation or bylaws; revising provisions relating to the breach of a fiduciary duty by a director or officer of a corporation; making various changes relating to meetings of stockholders held by means of remote communication; revising provisions relating to voting agreements of stockholders; revising provisions relating to notice of meetings of stockholders; revising provisions relating to insolvent corporations; revising provisions relating to discretionary indemnification of directors, officers, employees and agents of corporations; providing an exception to the requirement that a corporation issue a certificate of membership; establishing and revising provisions relating to distributions made by limited-liability companies; revising provisions relating to the form of contributions to capital of members of a limited-liability company or series; making various changes relating to the standard of voting for actions taken by corporations, limited partnerships and limited-liability companies; revising provisions relating to dissenter's rights; and providing other matters properly relating thereto.



\* S B 9 5 R 2 \*

**Legislative Counsel's Digest:**

1 Existing law establishes various provisions relating to business entities,  
2 including private corporations and limited-liability companies. (Chapters 78 and 86  
3 of NRS) This bill revises certain provisions relating to business entities and makes  
4 certain other changes generally relating to business entities.

5 **Section 1** of this bill removes the requirement that a clerk of the court mail to  
6 certain management persons of a business entity true and attested copies of the  
7 process served on the registered agent of the entity, and instead requires that the  
8 party serving the registered agent mail to such management persons a copy of any  
9 document served upon the registered agent.

10 **Section 38** of this bill repeals the selectively applicable definitions of "publicly  
11 traded corporation," "Securities Exchange Act" and "voting shares," respectively,  
12 and replaces the definitions in **section 2** of this bill in order to expand the  
13 applicability of such definitions to the entirety of chapter 78 of NRS. **Sections 3, 7**  
14 **and 8** of this bill make conforming changes related to the definition of the  
15 "Securities Exchange Act." **Section 14.2** of this bill makes a conforming change  
16 related to the definition of "voting shares."

17 **Section 4** of this bill authorizes a corporation to include a federal forum  
18 selection clause in its articles of incorporation or bylaws under certain  
19 circumstances.

20 **Section 5** of this bill expressly provides that the directors and officers of a  
21 corporation may consider one or more facts, circumstances, contingencies or  
22 constituencies when exercising their respective powers.

23 **Section 6** of this bill revises the definition of "distribution," as it relates to  
24 distributions made by corporations, by delineating that the term applies to all  
25 holders of shares of any one or more classes or series of the capital stock of the  
26 corporation. **Sections 9 and 10** of this bill make conforming changes related to  
27 distributions made by corporations.

28 **Section 11** of this bill authorizes a meeting of stockholders to be held solely by  
29 means of remote communication unless otherwise prescribed by the board of  
30 directors. **Section 11** also provides that, in addition to the stockholders, the  
31 corporation may permit certain other persons to attend the remote meeting.  
32 Moreover, **section 11** provides that the corporation must implement measures to  
33 verify the identity of the permitted persons.

34 **Section 12** of this bill provides that the record date for a meeting of  
35 stockholders of the corporation: (1) must be fixed through a resolution adopted by  
36 the board of directors; and (2) must not precede the day on which the resolution is  
37 adopted by the board of directors, regardless of the effective date of the resolution.

38 **Section 12** also provides that the date upon which the stockholders of record  
39 are entitled to give written consent for certain actions taken by the corporation must  
40 not precede the day on which the resolution fixing such a date is adopted by the  
41 board of directors, regardless of the effective date of the resolution.

42 **Section 13** of this bill: (1) establishes provisions concerning the validity and  
43 enforceability of certain voting agreements; and (2) revises provisions relating to  
44 the limitation on the duration of certain voting agreements.

45 **Section 14** of this bill revises the form of notice for meetings of stockholders  
46 by requiring the notice to include the following information: (1) the date of the  
47 meeting; (2) if the meeting is to be held by means of remote communication, the  
48 form of the remote communication; and (3) if the meeting is not going to be held  
49 solely by means of remote communication, the physical location of the meeting.  
50 **Section 14** additionally applies these changes to the form of notice required for  
51 adjourned meetings of stockholders.

52 **Section 14** also: (1) revises provisions related to notice by publication; and (2)  
53 establishes provisions authorizing certain publicly traded corporations to provide  
54 notice by proxy statement under certain circumstances.



55 **Section 14.5** of this bill expressly provides that whenever a corporation is  
56 insolvent and in certain other circumstances, any creditors holding at least 10  
57 percent of the outstanding indebtedness, or stockholders owning at least 10 percent  
58 of the outstanding stock entitled to vote, may petition a district court for a writ of  
59 injunction and the appointment of receivers or trustees.

60 **Section 15** of this bill expands the circumstances by which a corporation may  
61 discretionally indemnify a person who is or was a party to an action, or threatened  
62 to be made a party to an action, by authorizing the corporation to indemnify any  
63 such person who is or was serving at the request of the corporation as a manager of  
64 a limited-liability company.

65 **Section 16** of this bill provides exception for corporations that are associations  
66 or unit-owners' associations from the requirement that corporations issue a  
67 certificate of membership to any person who becomes a member of the corporation.

68 **Section 19** of this bill defines the term "distribution" for the purposes of  
69 **section 21** of this bill concerning noneconomic members of limited-liability  
70 companies and **sections 23 and 24** of this bill relating to the circumstances by  
71 which a limited-liability company is authorized to or prohibited from making  
72 distributions and certain other provisions of law relating to limited-liability  
73 companies.

74 **Sections 22 and 25-27** of this bill require that a vote of approval for certain  
75 actions taken by a limited-liability company be determined by a specified  
76 proportion "in interest" of the members, as defined by **section 18** of this bill.

77 **Section 38** makes a conforming change by repealing the definition of the term  
78 "majority in interest." **Section 20** of this bill makes a conforming change relating to  
79 the placement of **section 18** in the Nevada Revised Statutes.

80 **Section 22.5** of this bill: (1) provides that the provisions concerning the form of  
81 contributions to capital of a member of a limited-liability company or a series apply  
82 to the entirety of chapter 86 of NRS; and (2) clarifies the form of such  
83 contributions.

84 **Section 32** of this bill provides the circumstances under which a vote of the  
85 stockholders of a domestic corporation is not required to authorize a merger in  
86 which the corporation is a constituent entity.

87 **Section 33** of this bill provides that a plan of merger, conversion or exchange  
88 involving a domestic limited partnership must be approved, in relevant part, by a  
89 majority of the total contributions of the limited partners.

90 **Section 34** of this bill provides that a plan of merger, conversion or exchange  
91 involving a domestic limited-liability company must be approved by: (1) a majority  
92 of the total contributions of the members, if there is one class of members; or (2) a  
93 majority of the total contributions of each class of members, if there are two or  
94 more classes of members.

95 **Section 35** of this bill revises the applicability of the limitations on dissenter's  
96 rights. **Section 36** of this bill makes various changes related to the notification of  
97 stockholders concerning corporate actions creating dissenter's rights, including,  
98 without limitation, authorizing a domestic corporation to send an advance notice  
99 statement to the stockholders if a proposed corporate action creating dissenter's  
100 rights is submitted for approval pursuant to a written consent of the stockholders or  
101 taken without a vote of the stockholders.

102 **Section 37** of this bill makes various changes to provisions related to the  
103 prerequisites for a demand by a stockholder for payment of the shares of the  
104 stockholder, including requiring such a stockholder to file a statement of intent  
105 under certain circumstances.

106 **Sections 29 and 30** of this bill define the terms "advance notice statement" and  
107 "statement of intent," respectively. **Section 31** of this bill makes conforming  
108 changes related to the placement of the definitions in the Nevada Revised Statutes.



\* S B 9 5 R 2 \*

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

1       **Section 1.** NRS 75.160 is hereby amended to read as follows:

2       75.160 1. Every nonresident of this State who, on or after  
3 October 1, 2013, accepts election or appointment, including  
4 reelection or reappointment, as a management person of an entity, or  
5 who, on or after October 1, 2014, serves in such capacity, and every  
6 resident of this State who accepts election or appointment or serves  
7 in such capacity and thereafter removes residence from this State  
8 shall be deemed, by the acceptance or by the service, to have  
9 consented to the appointment of the registered agent of the entity as  
10 an agent upon whom service of process may be made in all civil  
11 actions or proceedings brought in this State by, on behalf of or  
12 against the entity in which the management person is a necessary or  
13 proper party, or in any action or proceeding against the management  
14 person for a violation of a duty in such capacity, whether or not the  
15 person continues to serve as the management person at the time the  
16 action or proceeding is commenced. The acceptance or the service  
17 by the management person shall be deemed to be signification of the  
18 consent of the management person that any process so served has  
19 the same legal force and validity as if served upon the management  
20 person within this State.

21       2. Service of process must be effected by serving the registered  
22 agent with a true copy in the manner provided by law for service of  
23 process. In addition, the ~~{clerk of the court in which the civil action~~  
24 ~~or proceeding is pending}~~ *party serving the registered agent* shall,  
25 within 7 days after *such* service, send by registered or certified mail,  
26 postage prepaid, ~~{true and attested}~~ copies of the ~~{process,}~~  
27 *documents served upon the registered agent*, together with a  
28 statement that service is being made pursuant to this section,  
29 addressed to the management person at the address as it appears on  
30 the records of the Secretary of State, or if no such address appears,  
31 at the address last known to the *servng* party. ~~{desiring to make the~~  
32 ~~service.}~~

33       3. The appointment of the registered agent is irrevocable. If  
34 any entity or management person fails to appoint a registered agent,  
35 or fails to file a statement of change of registered agent pursuant to  
36 NRS 77.340 before the effective date of a vacancy in the agency  
37 pursuant to NRS 77.330 or 77.370, on the production of a certificate  
38 of the Secretary of State showing either fact, which is conclusive  
39 evidence of the fact so certified to be made a part of the return of  
40 service, or if the street address of the registered agent of the entity is  
41 not staffed as required pursuant to NRS 14.020, which fact is to be



1 made part of the return of service, the management person may be  
2 served with any and all legal process, or a demand or notice  
3 described in NRS 14.020, by delivering a copy to the Secretary of  
4 State or, in the absence of the Secretary of State, to any deputy  
5 secretary of state, and such service is valid to all intents and  
6 purposes. The copy must:

7 (a) Include a specific citation to the provisions of this section.  
8 The Secretary of State may refuse to accept such service if the  
9 proper citation is not included.

10 (b) Be accompanied by a fee of \$10.

11 ➤ The Secretary of State shall keep a copy of the legal process  
12 received pursuant to this section in the Office of the Secretary of  
13 State for at least 1 year after receipt thereof and shall make those  
14 records available for public inspection during normal business  
15 hours.

16 4. In all cases of service pursuant to subsection 3, the  
17 defendant has 40 days, exclusive of the day of service, within which  
18 to answer or plead. Before such service is authorized, the plaintiff  
19 shall make or cause to be made and filed an affidavit setting forth  
20 the facts, showing that due diligence has been used to ascertain the  
21 whereabouts of the management person to be served, and the facts  
22 showing that direct or personal service on, or notice to, the  
23 management person cannot be made.

24 5. If it appears from the affidavit that there is a last known  
25 address of the management person, the plaintiff shall, in addition to  
26 and after such service on the Secretary of State, mail or cause to be  
27 mailed to the management person at such address, by registered or  
28 certified mail, a copy of the summons and a copy of the complaint,  
29 and in all such cases the defendant has 40 days after the date of the  
30 mailing within which to appear in the action.

31 6. Service pursuant to subsection 3 provides an additional  
32 manner of serving process, and does not affect the validity of any  
33 other valid service.

34 7. In any action in which any management person has been  
35 served with process pursuant to subsection 2, the time in which a  
36 defendant is required to appear and file a responsive pleading must  
37 be computed from the date of mailing by the ~~clerk of the court.~~  
38 *servicing party*. The court may grant an extension of time as may be  
39 necessary to afford the management person reasonable opportunity  
40 to defend the action.

41 8. In a charter or other writing, a management person or owner  
42 of any entity may consent to be subject to the nonexclusive  
43 jurisdiction of the courts of, or arbitration in, a specified jurisdiction,  
44 or the exclusive jurisdiction of the courts of this State, or the  
45 exclusivity of arbitration in a specified jurisdiction or this State, and



1 to be served with process in the manner prescribed in the charter or  
2 other writing. Notwithstanding any other provision of this  
3 subsection, except by agreeing to arbitrate any arbitrable matter in a  
4 specified jurisdiction or in this State, an owner of an entity who is  
5 not a management person may not waive its right to maintain a legal  
6 action or proceeding in the courts of this State with respect to  
7 matters relating to the organization or internal affairs of an entity.  
8 Without limiting or affecting the enforceability under the laws of  
9 this State governing corporations of any consent or agreement by a  
10 management person or stockholder of a corporation, this subsection  
11 does not apply to an entity which is a corporation.

12 9. This section does not limit or affect the right to serve  
13 process in any other manner now existing or hereafter enacted. This  
14 section is an extension of, and not a limitation upon, the right  
15 otherwise existing of service of legal process upon nonresidents.

16 10. As used in this section:

17 (a) "Charter" means the articles of organization or an operating  
18 agreement of a limited-liability company, the certificate of limited  
19 partnership or partnership agreement of a limited partnership or the  
20 certificate of trust or governing instrument of a business trust.

21 (b) "Entity" means a domestic:

- 22 (1) Corporation, whether or not for profit;
- 23 (2) Limited-liability company;
- 24 (3) Limited partnership; or
- 25 (4) Business trust.

26 (c) "Management person" means a director, officer, manager,  
27 managing member, general partner or trustee of an entity.

28 (d) "Owner" means a member of a limited-liability company,  
29 limited partner of a limited partnership or beneficial owner of a  
30 business trust.

31 (e) "Registered agent" has the meaning ascribed to it in  
32 NRS 77.230.

33 **Sec. 2.** NRS 78.010 is hereby amended to read as follows:

34 78.010 1. As used in this chapter:

35 (a) "Approval" and "vote" as describing action by the directors  
36 or stockholders mean the vote of directors in person or by written  
37 consent or of stockholders in person, by proxy or by written consent.

38 (b) "Articles," "articles of incorporation" and "certificate of  
39 incorporation" are synonymous terms and, unless the context  
40 otherwise requires, include all certificates filed pursuant to NRS  
41 78.030, 78.180, 78.185, 78.1955, 78.209, 78.380, 78.385, 78.390,  
42 78.725 and 78.730 and any articles of merger, conversion, exchange  
43 or domestication filed pursuant to NRS 92A.200 to 92A.240,  
44 inclusive, or 92A.270. Unless the context otherwise requires, these  
45 terms include restated articles and certificates of incorporation.



1 (c) "Directors" and "trustees" are synonymous terms.

2 (d) "Entity" means a foreign or domestic:

3 (1) Corporation, whether or not for profit;

4 (2) Limited-liability company;

5 (3) Limited partnership; or

6 (4) Business trust.

7 (e) *"Publicly traded corporation" means a domestic*  
8 *corporation that has a class or series of voting shares which is:*

9 (1) *A covered security under section 18(b)(1)(A) or (B) of*  
10 *the Securities Act of 1933, 15 U.S.C. § 77r(b)(1)(A) or (B), as*  
11 *amended; or*

12 (2) *Traded in an organized market and that has at least*  
13 *2,000 stockholders and a market value of at least \$20,000,000,*  
14 *exclusive of the value of such shares held by the corporation's*  
15 *subsidiaries, senior executives, directors and beneficial*  
16 *stockholders owning more than 10 percent of such shares.*

17 (f) "Principal office" means the office, in or out of this State,  
18 where the principal executive offices of a domestic or foreign  
19 corporation are located.

20 ~~(g)~~ (g) "Receiver" includes receivers and trustees appointed by  
21 a court as provided in this chapter or in chapter 32 of NRS.

22 ~~(h)~~ (h) "Registered agent" has the meaning ascribed to it in  
23 NRS 77.230.

24 ~~(i)~~ (i) "Registered office" means the office maintained at the  
25 street address of the registered agent.

26 ~~(j)~~ (j) *"Securities Exchange Act" means the Act of Congress*  
27 *known as the Securities Exchange Act of 1934, as amended, 15*  
28 *U.S.C. §§ 78a et seq.*

29 (k) "Stockholder of record" means a person whose name appears  
30 on the stock ledger of the corporation as the owner of record of  
31 shares of any class or series of the stock of the corporation. The  
32 term does not include a beneficial owner of shares who is not  
33 simultaneously the owner of record of such shares as indicated in  
34 the stock ledger.

35 (l) *"Voting shares" means shares of stock of a corporation*  
36 *entitled to vote generally in the election of directors.*

37 2. General terms and powers given in this chapter are not  
38 restricted by the use of special terms, or by any grant of special  
39 powers contained in this chapter.

40 **Sec. 3.** NRS 78.045 is hereby amended to read as follows:

41 78.045 1. The Secretary of State shall not accept for filing  
42 any articles of incorporation or any certificate of amendment of  
43 articles of incorporation of any corporation formed pursuant to the  
44 laws of this State which provides that the name of the corporation  
45 contains the word "bank" or "trust," unless:



1 (a) It appears from the articles or the certificate of amendment  
2 that the corporation proposes to carry on business as a banking or  
3 trust company, exclusively or in connection with its business as a  
4 bank, savings and loan association, savings bank or thrift company;  
5 and

6 (b) The articles or certificate of amendment is first approved by  
7 the Commissioner of Financial Institutions.

8 2. The Secretary of State shall not accept for filing any articles  
9 of incorporation or any certificate of amendment of articles of  
10 incorporation of any corporation formed pursuant to the provisions  
11 of this chapter if it appears from the articles or the certificate of  
12 amendment that the business to be carried on by the corporation is  
13 subject to supervision by the Commissioner of Insurance or by the  
14 Commissioner of Financial Institutions, unless the articles or  
15 certificate of amendment is approved by the Commissioner who will  
16 supervise the business of the corporation.

17 3. Except as otherwise provided in subsection 7, the Secretary  
18 of State shall not accept for filing any articles of incorporation or  
19 any certificate of amendment of articles of incorporation of any  
20 corporation formed pursuant to the laws of this State if the name of  
21 the corporation contains the words "engineer," "engineered,"  
22 "engineering," "professional engineer," "registered engineer" or  
23 "licensed engineer" unless:

24 (a) The State Board of Professional Engineers and Land  
25 Surveyors certifies that the principals of the corporation are licensed  
26 to practice engineering pursuant to the laws of this State; or

27 (b) The State Board of Professional Engineers and Land  
28 Surveyors certifies that the corporation is exempt from the  
29 prohibitions of NRS 625.520.

30 4. Except as otherwise provided in subsection 7, the Secretary  
31 of State shall not accept for filing any articles of incorporation or  
32 any certificate of amendment of articles of incorporation of any  
33 corporation formed pursuant to the laws of this State if the name of  
34 the corporation contains the words "architect," "architecture,"  
35 "registered architect," "licensed architect," "registered interior  
36 designer," "registered interior design," "residential designer,"  
37 "registered residential designer," "licensed residential designer" or  
38 "residential design" unless the State Board of Architecture, Interior  
39 Design and Residential Design certifies that:

40 (a) The principals of the corporation are holders of a certificate  
41 of registration to practice architecture or residential design or to  
42 practice as a registered interior designer, as applicable, pursuant to  
43 the laws of this State; or

44 (b) The corporation is qualified to do business in this State  
45 pursuant to NRS 623.349.





1 5. The Secretary of State shall not accept for filing any articles  
2 of incorporation or any certificate of amendment of articles of  
3 incorporation of any corporation formed pursuant to the laws of this  
4 State which provides that the name of the corporation contains the  
5 word "accountant," "accounting," "accountancy," "auditor" or  
6 "auditing" unless the Nevada State Board of Accountancy certifies  
7 that the corporation:

8 (a) Is registered pursuant to the provisions of chapter 628 of  
9 NRS; or

10 (b) Has filed with the Nevada State Board of Accountancy under  
11 penalty of perjury a written statement that the corporation is not  
12 engaged in the practice of accounting and is not offering to practice  
13 accounting in this State.

14 6. The Secretary of State shall not accept for filing any articles  
15 of incorporation or any certificate of amendment of articles of  
16 incorporation of any corporation formed or existing pursuant to the  
17 laws of this State which provides that the name of the corporation  
18 contains the words "common-interest community," "community  
19 association," "master association," "unit-owners' association" or  
20 "homeowners' association" or if it appears in the articles of  
21 incorporation or certificate of amendment that the purpose of the  
22 corporation is to operate as a unit-owners' association pursuant to  
23 chapter 116 or 116B of NRS unless the Administrator of the Real  
24 Estate Division of the Department of Business and Industry certifies  
25 that the corporation has:

26 (a) Registered with the Ombudsman for Owners in Common-  
27 Interest Communities and Condominium Hotels pursuant to NRS  
28 116.31158 or 116B.625; and

29 (b) Paid to the Administrator of the Real Estate Division the fees  
30 required pursuant to NRS 116.31155 or 116B.620.

31 7. The provisions of subsections 3 and 4 do not apply to any  
32 corporation, whose securities are publicly traded and regulated by  
33 the Securities Exchange Act, ~~[of 1934,]~~ which does not engage in  
34 the practice of professional engineering, architecture or residential  
35 design or interior design, as applicable.

36 8. The Commissioner of Financial Institutions and the  
37 Commissioner of Insurance may approve or disapprove the articles  
38 or amendments referred to them pursuant to the provisions of this  
39 section.

40 **Sec. 4.** NRS 78.046 is hereby amended to read as follows:

41 78.046 1. The articles of incorporation or bylaws of a  
42 corporation may require, to the extent not inconsistent with any  
43 applicable jurisdictional requirements ~~[ ]~~ *and the laws of the United*  
44 *States*, that any, all or certain ~~[internal]~~ :



1 *(a) Concurrent jurisdiction actions must be brought solely or*  
2 *exclusively in the court or courts specified in the requirement; and*

3 *(b) Internal actions must be brought solely or exclusively in the*  
4 *court or courts specified in the requirement, which must include at*  
5 *least one court in this State.*

6 **2.** Unless otherwise expressly set forth in the articles of  
7 incorporation or bylaws, ~~{such a}~~ *any requirement described in*  
8 *subsection 1* must not be interpreted as prohibiting any corporation  
9 from consenting, or requiring any corporation to consent, to any  
10 alternative forum in any instance.

11 ~~{2.}~~ **3.** The provisions of this section do not create or authorize  
12 any cause of action against a corporation or its directors or officers.

13 ~~{3.}~~ **4.** As used in this section:

14 (a) *“Concurrent jurisdiction action” means any action, suit or*  
15 *proceeding against the corporation or any of its directors or*  
16 *officers, that:*

17 *(1) Asserts a cause of action under the laws of the United*  
18 *States;*

19 *(2) Could be properly commenced in either a federal forum*  
20 *or a forum of this State or any other state; and*

21 *(3) Is brought by or in the name or on behalf of:*

22 *(I) The corporation;*

23 *(II) Any stockholder of the corporation; or*

24 *(III) Any subscriber for, or purchaser or offeree of, any*  
25 *shares or other securities of the corporation.*

26 (b) “Court” means any court of:

27 (1) This State, including, without limitation, those courts in  
28 any county having a business court, as that term is defined in  
29 NRS 13.050;

30 (2) A state other than this State; or

31 (3) The United States.

32 ~~{(b)}~~ (c) “Internal action” means any action, suit or proceeding:

33 (1) Brought in the name or right of the corporation or on its  
34 behalf, including, without limitation, any action subject to  
35 NRS 41.520;

36 (2) For or based upon any breach of any fiduciary duty owed  
37 by any director, officer, employee or agent of the corporation in  
38 such capacity; or

39 (3) Arising pursuant to, or to interpret, apply, enforce or  
40 determine the validity of, any provision of this title, the articles of  
41 incorporation, the bylaws or any agreement entered into pursuant to  
42 NRS 78.365 to which the corporation is a party or a stated  
43 beneficiary thereof.



1       **Sec. 5.** NRS 78.138 is hereby amended to read as follows:

2       78.138 1. The fiduciary duties of directors and officers are to  
3 exercise their respective powers in good faith and with a view to the  
4 interests of the corporation.

5       2. In exercising their respective powers, directors and officers  
6 may, and are entitled to, rely on information, opinions, reports,  
7 books of account or statements, including financial statements and  
8 other financial data, that are prepared or presented by:

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

12       (b) Counsel, public accountants, financial advisers, valuation  
13 advisers, investment bankers or other persons as to matters  
14 reasonably believed to be within the preparer's or presenter's  
15 professional or expert competence; or

16       (c) A committee on which the director or officer relying thereon  
17 does not serve, established in accordance with NRS 78.125, as to  
18 matters within the committee's designated authority and matters on  
19 which the committee is reasonably believed to merit confidence,

20       ↳ but a director or officer is not entitled to rely on such  
21 information, opinions, reports, books of account or statements if the  
22 director or officer has knowledge concerning the matter in question  
23 that would cause reliance thereon to be unwarranted.

24       3. Except as otherwise provided in subsection 1 of NRS  
25 78.139, directors and officers, in deciding upon matters of business,  
26 are presumed to act in good faith, on an informed basis and with a  
27 view to the interests of the corporation. A director or officer is not  
28 individually liable for damages as a result of an act or failure to act  
29 in his or her capacity as a director or officer except as described in  
30 subsection 7.

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

33       (a) Consider all relevant facts, circumstances, contingencies or  
34 constituencies, ~~including,~~ *which may include,* without limitation  
35 ~~to,~~ *one or more of the following:*

36           (1) The interests of the corporation's employees, suppliers,  
37 creditors or customers;

38           (2) The economy of the State or Nation;

39           (3) The interests of the community or of society;

40           (4) The long-term or short-term interests of the corporation,  
41 including the possibility that these interests may be best served by  
42 the continued independence of the corporation; or

43           (5) The long-term or short-term interests of the corporation's  
44 stockholders, including the possibility that these interests may be  
45 best served by the continued independence of the corporation.



1 (b) Consider or assign weight to the interests of any particular  
2 person or group, or to any other relevant facts, circumstances,  
3 contingencies or constituencies.

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

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

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

18 (a) The presumption established by subsection 3 has been  
19 rebutted; and

20 (b) It is proven that:

21 (1) The director's or officer's act or failure to act constituted  
22 a breach of his or her fiduciary duties as a director or officer; and

23 (2) Such breach involved intentional misconduct, fraud or a  
24 knowing violation of law.

25 8. This section applies to all cases, circumstances and matters,  
26 including, without limitation, any change or potential change in  
27 control of the corporation unless otherwise provided in the articles  
28 of incorporation or an amendment thereto.

29 **Sec. 6.** NRS 78.191 is hereby amended to read as follows:

30 78.191 As used in NRS 78.191 to 78.307, inclusive, unless the  
31 context otherwise requires, the word "distribution" means a direct or  
32 indirect transfer of money or other property , other than its own  
33 shares or the incurrence of indebtedness by a corporation , to or for  
34 the benefit of ~~fits stockholders~~ *all holders of shares of any one or*  
35 *more classes or series of the capital stock of the corporation,* with  
36 respect to ~~any of its~~ *such* shares. A distribution may be in the form  
37 of a declaration or payment of a dividend, a purchase, redemption or  
38 other acquisition of shares, a distribution of indebtedness, or  
39 otherwise.

40 **Sec. 7.** NRS 78.257 is hereby amended to read as follows:

41 78.257 1. Any person who has been a stockholder of record  
42 of any corporation and owns not less than 15 percent of all of the  
43 issued and outstanding shares of the stock of such corporation or has  
44 been authorized in writing by the holders of at least 15 percent of all  
45 its issued and outstanding shares, upon at least 5 days' written



1 demand, including the affidavit required pursuant to subsection 2, is  
2 entitled to inspect in person or by agent or attorney, during normal  
3 business hours, the books of account and all financial records of the  
4 corporation, to make copies of records, and to conduct an audit of  
5 such records. Holders of voting trust certificates representing 15  
6 percent of the issued and outstanding shares of the corporation are  
7 regarded as stockholders for the purpose of this subsection. The  
8 right of stockholders to inspect the corporate records may not be  
9 limited in the articles or bylaws of any corporation.

10 2. Together with the written demand required pursuant to  
11 subsection 1, a person who wishes to exercise the rights set forth in  
12 subsection 1 shall furnish an affidavit to the corporation stating that  
13 the inspection, copies or audit is not desired for any purpose not  
14 related to his or her interest as a stockholder.

15 3. All costs for making copies of records or conducting an  
16 audit must be borne by the person exercising the rights set forth in  
17 subsection 1.

18 4. The rights authorized by subsection 1 may be denied to any  
19 stockholder upon the stockholder's refusal to furnish the corporation  
20 an affidavit required pursuant to subsection 2. Any stockholder or  
21 other person, exercising rights set forth in subsection 1, who uses or  
22 attempts to use information, records or other data obtained from the  
23 corporation, for any purpose not related to the stockholder's interest  
24 in the corporation as a stockholder, is guilty of a gross  
25 misdemeanor.

26 5. If any officer or agent of any corporation keeping records in  
27 this State willfully neglects or refuses to permit an inspection of the  
28 books of account and financial records upon demand by a person  
29 entitled to inspect them, or refuses to permit an audit to be  
30 conducted by such a person, as provided in subsection 1, the  
31 corporation shall forfeit to the State the sum of \$100 for every day  
32 of such neglect or refusal, and the corporation, officer or agent  
33 thereof is jointly and severally liable to the person injured for all  
34 damages resulting to the person.

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

38 (a) Is entitled to costs and reasonable attorney's fees, if the  
39 stockholder prevails; or

40 (b) Is liable for such costs and fees, if the stockholder does not  
41 prevail,

42 ↪ in the action or proceeding.

43 7. Except as otherwise provided in this subsection, the  
44 provisions of this section do not apply to any corporation that  
45 furnishes to its stockholders a detailed, annual financial statement or



1 any corporation that has filed during the preceding 12 months all  
2 reports required to be filed pursuant to section 13 or section 15(d) of  
3 the Securities Exchange Act ~~[of 1934.]~~ , 15 U.S.C. §§ 78m or  
4 78o(d). A person who owns, or is authorized in writing by the  
5 owners of, at least 15 percent of the issued and outstanding shares of  
6 the stock of a corporation that has elected to be governed by  
7 subchapter S of the Internal Revenue Code and whose shares are not  
8 listed or traded on any recognized stock exchange is entitled to  
9 inspect the books of the corporation pursuant to subsection 1 and  
10 has the rights, duties and liabilities provided in subsections 2 to 6,  
11 inclusive.

12 **Sec. 8.** NRS 78.265 is hereby amended to read as follows:

13 78.265 1. The provisions of this section apply to corporations  
14 organized in this State before October 1, 1991.

15 2. Except to the extent limited or denied by this section or the  
16 articles of incorporation, shareholders have a preemptive right to  
17 acquire unissued shares, treasury shares or securities convertible  
18 into such shares.

19 3. Unless otherwise provided in the articles of incorporation:

20 (a) A preemptive right does not exist:

21 (1) To acquire any shares issued to directors, officers or  
22 employees pursuant to approval by the affirmative vote of the  
23 holders of a majority of the shares entitled to vote or when  
24 authorized by a plan approved by such a vote of shareholders;

25 (2) To acquire any shares sold for a consideration other than  
26 cash;

27 (3) To acquire any shares issued at the same time that the  
28 shareholder who claims a preemptive right acquired his or her  
29 shares;

30 (4) To acquire any shares issued as part of the same offering  
31 in which the shareholder who claims a preemptive right acquired his  
32 or her shares; or

33 (5) To acquire any shares, treasury shares or securities  
34 convertible into such shares, if the shares or the shares into which  
35 the convertible securities may be converted are upon issuance  
36 registered pursuant to section 12 of the Securities Exchange Act ,  
37 ~~[of 1934.]~~ 15 U.S.C. § 78l.

38 (b) Holders of shares of any class that is preferred or limited as  
39 to dividends or assets are not entitled to any preemptive right.

40 (c) Holders of common stock are not entitled to any preemptive  
41 right to shares of any class that is preferred or limited as to  
42 dividends or assets or to any obligations, unless convertible into  
43 shares of common stock or carrying a right to subscribe to or  
44 acquire shares of common stock.



1 (d) Holders of common stock without voting power have no  
2 preemptive right to shares of common stock with voting power.

3 (e) The preemptive right is only an opportunity to acquire shares  
4 or other securities upon such terms as the board of directors fixes for  
5 the purpose of providing a fair and reasonable opportunity for the  
6 exercise of such right.

7 **Sec. 9.** NRS 78.288 is hereby amended to read as follows:

8 78.288 1. Except as otherwise provided in subsection 2 and  
9 the articles of incorporation, a board of directors may authorize and  
10 the corporation may make distributions to the holders of any class or  
11 series of the ~~{corporation's shares.}~~ *capital stock of the corporation,*  
12 including distributions on shares that are partially paid.

13 2. No distribution may be made if, after giving it effect:

14 (a) The corporation would not be able to pay its debts as they  
15 become due in the usual course of business; or

16 (b) Except as otherwise specifically allowed by the articles of  
17 incorporation, the corporation's total assets would be less than the  
18 sum of its total liabilities plus the amount that would be needed, if  
19 the corporation were to be dissolved immediately after the time of  
20 the distribution, to satisfy the preferential rights upon such  
21 dissolution of ~~{stockholders}~~ *holders of shares of any class or*  
22 *series of the capital stock of the corporation* ~~{whose}~~ *having*  
23 preferential rights ~~{are}~~ superior to those receiving the distribution.

24 3. The board of directors may base a determination that a  
25 distribution is not prohibited pursuant to subsection 2 on:

26 (a) Financial statements prepared on the basis of accounting  
27 practices that are reasonable in the circumstances;

28 (b) A fair valuation, including, but not limited to, unrealized  
29 appreciation and depreciation; or

30 (c) Any other method that is reasonable in the circumstances.

31 4. The effect of a distribution pursuant to subsection 2 must be  
32 measured:

33 (a) In the case of a distribution by purchase, redemption or other  
34 acquisition of *shares of* the ~~{corporation's shares.}~~ *capital stock of*  
35 *the corporation,* as of the earlier of:

36 (1) The date money or other property is transferred or debt  
37 incurred by the corporation; or

38 (2) The date upon which the ~~{stockholder}~~ *holder of such*  
39 *shares* ceases to ~~{be a stockholder with respect to}~~ *hold* the acquired  
40 shares.

41 (b) In the case of any other distribution of indebtedness, as of  
42 the date the indebtedness is distributed.

43 (c) In all other cases, as of:

44 (1) The date the distribution is authorized if the payment  
45 occurs within 120 days after the date of authorization; or



1 (2) The date the payment is made if it occurs more than 120  
2 days after the date of authorization.

3 5. A corporation's indebtedness to a ~~stockholder~~ *holder of*  
4 *shares of one or more classes or series of the capital stock of the*  
5 *corporation* incurred by reason of a distribution made in accordance  
6 with this section is at parity with the corporation's indebtedness to  
7 its general unsecured creditors except to the extent subordinated by  
8 agreement.

9 6. Indebtedness of a corporation, including indebtedness issued  
10 as a distribution, is not considered a liability for purposes of  
11 determinations pursuant to subsection 2 if its terms provide that  
12 payment of principal and interest are made only if and to the extent  
13 that payment of a distribution ~~to stockholders~~ could then be made  
14 pursuant to this section. If the indebtedness is issued as a  
15 distribution, each payment of principal or interest must be treated as  
16 a distribution, the effect of which must be measured on the date the  
17 payment is actually made.

18 7. The board of directors may fix a record date for determining  
19 ~~stockholders~~ *holders of shares of one or more classes or series of*  
20 *the capital stock of the corporation* entitled to a distribution  
21 authorized by the board of directors pursuant to this section, which  
22 record date must not precede the date upon which the resolution  
23 fixing the record date is adopted.

24 8. This section does not apply to any distribution in liquidation  
25 pursuant to NRS 78.590.

26 9. The provisions of chapter 112 of NRS do not apply to any  
27 distribution made by a corporation in accordance with this chapter.

28 **Sec. 10.** NRS 78.300 is hereby amended to read as follows:

29 78.300 1. The directors of a corporation shall not make  
30 distributions ~~to stockholders~~ except as provided by this chapter.

31 2. Except as otherwise provided in subsection 3 and NRS  
32 78.138, in case of any violation of the provisions of this section, the  
33 directors under whose administration the violation occurred are  
34 jointly and severally liable, at any time within 3 years after each  
35 violation, to the corporation, and, in the event of its dissolution or  
36 insolvency, to its creditors at the time of the violation, or any of  
37 them, to the lesser of the full amount of the distribution made or of  
38 any loss sustained by the corporation by reason of the distribution .

39 ~~to stockholders.~~

40 3. The liability imposed pursuant to subsection 2 does not  
41 apply to a director who caused his or her dissent to be entered upon  
42 the minutes of the meeting of the directors at the time the action was  
43 taken or who was not present at the meeting and caused his or her  
44 dissent to be entered on learning of the action.





**Sec. 11.** NRS 78.320 is hereby amended to read as follows:

78.320 1. Unless this chapter, the articles of incorporation or the bylaws provide for different proportions:

(a) A majority of the voting power, which includes the voting power that is present in person or by proxy, regardless of whether the proxy has authority to vote on any matter, constitutes a quorum for the transaction of business; and

(b) Action by the stockholders on a matter other than the election of directors is approved if the number of votes cast in favor of the action exceeds the number of votes cast in opposition to the action.

2. Unless otherwise provided in the articles of incorporation or the bylaws, any action required or permitted to be taken at a meeting of the stockholders may be taken without a meeting if, before or after the action, a written consent thereto is signed by stockholders holding at least a majority of the voting power, except that if a different proportion of voting power is required for such an action at a meeting, then that proportion of written consents is required.

3. In no instance where action is authorized by written consent need a meeting of stockholders be called or notice given.

4. Unless otherwise restricted by the articles of incorporation or bylaws, stockholders *and certain other persons permitted by the corporation to attend a meeting of stockholders* may participate in ~~the~~ meeting ~~of stockholders~~ through *remote communication, including, without limitation,* electronic communications, videoconferencing, teleconferencing or other available technology, if the corporation has implemented reasonable measures to:

(a) Verify the identity of each person participating through such means as a stockholder ~~or~~ *permitted person*; and

(b) Provide the stockholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to communicate, and to read or hear the proceedings of the meetings in a substantially concurrent manner with such proceedings.

5. Unless otherwise restricted by the articles of incorporation or bylaws, a meeting of stockholders may be held solely by remote communication pursuant to subsection 4 ~~or~~ *and, if a meeting is so held, no other means of communication is required in the conduct of the meeting unless otherwise prescribed by the board of directors.*

6. Participation in a meeting pursuant to subsection 4 constitutes presence in person at the meeting.

7. Unless this chapter, the articles of incorporation or the bylaws provide for different proportions, if voting by a class or series of stockholders is permitted or required:



1 (a) A majority of the voting power of the class or series that is  
2 present in person or by proxy, regardless of whether the proxy has  
3 authority to vote on any matter, constitutes a quorum for the  
4 transaction of business; and

5 (b) An act by the stockholders of each class or series is approved  
6 if a majority of the voting power of a quorum of the class or series  
7 votes for the action.

8 8. Unless otherwise provided in the articles of incorporation or  
9 the bylaws, once a share is represented in person or by proxy for any  
10 purpose at a meeting, the share shall be deemed present for purposes  
11 of determining a quorum for the remainder of the meeting and for  
12 any adjournment of the meeting unless a new record date is or must  
13 be fixed for the adjourned meeting.

14 **Sec. 12.** NRS 78.350 is hereby amended to read as follows:

15 78.350 1. Unless otherwise provided in the articles of  
16 incorporation, or in the certificate of designation establishing the  
17 class or series of stock, every stockholder of record of a corporation  
18 is entitled at each meeting of stockholders thereof to one vote for  
19 each share of stock standing in his or her name on the records of the  
20 corporation. If the articles of incorporation, or the certificate of  
21 designation establishing the class or series of stock provides for  
22 more or less than one vote per share for any class or series of shares  
23 on any matter, every reference in this chapter to a majority or other  
24 proportion of stock shall be deemed to refer to a majority or other  
25 proportion of the voting power of all of the shares or those classes or  
26 series of shares, as may be required by the articles of incorporation,  
27 or in the certificate of designation establishing the class or series of  
28 stock or the provisions of this chapter.

29 2. Unless a period of more than 60 days or a period of less than  
30 10 days is prescribed or fixed in the articles of incorporation, the  
31 *board of directors* may prescribe a period not exceeding 60 days  
32 before any meeting of the stockholders during which no transfer of  
33 stock on the books of the corporation may be made, or may fix ~~[, in~~  
34 ~~advance.]~~ a record date not more than 60 or less than 10 days before  
35 the date of any such meeting as the date as of which stockholders  
36 entitled to notice of and to vote at such meetings must be  
37 determined.

38 *3. If a record date for a meeting of stockholders is fixed by*  
39 *the board of directors:*

40 (a) *The record date:*

41 (1) *Must be so fixed pursuant to a resolution adopted by the*  
42 *board of directors; and*

43 (2) *Must precede the day on which the resolution is*  
44 *adopted by the board of directors, regardless of the effective date*  
45 *of the resolution.*



1 (b) Only stockholders of record on ~~that~~ *the record* date are  
2 entitled to notice *of* or to vote at ~~such a~~ *the* meeting.

3 4. If a record date *for a meeting of stockholders* is not fixed ~~by~~  
4 *by the board of directors*, the record date is at the close of business  
5 on the day before the day on which the first notice is given or, if  
6 notice is waived, at the close of business on the day before the  
7 meeting is held.

8 5. A determination of stockholders of record entitled to notice  
9 of or to vote at a meeting of stockholders applies to ~~any~~ *any*  
10 adjournment or postponement of the meeting unless the board of  
11 directors fixes a new record date for the adjourned or postponed  
12 meeting. The board of directors must fix a new record date if the  
13 meeting is adjourned or postponed to a date more than 60 days later  
14 than the meeting date set for the original meeting.

15 ~~6.~~ 6. The board of directors may adopt a resolution  
16 prescribing a date upon which the stockholders of record entitled to  
17 give written consent pursuant to NRS 78.320 must be determined.  
18 The date prescribed by the board of directors may not precede or be  
19 more than 10 days after the ~~date~~ *day on which* the resolution is  
20 adopted by the board of directors ~~by~~ *, regardless of the effective*  
21 *date of the resolution.*

22 7. If the board of directors does not adopt a resolution  
23 prescribing a date upon which the stockholders of record entitled to  
24 give written consent pursuant to NRS 78.320 must be determined  
25 and:

26 (a) No prior action by the board of directors is required by this  
27 chapter or chapter 92A of NRS before the matter is submitted for  
28 consideration by the stockholders, the date is the first date on which  
29 any stockholder delivers to the corporation such consent signed by  
30 the stockholder.

31 (b) Prior action by the board of directors is required by this  
32 chapter or chapter 92A of NRS before the matter is submitted for  
33 consideration by the stockholders, the date is at the close of business  
34 on the day the board of directors adopts the resolution.

35 ~~4.~~ 8. The provisions of this section do not restrict the  
36 directors from taking action to protect the interests of the  
37 corporation and its stockholders, including, but not limited to,  
38 adopting or signing plans, arrangements or instruments that grant or  
39 deny rights, privileges, power or authority to a holder or holders of a  
40 specified number of shares or percentage of share ownership or  
41 voting power.

42 **Sec. 13.** NRS 78.365 is hereby amended to read as follows:

43 78.365 1. A stockholder, by agreement in writing, may  
44 transfer his or her stock to a voting trustee or trustees for the  
45 purpose of conferring the right to vote the stock for a period not



1 exceeding 15 years upon the terms and conditions therein stated.  
2 Any certificates of stock so transferred must be surrendered and  
3 cancelled and new certificates for the stock issued to the trustee or  
4 trustees in which it must appear that they are issued pursuant to the  
5 agreement, and in the entry of ownership in the proper books of the  
6 corporation that fact must also be noted, and thereupon the trustee or  
7 trustees may vote the stock so transferred during the terms of the  
8 agreement. A duplicate of every such agreement must be filed in the  
9 registered office of the corporation and at all times during its terms  
10 be open to inspection by any stockholder or his or her attorney.

11 2. At any time within the 2 years next preceding the expiration  
12 of an agreement entered into pursuant to the provisions of  
13 subsection 1, or the expiration of an extension of that agreement,  
14 any beneficiary of the trust may, by written agreement with the  
15 trustee or trustees, extend the duration of the trust for a time not to  
16 exceed 15 years after the scheduled expiration date of the original  
17 agreement or the latest extension. An extension is not effective  
18 unless the trustee, before the expiration date of the original  
19 agreement or the latest extension, files a duplicate of the agreement  
20 providing for the extension in the registered office of the  
21 corporation. An agreement providing for an extension does not  
22 affect the rights or obligations of any person not a party to that  
23 agreement. *An agreement entered into pursuant to the provisions*  
24 *of subsection 1 is not invalidated by the fact that, by its terms, its*  
25 *duration is more than 15 years, but its duration shall be deemed*  
26 *amended to conform with the provisions of this section.*

27 3. An agreement between two or more stockholders, if in  
28 writing and signed by ~~them,~~ *each stockholder to be bound*  
29 *thereby*, may provide that in exercising any voting rights, the stock  
30 held by ~~them,~~ *each such stockholder* must be voted:

- 31 (a) Pursuant to the provisions of the agreement;
- 32 (b) As they may subsequently agree; or
- 33 (c) In accordance with a procedure agreed upon.

34 4. *An agreement pursuant to the provisions of subsection 3 is*  
35 *valid and enforceable against the transferee of a stockholder party*  
36 *to the agreement only:*

37 (a) *If and to the extent that the transferee agrees in writing to*  
38 *be bound by the agreement; or*

39 (b) *If the agreement expressly provides that it is enforceable*  
40 *against the transferee of a stockholder party to the agreement and:*

41 (1) *The transferee had actual knowledge of the existence of*  
42 *the agreement before the transfer; or*

43 (2) *The existence of the agreement is noted conspicuously*  
44 *on the front or back of the stock certificate or is contained in the*



1 *written statement of information required by subsection 5 of*  
2 *NRS 78.235.*

3 5. An agreement ~~[entered into]~~ pursuant to the provisions of  
4 subsection 3, *or an amendment thereto or an extension thereof, in*  
5 *each case entered into before October 1, 2021, is not [effective]:*

6 (a) *Effective* for a term of more than 15 years, but at any time  
7 within the 2 years next preceding the expiration of the agreement the  
8 parties thereto may extend its duration for ~~[as many additional~~  
9 ~~periods, each not to exceed 15 years, as they wish.~~

10 ~~—5.—An] such period as is stated in the extension [agreement~~  
11 ~~entered into pursuant to the provisions of subsection 1 or 3 is not~~  
12 ~~invalidated]; and~~

13 (b) *Invalidated* by the fact that by its terms its duration is more  
14 than 15 years, but its duration shall be deemed amended to conform  
15 with the provisions of this section.

16 **Sec. 14.** NRS 78.370 is hereby amended to read as follows:

17 78.370 1. If under the provisions of this chapter stockholders  
18 are required or authorized to take any action at a meeting, the notice  
19 of the meeting must be in writing.

20 2. Except in the case of the annual meeting, the notice must  
21 state the purpose or purposes for which the meeting is called. In all  
22 instances, the notice must state ~~[the]:~~

23 (a) *The date and* time ~~[when, and the place, which may be~~  
24 ~~within or without this State, where] of~~ the meeting ~~[is to be held,~~  
25 ~~and the];~~

26 (b) *The* means of ~~[electronic communications,] remote~~  
27 *communication*, if any, by which stockholders and proxies shall be  
28 deemed to be present in person and vote ~~[ ] at the meeting; and~~

29 (c) *Unless the meeting is to be held solely by remote*  
30 *communication pursuant to subsection 5 of NRS 78.320, the*  
31 *physical location of the meeting, which may be within or without*  
32 *this State.*

33 3. A copy of the notice must be delivered personally, mailed  
34 postage prepaid or delivered as provided in NRS 75.150 to each  
35 stockholder of record entitled to vote at the meeting not less than 10  
36 nor more than 60 days before the meeting. If mailed, it must be  
37 directed to the stockholder at his or her address as it appears upon  
38 the records of the corporation. Personal delivery of any such notice  
39 to any officer of a corporation or association, to any member of a  
40 limited-liability company managed by its members, to any manager  
41 of a limited-liability company managed by managers, to any general  
42 partner of a partnership or to any trustee of a trust constitutes  
43 delivery of the notice to the corporation, association, limited-  
44 liability company, partnership or trust.



1 4. The articles of incorporation or the bylaws may require that  
2 the notice be also published in one or more newspapers ~~and~~ *but,*  
3 *notwithstanding such a requirement in the articles of*  
4 *incorporation or bylaws, notice by publication in one or more*  
5 *newspapers is not required if the corporation is a publicly traded*  
6 *corporation on the record date for the meeting.*

7 5. Notice delivered or mailed to a stockholder in accordance  
8 with the provisions of this section and NRS 75.150 and the  
9 provisions, if any, of the articles of incorporation or the bylaws is  
10 sufficient, and in the event of the transfer of the stockholder's stock  
11 after such delivery or mailing and before the holding of the meeting  
12 it is not necessary to deliver or mail notice of the meeting to the  
13 transferee.

14 6. Unless otherwise provided in the articles of incorporation or  
15 the bylaws, if notice is required to be delivered, under any provision  
16 of this chapter or the articles of incorporation or bylaws of any  
17 corporation, to any stockholder to whom:

18 (a) Notice of two consecutive annual meetings, and all notices of  
19 meetings or of the taking of action by written consent without a  
20 meeting to the stockholder during the period between those two  
21 consecutive annual meetings; or

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

24 ~~and~~ have been mailed addressed to the stockholder at his or her  
25 address as shown on the records of the corporation and have been  
26 returned undeliverable, the delivery of further notices to the  
27 stockholder is not required. Any action or meeting taken or held  
28 without notice to such a stockholder has the same effect as if the  
29 notice had been delivered. If any such stockholder delivers to the  
30 corporation a written notice setting forth his or her current address,  
31 the requirement that notice be delivered to the stockholder is  
32 reinstated. If the action taken by the corporation is such as to require  
33 the filing of a certificate under any of the other sections of this  
34 chapter, the certificate need not state that notice was not delivered to  
35 persons to whom notice was not required to be delivered pursuant to  
36 this subsection. The delivery of further notices to a stockholder is  
37 still required for any notice returned as undeliverable if the notice  
38 was delivered by electronic transmission.

39 7. Unless the articles of incorporation or bylaws otherwise  
40 require, and except as otherwise provided in this subsection, if a  
41 ~~[stockholders']~~ meeting *of stockholders* is adjourned, ~~[to another~~  
42 ~~date, time or place,]~~ notice *of the following information* need not be  
43 delivered ~~[of the]~~ *if the information is announced at the meeting at*  
44 *which the adjournment is taken:*



1 (a) *The date ~~[.]~~ and time ~~[or place]~~ of the adjourned meeting ~~if~~  
2 ~~they are announced at the meeting at which the adjournment is~~  
3 ~~taken.]~~;*

4 (b) *The means of remote communication, if any, by which*  
5 *stockholders and proxies shall be deemed to be present in person*  
6 *and vote at the adjourned meeting; and*

7 (c) *Unless the adjourned meeting is to be held solely by remote*  
8 *communication pursuant to subsection 5 of NRS 78.320, the*  
9 *physical location of the adjourned meeting, which may be within*  
10 *or without this State.*

11 8. If a new record date is fixed for an adjourned or postponed  
12 meeting, notice of the adjourned or postponed meeting must be  
13 delivered to each stockholder of record as of the new record date.

14 9. *The requirements for notice pursuant to this section are*  
15 *satisfied by a corporation if the corporation is a publicly traded*  
16 *corporation on the record date for the meeting and the corporation*  
17 *timely files, pursuant to section 14(a) of the Securities Exchange*  
18 *Act, 15 U.S.C. § 78n(a), a proxy statement or an amendment*  
19 *thereto, containing the information described in subsection 2,*  
20 *unless such notice by proxy statement is expressly prohibited in:*

21 (a) *The articles of incorporation or an amendment thereto,*  
22 *which are filed and effective on or after October 1, 2021; or*

23 (b) *The bylaws or an amendment thereto, which are effective*  
24 *on or after October 1, 2021.*

25 10. *As used in this section, "remote communication" includes*  
26 *any form of communication described in subsection 4 of*  
27 *NRS 78.320.*

28 **Sec. 14.2.** NRS 78.411 is hereby amended to read as follows:

29 78.411 As used in NRS 78.411 to 78.444, inclusive, unless the  
30 context otherwise requires, the words and terms defined in NRS  
31 78.412 to ~~[78.432.]~~ 78.431, inclusive, have the meanings ascribed to  
32 them in those sections.

33 **Sec. 14.5.** NRS 78.630 is hereby amended to read as follows:

34 78.630 1. Whenever any corporation becomes insolvent or  
35 suspends its ordinary business for want of money to carry on the  
36 business, or if its business has been and is being conducted at a great  
37 loss and greatly prejudicial to the interest of its creditors or  
38 stockholders, any creditors holding *at least* 10 percent of the  
39 outstanding indebtedness, or stockholders owning *at least* 10  
40 percent of the outstanding stock entitled to vote, may, by petition  
41 setting forth the facts and circumstances of the case, apply to the  
42 district court of the county in which the principal office of the  
43 corporation is located or, if the principal office is not located in this  
44 State, to the district court in the county in which the corporation's





1 registered office is located for a writ of injunction and the  
2 appointment of a receiver or receivers or trustee or trustees.

3 2. The court, being satisfied by affidavit or otherwise of the  
4 sufficiency of the application and of the truth of the allegations  
5 contained in the petition and upon hearing after such notice as the  
6 court by order may direct, shall proceed in a summary way to hear  
7 the affidavits, proofs and allegations which may be offered in behalf  
8 of the parties.

9 3. If upon such inquiry it appears to the court that the  
10 corporation has become insolvent and is not about to resume its  
11 business in a short time thereafter, or that its business has been and  
12 is being conducted at a great loss and greatly prejudicial to the  
13 interests of its creditors or stockholders, so that its business cannot  
14 be conducted with safety to the public, it may issue an injunction to  
15 restrain the corporation and its officers and agents from exercising  
16 any of its privileges or franchises and from collecting or receiving  
17 any debts or paying out, selling, assigning or transferring any of its  
18 estate, money, lands, tenements or effects, except to a receiver  
19 appointed by the court, until the court otherwise orders.

20 **Sec. 15.** NRS 78.7502 is hereby amended to read as follows:

21 78.7502 1. A corporation may indemnify pursuant to this  
22 subsection any person who was or is a party or is threatened to be  
23 made a party to any threatened, pending or completed action, suit or  
24 proceeding, whether civil, criminal, administrative or investigative,  
25 except an action by or in the right of the corporation, by reason of  
26 the fact that the person is or was a director, officer, employee or  
27 agent of the corporation, or is or was serving at the request of the  
28 corporation as a director, officer, employee or agent of another  
29 corporation, partnership, joint venture, trust or other enterprise **or**  
30 **as a manager of a limited-liability company**, against expenses,  
31 including attorneys' fees, judgments, fines and amounts paid in  
32 settlement actually and reasonably incurred by the person in  
33 connection with the action, suit or proceeding if the person:

34 (a) Is not liable pursuant to NRS 78.138; or

35 (b) Acted in good faith and in a manner which he or she  
36 reasonably believed to be in or not opposed to the best interests of  
37 the corporation, and, with respect to any criminal action or  
38 proceeding, had no reasonable cause to believe the conduct was  
39 unlawful.

40 ➤ The termination of any action, suit or proceeding by judgment,  
41 order, settlement, conviction or upon a plea of nolo contendere or its  
42 equivalent, does not, of itself, create a presumption that the person is  
43 liable pursuant to NRS 78.138 or did not act in good faith and in a  
44 manner which he or she reasonably believed to be in or not opposed  
45 to the best interests of the corporation, or that, with respect to any





1 criminal action or proceeding, he or she had reasonable cause to  
2 believe that the conduct was unlawful.

3 2. A corporation may indemnify pursuant to this subsection  
4 any person who was or is a party or is threatened to be made a party  
5 to any threatened, pending or completed action or suit by or in the  
6 right of the corporation to procure a judgment in its favor by reason  
7 of the fact that the person is or was a director, officer, employee or  
8 agent of the corporation, or is or was serving at the request of the  
9 corporation as a director, officer, employee or agent of another  
10 corporation, partnership, joint venture, trust or other enterprise *or as*  
11 *a manager of a limited-liability company*, against expenses,  
12 including amounts paid in settlement and attorneys' fees actually  
13 and reasonably incurred by the person in connection with the  
14 defense or settlement of the action or suit if the person:

15 (a) Is not liable pursuant to NRS 78.138; or

16 (b) Acted in good faith and in a manner which he or she  
17 reasonably believed to be in or not opposed to the best interests of  
18 the corporation.

19 ↪ Indemnification pursuant to this section may not be made for any  
20 claim, issue or matter as to which such a person has been adjudged  
21 by a court of competent jurisdiction, after exhaustion of any appeals  
22 taken therefrom, to be liable to the corporation or for amounts paid  
23 in settlement to the corporation, unless and only to the extent that  
24 the court in which the action or suit was brought or other court of  
25 competent jurisdiction determines upon application that in view of  
26 all the circumstances of the case, the person is fairly and reasonably  
27 entitled to indemnity for such expenses as the court deems proper.

28 3. Any discretionary indemnification pursuant to this section,  
29 unless ordered by a court or advanced pursuant to subsection 2 of  
30 NRS 78.751, may be made by the corporation only as authorized in  
31 each specific case upon a determination that the indemnification of a  
32 director, officer, employee or agent of a corporation is proper under  
33 the circumstances. The determination must be made by:

34 (a) The stockholders;

35 (b) The board of directors, by majority vote of a quorum  
36 consisting of directors who were not parties to the action, suit or  
37 proceeding; or

38 (c) Independent legal counsel, in a written opinion, if:

39 (1) A majority vote of a quorum consisting of directors who  
40 were not parties to the action, suit or proceeding so orders; or

41 (2) A quorum consisting of directors who were not parties to  
42 the action, suit or proceeding cannot be obtained.

43 **Sec. 16.** NRS 81.430 is hereby amended to read as follows:

44 81.430 1. Any person or any number of persons, including  
45 and in addition to the original incorporators, may become members



1 of the corporation upon such terms and conditions as to  
2 membership, and subject to such rules and regulations as to their,  
3 and each of their, contract and other rights and liabilities between it  
4 and the member, as the corporation shall prescribe in its bylaws.

5 2. ~~[The]~~ *Unless the corporation is an association or a unit-*  
6 *owners' association, each term as defined in NRS 116.011, the*  
7 *corporation shall issue a certificate of membership to each member,*  
8 *but the membership or the certificate thereof shall not, except as*  
9 *provided in NRS 81.410 to 81.540, inclusive, be assigned by any*  
10 *member to any other person, nor shall the assigns thereof be entitled*  
11 *to membership in the corporation, or to any property rights or*  
12 *interest therein.*

13 3. The board of directors may, however, by motion duly  
14 adopted by it, consent to such assignment or transfer, and to the  
15 acceptance of the assignee or transferee as a member of the  
16 corporation.

17 4. The corporation shall also have the right, by its bylaws, to  
18 provide for or against the transfer of membership and for or against  
19 the assignment of membership certificates, and also the terms and  
20 conditions upon which any such transfer or assignment shall be  
21 allowed.

22 **Sec. 17.** Chapter 86 of NRS is hereby amended by adding  
23 thereto the provisions set forth as sections 18 and 19 of this act.

24 **Sec. 18.** *"In interest," when used in reference to a stated*  
25 *proportion and:*

26 1. *In reference to a limited-liability company, means such*  
27 *proportion of the total contributions of the members to the capital*  
28 *of the limited-liability company, as adjusted from time to time to*  
29 *properly reflect any additional contributions or withdrawals by the*  
30 *members.*

31 2. *In reference to a series, means such proportion of the total*  
32 *contributions of the members to the capital of the series, as*  
33 *adjusted from time to time to properly reflect any additional*  
34 *contributions or withdrawals from the series by the members*  
35 *associated with the series.*

36 **Sec. 19.** *As used in NRS 86.281 to 86.351, inclusive, unless*  
37 *the context otherwise requires, "distribution" means a direct or*  
38 *indirect transfer of money or property, other than its own*  
39 *member's interests, or the incurrence of indebtedness, by a*  
40 *limited-liability company to or for the benefit of all holders of any*  
41 *one or more classes or series of its members' interests with respect*  
42 *to such interests or as otherwise provided in the articles of*  
43 *organization or operating agreement.*



1       **Sec. 20.** NRS 86.011 is hereby amended to read as follows:  
2       86.011 As used in this chapter, unless the context otherwise  
3 requires, the words and terms defined in NRS 86.022 to 86.1255,  
4 inclusive, *and section 18 of this act* have the meanings ascribed to  
5 them in those sections.

6       **Sec. 21.** NRS 86.095 is hereby amended to read as follows:  
7       86.095 1. “Noneconomic member” means a member of a  
8 limited-liability company who:

9       ~~[1.]~~ (a) Does not own a member’s interest in the company;

10       ~~[2.]~~ (b) Does not have an obligation to contribute capital to the  
11 company;

12       ~~[3.]~~ (c) Does not have a right to participate in or receive  
13 distributions ~~[of profits of]~~ *from* the company or an obligation to  
14 contribute to the losses of the company; and

15       ~~[4.]~~ (d) May have voting rights and other rights and privileges  
16 given to noneconomic members of the company by the articles of  
17 organization or operating agreement.

18       2. *As used in this section, “distribution” has the meaning*  
19 *ascribed to it in section 19 of this act.*

20       **Sec. 22.** NRS 86.291 is hereby amended to read as follows:

21       86.291 1. Except as otherwise provided in this section or in  
22 the articles of organization or operating agreement, management of  
23 a limited-liability company is vested in its members ~~[. in proportion~~  
24 ~~to their contribution to its capital, as adjusted from time to time to~~  
25 ~~reflect properly any additional contributions or withdrawals by the~~  
26 ~~members.]~~ *proportionally in interest thereof.*

27       2. Unless otherwise provided in the articles of organization or  
28 operating agreement, the management of a series is vested in the  
29 members associated with the series ~~[in proportion to their~~  
30 ~~contribution to the capital of the series, as adjusted from time to~~  
31 ~~time to reflect properly any additional contributions or withdrawals~~  
32 ~~from the assets or income of the series by the members associated~~  
33 ~~with the series.]~~ *proportionally in interest thereof.*

34       3. If provision is made in the articles of organization,  
35 management of the company may be vested in a manager or  
36 managers, who may but need not be members. The manager or  
37 managers shall hold the offices, have the responsibilities and  
38 otherwise manage the company as set forth in the operating  
39 agreement of the company or, if the company has not adopted an  
40 operating agreement, then as prescribed by the members.

41       **Sec. 22.5.** NRS 86.321 is hereby amended to read as follows:

42       86.321 ~~[The]~~ *For purposes of this chapter, [contributions] a*  
43 *contribution* to capital of a member to a limited-liability company  
44 or series may ~~[be in cash,]~~ *consist of tangible or intangible* property  
45 or *any other benefit to the limited-liability company or series,*



1 *including, without limitation, money, real or personal property,*  
2 services ~~rendered,~~ *performed,* or a promissory note or other  
3 binding obligation to contribute cash or property or to perform  
4 services.

5 **Sec. 23.** NRS 86.341 is hereby amended to read as follows:

6 86.341 A limited-liability company may, from time to time,  
7 ~~divide the profits of its business and distribute them to its members,~~  
8 ~~and any transferee as his or her interest may appear, upon the basis~~  
9 *make distributions as stipulated provided* in the *articles of*  
10 *organization or* operating agreement. If the *articles of organization*  
11 *or* operating agreement ~~does~~ *do* not otherwise provide, ~~profits and~~  
12 ~~losses~~ *the distributions* must be allocated proportionately to the  
13 value, as shown in the records of the company, of the contributions  
14 made by each member and not returned.

15 **Sec. 24.** NRS 86.343 is hereby amended to read as follows:

16 86.343 1. Except as otherwise provided in subsection 2, a  
17 distribution ~~of the profits and contributions of~~ *from* a limited-  
18 liability company must not be made if, after giving it effect:

19 (a) The company would not be able to pay its debts as they  
20 become due in the usual course of business; or

21 (b) Except as otherwise specifically permitted by the articles of  
22 organization, the total assets of the company would be less than the  
23 sum of its total liabilities.

24 2. A distribution ~~of the profits and contributions of~~ *from* a  
25 series of the company must not be made if, after giving it effect:

26 (a) The company would not be able to pay the debts of the series  
27 from assets of the series as debts of the series become due in the  
28 usual course of business; or

29 (b) Except as otherwise specifically permitted by the articles of  
30 organization, the total assets of the series would be less than the sum  
31 of the total liabilities of the series.

32 3. The manager *or managers* or, if management of the  
33 company is not vested in a manager or managers, the members ,  
34 may base a determination that a distribution is not prohibited  
35 pursuant to this section on:

36 (a) Financial statements prepared on the basis of accounting  
37 practices that are reasonable in the circumstances;

38 (b) A fair valuation, including unrealized appreciation and  
39 depreciation; or

40 (c) Any other method that is reasonable in the circumstances.

41 4. The effect of a distribution pursuant to this section must be  
42 measured:

43 (a) In the case of a distribution by purchase, redemption or other  
44 acquisition by the company of member's interests, as of the earlier  
45 of:



1 (1) The date on which money or other property is transferred  
2 or debt incurred by the company; or

3 (2) The date on which the member ceases to be a member  
4 with respect to his or her acquired interest.

5 (b) In the case of any other distribution of indebtedness, as of  
6 the date on which the indebtedness is distributed.

7 (c) In all other cases, as of:

8 (1) The date on which the distribution is authorized if the  
9 payment occurs within 120 days after the date of authorization; or

10 (2) The date on which the payment is made if it occurs more  
11 than 120 days after the date of authorization.

12 5. Indebtedness of the company, or a series of the company,  
13 including indebtedness issued as a distribution, is not considered a  
14 liability for purposes of determinations pursuant to this section if its  
15 terms provide that payment of principal and interest are to be made  
16 only if and to the extent that payment of a distribution to the  
17 members could then be made pursuant to this section. If the  
18 indebtedness is issued as a distribution, each payment of principal or  
19 interest must be treated as a distribution, the effect of which must be  
20 measured as of the date of payment.

21 6. Except as otherwise provided in subsection 7, a member  
22 who receives a distribution in violation of this section is liable to  
23 the limited-liability company *or the series, as applicable*, for the  
24 amount of the distribution. This subsection does not affect the  
25 validity of an obligation or liability of a member created by an  
26 agreement or other applicable law for the amount of a distribution.

27 7. A member who receives a distribution from a limited-  
28 liability company *or the series, as applicable*, in violation of this  
29 section is not liable to the limited-liability company *or such series,*  
30 *as applicable*, and, in the event of its dissolution or insolvency, to  
31 its creditors, or any of them, for the amount of the distribution after  
32 the expiration of 3 years after the date of the distribution unless an  
33 action to recover the distribution from the member is commenced  
34 before the expiration of the 3-year period following the distribution.

35 **8. *Except as otherwise provided in the articles of organization***  
36 ***or operating agreement, the manager or managers or, if the***  
37 ***management of the company is not vested in a manager or***  
38 ***managers, the members, may fix a record date for determining the***  
39 ***members entitled to a distribution authorized pursuant to this***  
40 ***section. The record date must not precede the day on which it is***  
41 ***fixed.***

42 **Sec. 25.** NRS 86.5411 is hereby amended to read as follows:

43 86.5411 1. Whenever any limited-liability company becomes  
44 insolvent or suspends its ordinary business for want of money to  
45 carry on the business, or if its business has been and is being



1 conducted at a great loss and greatly prejudicial to the interest of its  
2 creditors or members, any creditors holding *at least* 10 percent of  
3 the outstanding indebtedness ~~[, or members owning either 10~~  
4 ~~percent of the outstanding member's interests or 10 percent of the~~  
5 ~~voting power]~~ of the company ~~[,]~~ *or at least 10 percent in interest*  
6 *of the members*, may, by petition setting forth the facts and  
7 circumstances of the case, apply to the district court of the county in  
8 which the principal office of the company is located or, if the  
9 principal office is not located in this State, to the district court in the  
10 county in which the company's registered office is located for a writ  
11 of injunction and the appointment of a receiver or receivers or  
12 trustee or trustees.

13 2. The court, being satisfied by affidavit or otherwise of the  
14 sufficiency of the application and of the truth of the allegations  
15 contained in the petition and upon hearing after such notice as the  
16 court by order may direct, shall proceed in a summary way to hear  
17 the affidavits, proofs and allegations which may be offered in behalf  
18 of the parties.

19 3. If, upon such inquiry it appears to the court that the company  
20 has become insolvent and is not about to resume its business in a  
21 short time thereafter, or that its business has been and is being  
22 conducted at a great loss and greatly prejudicial to the interests of its  
23 creditors or members so that its business cannot be conducted with  
24 safety to the public, it may issue an injunction to restrain the  
25 company and its managers, managing members, officers and agents  
26 from exercising any of its privileges or franchises and from  
27 collecting or receiving any debts or paying out, selling, assigning or  
28 transferring any of its estate, money, lands, tenements or effects,  
29 except to a receiver appointed by the court, until the court otherwise  
30 orders.

31 4. The rights of a member set forth in this section may be  
32 exercised by a noneconomic member if specifically set forth in the  
33 articles of organization or the operating agreement.

34 **Sec. 26.** NRS 86.5415 is hereby amended to read as follows:

35 86.5415 1. ~~[Any member owning either 10 percent of the~~  
36 ~~outstanding member's interests or]~~ *Members holding not less than*  
37 *10 percent [of the voting power] in interest* of the limited-liability  
38 company may apply to the district court in the county in which the  
39 company has its principal place of business or, if the principal place  
40 of business is not located in this State, to the district court in the  
41 county in which the company's registered office is located, for an  
42 order appointing a receiver, and by injunction restrain the company  
43 from exercising any of its powers or doing business whatsoever,  
44 except by and through a receiver appointed by the court, whenever



1 irreparable injury to the company is threatened or being suffered  
2 and:

3 (a) The company has willfully violated its charter;

4 (b) Its managers or managing members have been guilty of  
5 fraud or collusion or gross mismanagement in the conduct or control  
6 of its affairs and the presumption established by subsection 3 has  
7 been rebutted with respect to such conduct or control;

8 (c) The assets of the company are in danger of waste, sacrifice  
9 or loss through attachment, foreclosure, litigation or otherwise; or

10 (d) The company has dissolved, but has not proceeded diligently  
11 to wind up its affairs, or to distribute its assets in a reasonable time.

12 2. The application may be for the appointment of a receiver,  
13 without at the same time applying for the dissolution of the  
14 company, and notwithstanding the absence, if any there be, of any  
15 action or other proceeding in the premises pending in such court.

16 3. In any such application for a receivership, it is sufficient for  
17 a temporary appointment if notice of the same is given to the  
18 company alone, by process as in the case of an application for a  
19 temporary restraining order or injunction, and the hearing thereon  
20 may be had after 5 days' notice unless the court directs a longer or  
21 different notice and different parties.

22 4. The court may, if good cause exists therefor, appoint one or  
23 more receivers for such purpose, but in all cases managers or  
24 managing members who have been guilty of no negligence nor  
25 active breach of duty must be preferred in making the appointment.  
26 The court may at any time for sufficient cause make a decree  
27 terminating the receivership, or dissolving the company and  
28 terminating its existence, or both, as may be proper.

29 5. Receivers so appointed have, among the usual powers, all  
30 the functions, powers, tenure and duties to be exercised under the  
31 direction of the court as are conferred on receivers and as provided  
32 pursuant to NRS 86.5412, 86.5413 and 86.5414, whether the  
33 company is insolvent or not.

34 6. The requirement ~~[as to ownership or voting]~~ *to hold not less*  
35 *than 10 percent in interest* set forth in subsection 1 shall be  
36 maintained from the date of and throughout the pendency of the  
37 application for the appointment of a receiver of the company.

38 7. The rights of a member set forth in this section may be  
39 exercised by a noneconomic member if specifically set forth in the  
40 articles of organization or the operating agreement.

41 **Sec. 27.** NRS 86.5416 is hereby amended to read as follows:

42 86.5416 Whenever ~~[members holding member's interests~~  
43 ~~entitling them to exercise at least]~~ a majority *in interest* of the  
44 ~~[voting power]~~ *members* of the limited-liability company ~~[shall]~~  
45 have agreed upon a plan for the reorganization of the company and a





1 resumption by it of the management and control of its property and  
2 business, the company may, with the consent of the district court:

3 1. Upon the reconveyance to it of its property and franchises,  
4 mortgage the same for such amount as may be necessary for the  
5 purposes of reorganization; and

6 2. Issue bonds or other evidences of indebtedness, or additional  
7 member's interests of one or more classes, or both bonds and  
8 member's interests, or certificates of investment or participation  
9 certificates, and use the same for the full or partial payment of the  
10 creditors who will accept the same, or otherwise dispose of the same  
11 for the purposes of the reorganization.

12 **Sec. 28.** Chapter 92A of NRS is hereby amended by adding  
13 thereto the provisions set forth as sections 29 and 30 of this act.

14 **Sec. 29.** *“Advance notice statement” when used in reference*  
15 *to a proposed corporate action creating dissenter’s rights that is*  
16 *taken or submitted for approval pursuant to a written consent of*  
17 *the stockholders or taken without a vote of the stockholders,*  
18 *means written notice of the proposed corporate action sent by the*  
19 *subject corporation to all stockholders of record entitled to assert*  
20 *dissenter’s rights if the corporate action is effectuated. Such notice*  
21 *must:*

22 1. *Be sent not later than 20 days before the effective date of*  
23 *the proposed corporate action;*

24 2. *Identify the proposed corporate action;*

25 3. *Provide that a stockholder who wishes to assert dissenter’s*  
26 *rights with respect to any class or series of shares must deliver a*  
27 *statement of intent to the subject corporation and set a date by*  
28 *which the subject corporation must receive the statement of intent,*  
29 *which may not be less than 15 days after the date the notice is*  
30 *sent, and state that the stockholder shall be deemed to have waived*  
31 *the right to assert dissenter’s rights with respect to the shares*  
32 *unless the statement of intent is received by the subject*  
33 *corporation by such specified date; and*

34 4. *Be accompanied by a copy of NRS 92A.300 to 92A.500,*  
35 *inclusive.*

36 **Sec. 30.** *“Statement of intent” when used in reference to a*  
37 *proposed corporate action creating dissenter’s rights, means*  
38 *written notice of a stockholder’s intent to assert dissenter’s rights*  
39 *and demand payment for the stockholder’s shares if the corporate*  
40 *action is effectuated.*

41 **Sec. 31.** NRS 92A.005 is hereby amended to read as follows:

42 92A.005 As used in this chapter, unless the context otherwise  
43 requires, the words and terms defined in NRS 92A.007 to 92A.092,  
44 inclusive, *and sections 29 and 30 of this act* have the meanings  
45 ascribed to them in those sections.





1       **Sec. 32.** NRS 92A.133 is hereby amended to read as follows:  
2       92A.133 1. Unless otherwise expressly required by the  
3 articles of incorporation, no vote of the stockholders of a ~~publicly~~  
4 ~~traded~~ **domestic** corporation is necessary to authorize a merger in  
5 which the ~~publicly-traded~~ **domestic** corporation is a constituent  
6 entity if the plan of merger expressly permits or requires the merger  
7 to be effected under this section and:

8       (a) The ownership threshold requirement is satisfied without any  
9 offer, subject to the provisions of subsection 2; or

10       (b) The ownership threshold requirement is satisfied in whole or  
11 in part by way of an offer and ~~the~~ :

12        *(I) The domestic corporation has been a publicly traded*  
13 *corporation at all times during the period between:*

14        *(I) The date of the commencement of the offer or the*  
15 *date of the adoption of the plan of merger by the board of directors*  
16 *of the domestic corporation, whichever is earlier; and*

17        *(II) The effective date of the merger; and*

18       (2) *The plan of merger requires that:*

19        ~~(1)~~ (I) The merger must be effected as soon as practicable  
20 following the consummation of the offer if the merger is effected  
21 under this section; and

22        ~~(2)~~ (II) Each outstanding share of each class or series of  
23 stock of the ~~publicly-traded~~ **domestic** corporation that is the  
24 subject of, and not irrevocably accepted for purchase or exchange  
25 in, the offer must be converted in such merger into, or into the right  
26 to receive, the same amount and kind of cash, property, rights or  
27 securities to be paid for shares of such class or series of stock of the  
28 ~~publicly-traded~~ **domestic** corporation irrevocably accepted for  
29 purchase or exchange in the offer. The plan of merger may  
30 expressly provide that the requirements of this ~~subparagraph~~  
31 *sub-subparagraph* must not apply to specified categories of  
32 excluded shares.

33       2. If a merger pursuant to this section is to be effectuated  
34 without any offer:

35       (a) The ownership threshold requirement must be satisfied  
36 without counting the voting power of any shares of the stock of the  
37 ~~publicly-traded~~ **domestic** corporation acquired from the ~~publicly~~  
38 ~~traded~~ **domestic** corporation, or any of the directors, officers,  
39 affiliates or associates thereof, within the 6 months immediately  
40 preceding the adoption of the plan of merger ~~;-and~~ *by the board of*  
41 *directors of the domestic corporation;*

42       (b) The ~~publicly-traded~~ **domestic** corporation must provide  
43 notice of the merger to all of its stockholders not less than 30 days  
44 before the effective date of the merger ~~;-~~ *; and*



1 (c) *The domestic corporation must have been a publicly traded*  
2 *corporation at all times during the period between the date of the*  
3 *adoption of the plan of merger by the board of directors of the*  
4 *domestic corporation and the effective date of the merger.*

5 3. This section does not apply to circumvent or contravene the  
6 provisions of NRS 78.378 to 78.3793, inclusive, or NRS 78.411 to  
7 78.444, inclusive.

8 4. As used in this section:

9 (a) "Affiliate" has the meaning ascribed to it in NRS 78.412.

10 (b) "Associate" has the meaning ascribed to it in NRS 78.413.

11 (c) "Consummation" means the irrevocable acceptance for  
12 purchase or exchange of shares tendered pursuant to an offer.

13 (d) "Excluded shares" means:

14 (1) Rollover shares; and

15 (2) Shares of the ~~publicly traded~~ *domestic* corporation that  
16 are owned beneficially or of record at the commencement of an  
17 offer by:

18 (I) The ~~publicly traded~~ *domestic* corporation;

19 (II) The constituent entity making the offer;

20 (III) Any person who owns, directly or indirectly, all of  
21 the outstanding equity interests of the constituent entity making the  
22 offer; or

23 (IV) Any direct or indirect wholly owned subsidiary of  
24 any of the foregoing.

25 (e) "Offer" means an offer made by the other constituent entity  
26 in the merger for all of the outstanding shares of each class or series  
27 of stock of the ~~publicly traded~~ *domestic* corporation listed on a  
28 national securities exchange, on the terms provided in the plan of  
29 merger that, absent this section, would be entitled to vote on the  
30 ~~adoption~~ *approval* of the plan of merger. The other constituent  
31 entity in the merger may, but is not required to, engage in the  
32 consummation of separate offers for separate classes or series of the  
33 stock of the ~~publicly traded~~ *domestic* corporation. An offer may,  
34 but is not required to:

35 (1) Exclude any excluded shares; and

36 (2) Be conditioned on the tender of a minimum number or  
37 proportion of shares of any class or series of the stock of the  
38 ~~publicly traded~~ *domestic* corporation.

39 (f) "Owned affiliate" means, with respect to a constituent entity,  
40 any other person who owns, directly or indirectly, all of the  
41 outstanding equity interests of the constituent entity, or any direct or  
42 indirect wholly owned subsidiary of the constituent entity or other  
43 person.

44 (g) "Ownership threshold requirement" means that the voting  
45 power of the stock of the ~~publicly traded~~ *domestic* corporation



1 otherwise owned beneficially or of record by the other constituent  
2 entity in the merger or any of the owned affiliates of the other  
3 constituent entity, together with the voting power of any rollover  
4 shares and any shares irrevocably accepted for purchase or exchange  
5 pursuant to any offer and received before the expiration of the offer  
6 by the agent or depositary appointed to facilitate the consummation  
7 of the offer, equals at least that proportion of the voting power of the  
8 stock, and of each class or series thereof, of the ~~publicly-traded~~  
9 *domestic* corporation that, absent this section, would be required to  
10 approve the plan of merger under this chapter and the articles of  
11 incorporation and bylaws of the ~~publicly-traded~~ *domestic*  
12 corporation. For the purposes of this paragraph, shares are received:

13 (1) If the shares are certificated shares, upon physical receipt  
14 by the agent or depositary of a stock certificate with an executed  
15 letter of transmittal or other instrument of transfer;

16 (2) If the shares are uncertificated shares held of record by a  
17 clearing corporation as nominee, upon transfer into the account of  
18 the agent or depositary by way of an agent's message; and

19 (3) If the shares are uncertificated shares held of record by a  
20 person other than a clearing corporation as nominee, upon physical  
21 receipt by the agent or depositary of an executed letter of transmittal  
22 or other instrument of transfer.

23 (h) "Publicly traded corporation" means a domestic corporation  
24 that has a class or series of voting shares which is a covered security  
25 under section 18(b)(1)(A) or (B) of the Securities Act of 1933, 15  
26 U.S.C. § 77r(b)(1)(A) or (B), as amended.

27 (i) "Rollover shares" means any shares of any class or series of  
28 the capital stock of the ~~publicly-traded~~ *domestic* corporation that  
29 are the subject of a written agreement requiring such shares to be  
30 contributed or otherwise transferred to the other constituent entity in  
31 the merger or any of the owned affiliates of the other constituent  
32 entity in exchange for shares or other equity interest in the other  
33 constituent entity or any of its owned affiliates. Shares must cease to  
34 be rollover shares if, as of the effective time of the merger, the  
35 shares have not been contributed or otherwise transferred pursuant  
36 to the written agreement.

37 **Sec. 33.** NRS 92A.140 is hereby amended to read as follows:

38 92A.140 1. Unless otherwise provided in the partnership  
39 agreement or the certificate of limited partnership, a plan of merger,  
40 conversion or exchange involving a domestic limited partnership  
41 must be approved by all general partners and by limited partners  
42 who own a majority in interest of the partnership then owned by all  
43 the limited partners. If the partnership has more than one class of  
44 limited partners, the plan of merger, conversion or exchange must  
45 be approved by those limited partners who own a majority in



1 interest of the partnership then owned by the limited partners in each  
2 class.

3 2. ~~[For the purposes of this section, “majority in interest of the~~  
4 ~~partnership” means a majority of the interests in capital and profits of~~  
5 ~~the limited partners of a domestic limited partnership which:~~

6 ~~— (a) In the case of capital, is determined as of the date of the~~  
7 ~~approval of the plan of merger, conversion or exchange.~~

8 ~~— (b) In the case of profits, is based on any reasonable estimate of~~  
9 ~~profits for the period beginning on the date of the approval of the~~  
10 ~~plan of merger, conversion or exchange and ending on the~~  
11 ~~anticipated date of the termination of the domestic limited~~  
12 ~~partnership, including any present or future division of profits~~  
13 ~~distributed pursuant to the partnership agreement.~~

14 ~~— 3.]~~ If any partner of a domestic limited partnership, which will  
15 be the constituent entity in a conversion, will have any liability for  
16 the obligations of the resulting entity after the conversion because  
17 the partner will be the owner of an owner’s interest in the resulting  
18 entity, then that partner must also approve the plan of conversion.

19 3. *As used in this section, “majority in interest of the*  
20 *partnership” means a majority of the total contributions of the*  
21 *limited partners to the capital of the partnership, as adjusted from*  
22 *time to time to reflect properly any additional contributions or*  
23 *withdrawals by the partners.*

24 **Sec. 34.** NRS 92A.150 is hereby amended to read as follows:

25 92A.150 1. Unless otherwise provided in the articles of  
26 organization or an operating agreement:

27 (a) A plan of merger, conversion or exchange involving a  
28 domestic limited-liability company must be approved by ~~[members~~  
29 ~~who own]~~ a majority ~~[of the interests in the current profits of the~~  
30 ~~company then owned by all]~~ *in interest* of the members; and

31 (b) If the company has more than one class of members, the plan  
32 of merger, conversion or exchange must be approved by ~~[those~~  
33 ~~members who own]~~ a majority ~~[of the interests in the current profits]~~  
34 *in interest* of the ~~[company then owned by the]~~ members in each  
35 class.

36 2. If any manager or member of a domestic limited-liability  
37 company, which will be the constituent entity in a conversion, will  
38 have any liability for the obligations of the resulting entity after the  
39 conversion because the manager or member will be the owner of an  
40 owner’s interest in the resulting entity, then that manager or member  
41 must also approve the plan of conversion.

42 3. *As used in this section, “in interest” has the meaning*  
43 *ascribed to it in section 18 of this act.*



1       **Sec. 35.** NRS 92A.390 is hereby amended to read as follows:

2       92A.390 1. There is no right of dissent pursuant to paragraph  
3 (a), (b), (c) or (f) of subsection 1 of NRS 92A.380 in favor of  
4 stockholders of any class or series which is:

5       (a) A covered security under section 18(b)(1)(A) or (B) of the  
6 Securities Act of 1933, 15 U.S.C. § 77r(b)(1)(A) or (B), as  
7 amended;

8       (b) Traded in an organized market and has at least 2,000  
9 stockholders and a market value of at least \$20,000,000, exclusive  
10 of the value of such shares held by the corporation's subsidiaries,  
11 senior executives, directors and beneficial stockholders owning  
12 more than 10 percent of such shares; or

13       (c) Issued by an open end management investment company  
14 registered with the Securities and Exchange Commission under the  
15 Investment Company Act of 1940, 15 U.S.C. §§ 80a-1 et seq., as  
16 amended, and which may be redeemed at the option of the holder at  
17 net asset value,

18       ↪ unless the articles of incorporation of the corporation issuing the  
19 class or series or the resolution of the board of directors approving  
20 the plan of merger, conversion or exchange expressly provide  
21 otherwise.

22       2. The applicability of subsection 1 must be determined as of:

23       (a) The record date fixed to determine the stockholders entitled  
24 to receive notice of and to vote at the meeting of stockholders to act  
25 upon the corporate action *otherwise* requiring dissenter's rights; or

26       (b) The day before the effective date of such corporate action if  
27 ~~there~~ :

28       (1) *There* is no meeting of stockholders ~~to~~ *to act upon the*  
29 *corporate action otherwise requiring dissenter's rights; or*

30       (2) *The corporate action is a merger described in*  
31 *NRS 92A.133.*

32       3. Subsection 1 is not applicable and dissenter's rights are  
33 available pursuant to NRS 92A.380 for the holders of any class or  
34 series of shares who are required by the terms of the corporate  
35 action to accept for such shares anything other than:

36       (a) Cash;

37       (b) Any security or other proprietary interest of any other entity,  
38 including, without limitation, shares, equity interests or contingent  
39 value rights, that satisfies the standards set forth in subsection 1 at  
40 the time the corporate action becomes effective; or

41       (c) Any combination of paragraphs (a) and (b).

42       4. There is no right of dissent for any holders of stock of the  
43 surviving domestic corporation if the plan of merger does not  
44 require action of the stockholders of the surviving domestic  
45 corporation under NRS 92A.130.



1 5. There is no right of dissent for any holders of stock of the  
2 parent domestic corporation if the plan of merger does not require  
3 action of the stockholders of the parent domestic corporation under  
4 NRS 92A.180.

5 6. There is no right of dissent with respect to any share of stock  
6 that was not issued and outstanding on the date of the first  
7 announcement to the news media or to the stockholders of the terms  
8 of the proposed action requiring dissenter's rights.

9 **Sec. 36.** NRS 92A.410 is hereby amended to read as follows:

10 92A.410 1. If a proposed corporate action creating  
11 dissenter's rights is submitted *for approval pursuant* to a vote at a  
12 stockholders' meeting, the notice of the meeting must state that  
13 stockholders are, are not or may be entitled to assert dissenter's  
14 rights under NRS 92A.300 to 92A.500, inclusive. If the domestic  
15 corporation concludes that dissenter's rights are or may be available,  
16 a copy of NRS 92A.300 to 92A.500, inclusive, must accompany the  
17 meeting notice sent to those stockholders of record entitled to  
18 exercise dissenter's rights.

19 2. If ~~the~~ a corporate action creating dissenter's rights is  
20 ~~taken~~ *submitted for approval* ~~by~~ *pursuant to a* written consent  
21 of the stockholders or *taken* without a vote of the stockholders, the  
22 domestic corporation :

23 (a) *May send an advance notice statement with respect to the*  
24 *proposed corporate action; and*

25 (b) *If the proposed corporate action is taken, the domestic*  
26 *corporation* shall notify in writing all stockholders of record entitled  
27 to assert dissenter's rights that the action was taken and send them  
28 the dissenter's notice described in NRS 92A.430.

29 **Sec. 37.** NRS 92A.420 is hereby amended to read as follows:

30 92A.420 1. If a proposed corporate action creating  
31 dissenter's rights is submitted to a vote at a stockholders' meeting, a  
32 stockholder who wishes to assert dissenter's rights with respect to  
33 any class or series of shares:

34 (a) Must deliver to the subject corporation, before the vote is  
35 taken, ~~written notice of the stockholder's~~ *a statement of* intent ~~to~~  
36 ~~demand payment for his or her shares if~~ *with respect to* the  
37 proposed *corporate* action ; ~~is effectuated;~~ and

38 (b) Must not vote, or cause or permit to be voted, any of ~~this or~~  
39 ~~her~~ *the stockholder's* shares of such class or series in favor of the  
40 proposed *corporate* action.

41 2. If a proposed corporate action creating dissenter's rights is  
42 taken *without a vote of the stockholders or submitted for approval*  
43 ~~by~~ *pursuant to a* written consent of the stockholders, a  
44 stockholder who wishes to assert dissenter's rights with respect to  
45 any class or series of shares ~~must~~ :



1     ***(a) If an advance notice statement is sent by the subject***  
2     ***corporation pursuant to NRS 92A.410, must deliver a statement of***  
3     ***intent with respect to any class or series of shares to the subject***  
4     ***corporation by the date specified in the advance notice statement;***  
5     ***and***

6     ***(b) Must*** not consent to or approve the proposed corporate  
7     action with respect to such class or series.

8     3. A stockholder who does not satisfy the requirements of  
9     subsection 1 or 2 and NRS 92A.400 is not entitled to payment for  
10    his or her shares under this chapter.

11    **Sec. 38.** NRS 78.4265, 78.428, 78.432 and 86.065 are hereby  
12    repealed.

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### LEADLINES OF REPEALED SECTIONS

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**78.4265** “Publicly traded corporation” defined.

**78.428** “Securities Exchange Act” defined.

**78.432** “Voting shares” defined.

**86.065** “Majority in interest” defined.

