
ASSEMBLY BILL NO. 239—ASSEMBLYMEMBER DALIA

FEBRUARY 17, 2025

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to business entities.
(BDR 7-669)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to business entities; revising provisions relating to notice or other communications by business entities; making a conforming change relating to fiduciary duties owed by directors and officers of a corporation; revising provisions governing voting relating to the approval of a reverse stock split of a corporation; removing certain provisions governing the issuance of shares of a corporation; making changes to certain approvals by a board of directors; clarifying provisions relating to voting agreements by stockholders; revising provisions governing the amendment of articles of incorporation after issuance of stock; revising certain terms relating to business entities; revising provisions relating to the last known address of members and managers of a limited-liability company and the dissolution of a limited-liability company; establishing a process by which a corporation may reorganize through the formation of a holding corporation; revising provisions relating to the approval of a plan of merger, conversion or exchange of a domestic corporation and the conversion of a domestic entity into a foreign entity; revising provisions governing the right of a stockholder to dissent from certain corporate actions; and providing other matters properly relating thereto.



Legislative Counsel's Digest:

1 Existing law sets forth various provisions governing business entities, including
2 private corporations and limited-liability companies. (Chapters 78 and 86 of NRS)
3 This bill makes various changes to business entities.

4 **Section 1** of this bill clarifies that the inclusion of certain materials provided
5 with a notice or other communication by a business entity are deemed to be part of
6 the notice or communication. **Section 2** of this bill makes a conforming change
7 relating to the fiduciary duties of directors and officers of a private corporation for
8 consistency within existing law.

9 **Sections 3 and 4** of this bill require that votes relating to the approval of a
10 reverse stock split be approved by the vote of the relevant stockholders of such a
11 class or series of stock. **Sections 5 and 9** of this bill remove the phrase "share
12 dividend" from provisions governing the issuance of shares of a private
13 corporation.

14 **Section 6** of this bill authorizes a board of directors of a private corporation to
15 take certain actions in final form or such preliminary form as the directors deem
16 appropriate in their business judgment.

17 **Section 7** of this bill: (1) provides that voting agreements entered into by
18 stockholders may include a private corporation; and (2) makes conforming changes
19 authorizing the reference in such an agreement to facts or events outside of the
20 agreement as provided in existing law. **Section 8** of this bill: (1) provides that a
21 proposed amendment to the articles of incorporation of a private corporation after
22 the issuance of stock that designates one or more new series of an existing class
23 does not adversely alter or change the preferences or rights of the existing series;
24 and (2) authorizes a publicly traded corporation to amend its articles of
25 incorporation to increase or decrease the shares it is authorized to issue through a
26 stockholder vote.

27 **Section 11** of this bill clarifies the notice required if the approval of a
28 dissolution of a corporation was obtained by written consent and replaces the
29 phrase "certificate of dissolution" with "articles of dissolution" for purposes of
30 provisions relating to the dissolution of a corporation. **Sections 10-12, 15 and 18-**
31 **21** of this bill make conforming changes to reference "articles of dissolution" for
32 purposes of provisions relating to the dissolution of a corporation or a limited-
33 liability company, as applicable. **Section 13** of this bill makes a conforming change
34 to replace "certificate of dissolution" with "record of dissolution." **Section 16** of
35 this bill provides an effective date and time for filing the articles of dissolution of a
36 limited-liability company.

37 **Sections 14 and 17** of this bill provide for either the residence or business
38 address of members and managers of a limited-liability company to be listed for
39 certain records.

40 **Section 22** of this bill establishes a new process by which a corporation may:
41 (1) reorganize through the formation of a holding corporation; and (2) issue
42 stockholders shares in the new holding corporation in exchange for their previous
43 shares. **Section 23** of this bill: (1) revises the steps required for a board of directors
44 to approve a plan of merger, conversion or exchange; and (2) removes provisions of
45 existing law which allowed for the board to cancel a proposed meeting to consider
46 or remove a plan of merger, conversion or exchange. **Section 24** of this bill makes a
47 conforming change relating to voting for purposes of the new process of
48 reorganization into a holding corporation.

49 **Section 25** of this bill makes a technical change relating to one domestic entity
50 converting into one foreign entity.

51 **Section 26** of this bill provides that the right to dissent is the exclusive remedy
52 for stockholders who have the ability to dissent from a particular corporate action.



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

1 **Section 1.** NRS 75.150 is hereby amended to read as follows:

2 75.150 1. Except as otherwise provided by specific statute:

3 (a) Any notice or other communication described in this title
4 may be given or sent by any method of delivery ~~☒~~ and *each*
5 *agreement, instrument, certificate or other document enclosed*
6 *with, or annexed or appended to, such notice or other*
7 *communication shall be deemed part of the notice or*
8 *communication solely for purposes of determining whether notice*
9 *was duly given under this title and the organic rules of the entity*
10 *giving or sending the notice or other communication; and*

11 (b) An electronic transmission must be in accordance with this
12 section.

13 2. A notice or other communication given or sent pursuant to
14 the organic law or organic rules of an entity may be delivered by
15 electronic transmission if:

16 (a) Consented to by the recipient or authorized by subsection 9;
17 and

18 (b) The electronic transmission contains or is accompanied by
19 information from which the recipient can determine the date of the
20 transmission.

21 3. Any consent under subsection 2 may be revoked by the
22 person who consented by written or electronic notice to the person
23 to whom the consent was delivered. Any such consent is deemed
24 revoked if:

25 (a) The person is unable to receive two consecutive electronic
26 transmissions given by the entity or organization in accordance with
27 such consent; and

28 (b) Such inability becomes known to the secretary of the entity
29 sending the electronic transmissions or to the transfer agent or other
30 person responsible for the giving of notice or other communications.

31 ↳ The inadvertent failure to treat any such inability as a revocation
32 does not invalidate any meeting or other action.

33 4. Unless otherwise agreed between sender and recipient, an
34 electronic transmission is received when:

35 (a) It enters an information processing system that the recipient
36 has designated or uses for the purpose of receiving electronic
37 transmissions or information of the type sent; and

38 (b) It is in a form ordinarily capable of being processed by that
39 system.

40 5. Receipt of an electronic acknowledgment from an
41 information processing system described in paragraph (a) of
42 subsection 4 establishes that an electronic transmission was received



1 but, by itself, does not establish that the content sent corresponds to
2 the content received.

3 6. An electronic transmission is received under this section
4 even if no natural person is aware of its receipt.

5 7. Except as otherwise provided by specific statute, any notice
6 or other communication, if in a comprehensible form or manner, is
7 effective at the earliest of the following:

8 (a) If in a physical form, when it is left at:

9 (1) The address of a stockholder, member, partner or other
10 owner of an entity, whichever is applicable, as it appears upon the
11 records of the entity;

12 (2) The residence or usual place of business of a director,
13 manager or general partner, whichever is applicable;

14 (3) The entity's principal place of business; or

15 (4) If to a recipient other than a stockholder, director,
16 member, partner or other owner of an entity or an entity, such
17 person's residence or usual place of business;

18 (b) If mailed by United States mail postage prepaid and
19 correctly addressed to a stockholder, member, partner or other
20 owner of an entity, upon deposit in the United States mail;

21 (c) If mailed by United States mail postage prepaid and correctly
22 addressed to a recipient other than a stockholder, member, partner or
23 other owner of an entity, the earliest of:

24 (1) If sent by registered or certified mail, return receipt
25 requested, the date shown on the return receipt signed by or on
26 behalf of the addressee; or

27 (2) Five days after it is deposited in the United States mail;

28 (d) If an electronic transmission, when it is received as provided
29 in subsection 4; and

30 (e) If oral, when communicated.

31 ➤ In the absence of fraud, an affidavit of the secretary of the entity
32 or the transfer agent or any other agent of the entity that the notice
33 has been given by a form of electronic transmission is prima facie
34 evidence of the facts stated in the affidavit.

35 8. A notice or other communication may be in the form of an
36 electronic transmission that cannot be directly reproduced in paper
37 form by the recipient through an automated process used in
38 conventional commercial practice only if:

39 (a) The electronic transmission is otherwise retrievable in
40 perceivable form; and

41 (b) The sender and the recipient have consented in writing to the
42 use of such form of electronic transmission.

43 9. If any provision of this title prescribes requirements for
44 notices or other communication in particular circumstances, those
45 requirements govern. If the organic rules of an entity prescribe



1 requirements for notices or other communications, not inconsistent
2 with this section or other provisions of this title, those requirements
3 govern. The organic rules of an entity may authorize, require or
4 prohibit delivery of notices of meetings of directors, managers,
5 members, partners or other owners of the entity by electronic
6 transmission.

7 10. In the event that any provisions of this section are deemed
8 to modify, limit or supersede the federal Electronic Signatures in
9 Global and National Commerce Act, 15 U.S.C. §§ 7001 et seq., the
10 provisions of this section shall be deemed to control to the
11 maximum extent permitted by section 102(a)(2) of that Act, 15
12 U.S.C. § 7002(a)(2).

13 11. As used in this section:

14 (a) "Entity" has the meaning ascribed to it in NRS 77.060.

15 (b) "Organic law" has the meaning ascribed to it in NRS 77.170.

16 (c) "Organic rules" has the meaning ascribed to it in
17 NRS 77.180.

18 **Sec. 2.** NRS 78.138 is hereby amended to read as follows:

19 78.138 1. The fiduciary duties of directors and officers are to
20 exercise their respective powers in good faith , *on an informed*
21 *basis* and with a view to the interests of the corporation.

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

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

29 (b) Counsel, public accountants, financial advisers, valuation
30 advisers, investment bankers or other persons as to matters
31 reasonably believed to be within the preparer's or presenter's
32 professional or expert competence; or

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

37 ↪ but a director or officer is not entitled to rely on such
38 information, opinions, reports, books of account or statements if the
39 director or officer has knowledge concerning the matter in question
40 that would cause reliance thereon to be unwarranted.

41 3. Except as otherwise provided in subsection 1 of NRS
42 78.139, directors and officers, in deciding upon matters of business,
43 are presumed to act in good faith, on an informed basis and with a
44 view to the interests of the corporation. A director or officer is not
45 individually liable for damages as a result of an act or failure to act



1 in his or her capacity as a director or officer except as described in
2 subsection 7.

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

5 (a) Consider all relevant facts, circumstances, contingencies or
6 constituencies, which may include, without limitation, one or more
7 of the following:

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

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

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

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

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

18 (b) Consider or assign weight to the interests of any particular
19 person or group, or to any other relevant facts, circumstances,
20 contingencies or constituencies.

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

25 6. The provisions of subsections 4 and 5 do not create or
26 authorize any causes of action against the corporation or its directors
27 or officers.

28 7. Except as otherwise provided in NRS 35.230, 90.660,
29 91.250, 452.200, 452.270, 668.045 and 694A.030, or unless the
30 articles of incorporation or an amendment thereto, in each case filed
31 on or after October 1, 2003, provide for greater individual liability, a
32 director or officer is not individually liable to the corporation or its
33 stockholders or creditors for any damages as a result of any act or
34 failure to act in his or her capacity as a director or officer unless:

35 (a) The presumption established by subsection 3 has been
36 rebutted; and

37 (b) It is proven that:

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

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

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



1 **Sec. 3.** NRS 78.2055 is hereby amended to read as follows:

2 78.2055 1. Unless otherwise provided in the articles of
3 incorporation, a corporation that desires to decrease the number of
4 issued and outstanding shares of a class or series held by each
5 stockholder of record at the effective date and time of the change
6 without correspondingly decreasing the number of authorized shares
7 of the same class or series may do so if:

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

11 (b) If the corporation is:

12 (1) A publicly traded corporation, the proposal is approved
13 by the stockholders of the affected class or series, regardless of
14 limitations or restrictions on the voting power of the affected class
15 or series; or

16 (2) Not a publicly traded corporation, the proposal is
17 approved by the vote of stockholders holding a majority of the
18 voting power of the affected class or series,
19 ↳ or such greater proportion as may be provided in the articles of
20 incorporation, regardless of limitations or restrictions on the voting
21 power of the affected class or series.

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

26 3. Except as otherwise provided in this subsection ~~[]~~ *and*
27 *unless the articles of incorporation require a greater proportion*, if
28 a proposed decrease in the number of issued and outstanding shares
29 of any class or series would adversely alter or change any
30 preference, or any relative or other right given to any other class or
31 series of outstanding shares, then the decrease must be approved ,
32 ~~[by the vote.]~~ in addition to any vote otherwise required ~~[of]~~ :

33 (a) *If the corporation is a publicly traded corporation, by the*
34 *vote of the stockholders of each class or series whose preference*
35 *or rights are adversely affected by the decrease; or*

36 (b) *If the corporation is not a publicly traded corporation, by*
37 *the holders of shares representing a majority of the voting power of*
38 *each class or series whose preference or rights are adversely*
39 *affected by the decrease,*

40 ↳ ~~[for such greater proportion as may be provided in the articles of~~
41 ~~incorporation.]~~ regardless of limitations or restrictions on the voting
42 power of the adversely affected class or series. The decrease does
43 not have to be approved by the vote of the holders of shares
44 representing a majority of the voting power of each class or series
45 whose preference or rights are adversely affected by the decrease if



1 the articles of incorporation specifically deny the right to vote on
2 such a decrease.

3 4. If any proposed corporate action pursuant to this section
4 would result in only money being paid or scrip being issued to
5 stockholders who:

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

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

11 ↪ any stockholder who is obligated, as a result of the corporate
12 action taken pursuant to this section, to accept money or scrip rather
13 than receive a fraction of a share in exchange for the cancellation of
14 all the stockholder's outstanding shares, may dissent in accordance
15 with the provisions of NRS 92A.300 to 92A.500, inclusive, and
16 obtain payment of the fair value of the fraction of a share to which
17 the stockholder would otherwise be entitled.

18 **Sec. 4.** NRS 78.207 is hereby amended to read as follows:

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

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

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

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

42 ↪ must be approved by the vote of stockholders holding a majority
43 of the voting power of the affected class or series, or such greater
44 proportion as may be provided in the articles of incorporation,
45 regardless of limitations or restrictions on the voting power thereof.



1 3. Except as otherwise provided in this subsection ~~[]~~ *and*
2 *unless the articles of incorporation require a greater proportion*, if
3 a proposed increase or decrease in the number of authorized shares
4 of any class or series would adversely alter or change any preference
5 or any relative or other right given to any other class or series of
6 outstanding shares, then the increase or decrease must be approved ,
7 ~~[by the vote.]~~ in addition to any vote otherwise required ~~[of]~~ :

8 (a) *If the corporation is a publicly traded corporation, by the*
9 *vote of stockholders of each class or series whose preference or*
10 *rights are adversely affected by the increase or decrease; and*

11 (b) *If the corporation is not a publicly traded corporation, by*
12 *the holders of shares representing a majority of the voting power of*
13 *each class or series whose preference or rights are adversely*
14 *affected by the increase or decrease,*

15 *↪ regardless of limitations or restrictions on the voting power*
16 *thereof. The increase or decrease does not have to be approved by*
17 *the vote of the holders of shares ~~[representing a majority of the~~*
18 *voting power in each] of any class or series whose preference or*
19 *rights are adversely affected by the increase or decrease if the*
20 *articles of incorporation specifically deny the **holders of shares of***
21 ***such class or series the** right to vote on such an increase or*
22 *decrease.*

23 4. If any proposed corporate action pursuant to this section
24 would result in only money being paid or scrip being issued to
25 stockholders who:

26 (a) Before the increase or decrease in the number of shares
27 becomes effective, in the aggregate hold 1 percent or more of the
28 outstanding shares of the affected class or series; and

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

31 *↪ any stockholder who is obligated, as a result of the corporate*
32 *action taken pursuant to this section, to accept money or scrip rather*
33 *than receive a fraction of a share in exchange for the cancellation of*
34 *all the stockholder's outstanding shares, may dissent in accordance*
35 *with the provisions of NRS 92A.300 to 92A.500, inclusive, and*
36 *obtain payment of the fair value of the fraction of a share to which*
37 *the stockholder would otherwise be entitled.*

38 **Sec. 5.** NRS 78.215 is hereby amended to read as follows:

39 78.215 1. A corporation may issue and dispose of its
40 authorized shares for such consideration as may be prescribed in the
41 articles of incorporation or, if no consideration is so prescribed, then
42 for such consideration as may be fixed by the board of directors.

43 2. If a consideration is prescribed for shares without par value,
44 that consideration must not be used to determine the fees required
45 for filing articles of incorporation pursuant to NRS 78.760.



1 3. Unless the articles of incorporation provide otherwise ~~[.]~~
2 *and except as otherwise provided by subsection 4*, shares may be
3 issued pro rata and without consideration to the corporation's
4 stockholders or to the stockholders of one or more classes or series.

5 ~~[An issuance of shares under this subsection is a share dividend.]~~

6 4. Shares of one class or series may not be issued ~~[as a share~~
7 ~~dividend]~~ *pursuant to subsection 3* in respect of shares of another
8 class or series unless:

9 (a) The articles of incorporation so authorize;

10 (b) A majority of the votes entitled to be cast by the class or
11 series to be issued approve the issue; or

12 (c) There are no outstanding shares of the class or series to be
13 issued.

14 5. If the board of directors does not fix the record date for
15 determining stockholders entitled to ~~[a share dividend,]~~ *shares*
16 *issued pursuant to subsection 3*, it is the date the board of directors
17 authorizes the ~~[share dividend.]~~ *issuance*.

18 **Sec. 6.** NRS 78.315 is hereby amended to read as follows:

19 78.315 1. Unless the articles of incorporation or the bylaws
20 provide for a greater or lesser proportion, a majority of the board of
21 directors of the corporation then in office, at a meeting duly
22 assembled, is necessary to constitute a quorum for the transaction of
23 business, and the act of directors holding a majority of the voting
24 power of the directors, present at a meeting at which a quorum is
25 present, is the act of the board of directors.

26 2. Unless otherwise restricted by the articles of incorporation
27 or bylaws, any action required or permitted to be taken at a meeting
28 of the board of directors or of a committee thereof may be taken
29 without a meeting if, before or after the action, a written consent
30 thereto is signed by all the members of the board or of the
31 committee, except that such written consent is not required to be
32 signed by:

33 (a) A common or interested director who abstains in writing
34 from providing consent to the action. If a common or interested
35 director abstains in writing from providing consent:

36 (1) The fact of the common directorship, office or financial
37 interest must be known to the board of directors or committee before
38 a written consent is signed by all the members of the board of the
39 committee.

40 (2) Such fact must be described in the written consent.

41 (3) The board of directors or committee must approve,
42 authorize or ratify the action in good faith by unanimous consent
43 without counting the abstention of the common or interested
44 director.



1 (b) A director who is a party to an action, suit or proceeding
2 who abstains in writing from providing consent to the action of the
3 board of directors or committee. If a director who is a party to an
4 action, suit or proceeding abstains in writing from providing consent
5 on the basis that he or she is a party to an action, suit or proceeding,
6 the board of directors or committee must:

7 (1) Make a determination pursuant to NRS 78.7502 that
8 indemnification of the director is proper under the circumstances.

9 (2) Approve, authorize or ratify the action of the board of
10 directors or committee in good faith by unanimous consent without
11 counting the abstention of the director who is a party to an action,
12 suit or proceeding.

13 3. Unless otherwise restricted by the articles of incorporation
14 or bylaws, members of the board of directors or the governing body
15 of any corporation, or of any committee designated by such board or
16 body, may participate in a meeting of the board, body or committee
17 through electronic communications, videoconferencing,
18 teleconferencing or other available technology if the corporation has
19 implemented reasonable measures to:

20 (a) Verify the identity of each person participating through such
21 means as a director or member of the governing body or committee,
22 as the case may be; and

23 (b) Provide the directors or members a reasonable opportunity to
24 participate in the meeting and to vote on matters submitted to the
25 directors or members, as the case may be, including an opportunity
26 to communicate and to read or hear the proceedings of the meeting
27 in a substantially concurrent manner with such proceedings.

28 4. Participation in a meeting pursuant to subsection 3
29 constitutes presence in person at the meeting.

30 *5. Whenever this title expressly requires the board of*
31 *directors to approve or take other action with respect to any*
32 *agreement, instrument, certificate or other document, including,*
33 *without limitation, any agreement, instrument, certificate or other*
34 *document required to be filed with the Secretary of State, the*
35 *directors may approve, adopt or otherwise act upon such*
36 *agreement, instrument, certificate or other document in final form*
37 *or such preliminary form as the directors deem appropriate in*
38 *their business judgment.*

39 **Sec. 7.** NRS 78.365 is hereby amended to read as follows:

40 78.365 1. A stockholder, by agreement in writing, may
41 transfer his or her stock to a voting trustee or trustees for the
42 purpose of conferring the right to vote the stock for a period not
43 exceeding 15 years upon the terms and conditions therein stated.
44 Any certificates of stock so transferred must be surrendered and
45 cancelled and new certificates for the stock issued to the trustee or



1 trustees in which it must appear that they are issued pursuant to the
2 agreement, and in the entry of ownership in the proper books of the
3 corporation that fact must also be noted, and thereupon the trustee or
4 trustees may vote the stock so transferred during the terms of the
5 agreement. A duplicate of every such agreement must be filed in the
6 registered office of the corporation and at all times during its terms
7 be open to inspection by any stockholder or his or her attorney.

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

24 3. An agreement between two or more stockholders, *or*
25 *between the corporation and one or more stockholders*, if in
26 writing and signed by each ~~[stockholder]~~ *party* to be bound thereby,
27 may provide that in exercising any voting rights, the stock held by
28 each such stockholder must be voted:

29 (a) Pursuant to the provisions of the agreement;

30 (b) As ~~[they]~~ *the parties to the agreement* may subsequently
31 agree; ~~[or]~~

32 (c) In accordance with a procedure ~~[agreed-upon.]~~ *specified in*
33 *the agreement; or*

34 (d) *In a manner dependent upon any fact or event which may*
35 *be ascertained outside of the agreement if the manner in which a*
36 *fact or event may operate upon the exercise of the voting rights is*
37 *stated in the agreement. As used in this paragraph, "fact or event"*
38 *includes, without limitation, the existence of a fact or an*
39 *occurrence of an event, including, without limitation, a*
40 *determination or action by a person, the corporation itself or any*
41 *government, governmental agency or political subdivision of a*
42 *government.*

43 4. An agreement pursuant to the provisions of subsection 3 is
44 valid and enforceable against the transferee of a stockholder party to
45 the agreement only:



1 (a) If and to the extent that the transferee agrees in writing to be
2 bound by the agreement; or

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

5 (1) The transferee had actual knowledge of the existence of
6 the agreement before the transfer; or

7 (2) The existence of the agreement is noted conspicuously on
8 the front or back of the stock certificate or is contained in the written
9 statement of information required by subsection 5 of NRS 78.235.

10 5. An agreement pursuant to the provisions of subsection 3, or
11 an amendment thereto or an extension thereof, in each case entered
12 into before October 1, 2021, is not:

13 (a) Effective for a term of more than 15 years, but at any time
14 within the 2 years next preceding the expiration of the agreement the
15 parties thereto may extend its duration for such period as is stated in
16 the extension; and

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

20 **Sec. 8.** NRS 78.390 is hereby amended to read as follows:

21 78.390 1. Except as otherwise provided in subsection 8 or in
22 NRS 77.340 or 78.209 or chapter 92A of NRS, every amendment to
23 the articles of incorporation must be made *and approved* in the
24 following manner:

25 (a) The board of directors must adopt a resolution setting forth
26 the amendment proposed and submit the proposed amendment to the
27 stockholders for approval ~~and~~

28 ~~—(b) If~~ *and if the corporation is:*

29 (1) *A publicly traded corporation and the amendment*
30 *proposed relates solely to an increase or decrease in the number of*
31 *shares the corporation is authorized to issue, the stockholders of*
32 *the affected class or series, regardless of limitations or restrictions*
33 *on the voting power of the affected class or series, must approve*
34 *the proposed amendment; or*

35 (2) *Not a publicly traded corporation, the* stockholders
36 holding shares in the corporation representing at least a majority of
37 the voting power, or such greater proportion of the voting power as
38 may be required in the case of a vote by classes or series, as
39 provided in subsections 2 and 4, or as may be required by the
40 provisions of the articles of incorporation, ~~have approved~~ *must*
41 *approve the proposed amendment.*

42 *Upon the approval of the proposed* amendment ~~and~~ *by the*
43 *stockholders as provided in this subsection,* an officer of the
44 corporation shall sign a certificate setting forth the amendment, or



1 setting forth the articles of incorporation as amended, and the vote
2 by which the amendment was adopted.

3 ~~(e)~~ (b) The certificate so signed must be filed with the
4 Secretary of State.

5 (c) *An amendment adopted pursuant to this subsection that*
6 *would have the effect of decreasing the number of shares of a*
7 *class or series of shares the corporation is authorized to issue*
8 *below the number of shares of such class or series then issued and*
9 *outstanding shall be void and of no effect.*

10 2. Except as otherwise provided in this subsection, if any
11 proposed amendment would adversely alter or change any
12 preference or any relative or other right given to any class or series
13 of outstanding shares, then, in addition to any approval otherwise
14 required, the amendment must be approved by the holders of shares
15 representing a majority of the voting power of each class or series
16 adversely affected by the amendment regardless of limitations or
17 restrictions on the voting power thereof. The amendment does not
18 have to be approved by the holders of shares ~~representing a~~
19 ~~majority of the voting power~~ of ~~each~~ any class or series whose
20 preference or rights are adversely affected by the amendment if the
21 articles of incorporation specifically deny the *holders of such class*
22 *or series the* right to vote on such an amendment. *Except as*
23 *otherwise provided in the articles of incorporation, a proposed*
24 *amendment that designates one or more new series of an existing*
25 *class as having any preference or any relative or other right that*
26 *has higher or equal seniority to the corresponding preference or*
27 *relative or other right of an existing series of the same class does*
28 *not, solely by virtue of the higher or equal seniority of the*
29 *preference or right of the proposed new series, constitute an*
30 *amendment that would adversely alter or change the preference or*
31 *rights of the existing series.*

32 3. Provision may be made in the articles of incorporation
33 requiring, in the case of any specified amendments, approval by a
34 larger proportion of the voting power of stockholders than that
35 required by this section.

36 4. Different series of the same class of shares do not constitute
37 different classes of shares for the purpose of voting by classes
38 except when the series is adversely affected by an amendment in a
39 different manner than other series of the same class.

40 5. The board of directors may, by resolution, abandon the
41 proposed amendment without further action by the stockholders if
42 the resolution of the stockholders approving the proposed
43 amendment authorizes the board of directors to do so. The board of
44 directors may, by resolution, abandon a proposed amendment
45 pursuant to subsection 8 without any action by the stockholders.



1 6. A certificate filed pursuant to subsection 1 is effective at the
2 time of the filing of the certificate with the Secretary of State or
3 upon a later date and time as specified in the certificate, which date
4 must not be more than 90 days after the date on which the certificate
5 is filed. If a certificate filed pursuant to subsection 1 specifies a later
6 effective date but does not specify an effective time, the certificate
7 is effective at 12:01 a.m. in the Pacific time zone on the specified
8 later date.

9 7. If a certificate filed pursuant to subsection 1 specifies a later
10 effective date or time and if the board of directors is authorized to
11 abandon the proposed amendment pursuant to subsection 5, the
12 board of directors may terminate the effectiveness of the certificate
13 by resolution and by filing a certificate of termination with the
14 Secretary of State that:

15 (a) Is filed before the effective time of the certificate filed with
16 the Secretary of State pursuant to subsection 1;

17 (b) Identifies the certificate being terminated;

18 (c) States that the board of directors is authorized to terminate
19 the effectiveness of the certificate;

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

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

23 (f) Is accompanied by a filing fee of \$175.

24 8. No action by the stockholders is required if the proposed
25 amendment to the articles of incorporation consists only of a change
26 in the name of the corporation. The articles of incorporation may
27 forbid a corporation from amending the articles of incorporation
28 pursuant to this subsection without stockholder approval.

29 **Sec. 9.** NRS 78.416 is hereby amended to read as follows:

30 78.416 "Combination," when used in reference to any resident
31 domestic corporation and any interested stockholder of the resident
32 domestic corporation, means any of the following:

33 1. Any merger or consolidation of the resident domestic
34 corporation or any subsidiary of the resident domestic corporation
35 with:

36 (a) The interested stockholder; or

37 (b) Any other entity, whether or not itself an interested
38 stockholder of the resident domestic corporation, which is, or after
39 and as a result of the merger or consolidation would be, an affiliate
40 or associate of the interested stockholder.

41 2. Any sale, lease, exchange, mortgage, pledge, transfer or
42 other disposition, in one transaction or a series of transactions, to or
43 with the interested stockholder or any affiliate or associate of the
44 interested stockholder of assets of the resident domestic corporation
45 or any subsidiary of the resident domestic corporation:



1 (a) Having an aggregate market value equal to more than 5
2 percent of the aggregate market value of all the assets, determined
3 on a consolidated basis, of the resident domestic corporation;

4 (b) Having an aggregate market value equal to more than 5
5 percent of the aggregate market value of all the outstanding voting
6 shares of the resident domestic corporation; or

7 (c) Representing more than 10 percent of the earning power or
8 net income, determined on a consolidated basis, of the resident
9 domestic corporation.

10 3. The issuance or transfer by the resident domestic corporation
11 or any subsidiary of the resident domestic corporation, in one
12 transaction or a series of transactions, of any shares of the resident
13 domestic corporation or any subsidiary of the resident domestic
14 corporation that have an aggregate market value equal to 5 percent
15 or more of the aggregate market value of all the outstanding voting
16 shares of the resident domestic corporation to the interested
17 stockholder or any affiliate or associate of the interested stockholder
18 except under the exercise of warrants or rights to purchase shares
19 offered, or a dividend or distribution paid or made, pro rata to all
20 stockholders of the resident domestic corporation.

21 4. The adoption of any plan or proposal for the liquidation or
22 dissolution of the resident domestic corporation under any
23 agreement, arrangement or understanding, whether or not in writing,
24 with the interested stockholder or any affiliate or associate of the
25 interested stockholder.

26 5. Except for any transaction or series of transactions that
27 would not constitute a combination pursuant to subsection 3, any:

28 (a) Reclassification of securities, including, without limitation,
29 any splitting of shares ~~[-, share dividend,]~~ or other ~~[distribution]~~
30 *issuance* of shares with respect to other shares, or any issuance of
31 new shares in exchange for a proportionately greater number of old
32 shares;

33 (b) Recapitalization of the resident domestic corporation;

34 (c) Merger or consolidation of the resident domestic corporation
35 with any subsidiary of the resident domestic corporation; or

36 (d) Other transaction, whether or not with or into or otherwise
37 involving the interested stockholder,

38 ↪ under any agreement, arrangement or understanding, whether or
39 not in writing, with the interested stockholder or any affiliate or
40 associate of the interested stockholder, which has the immediate and
41 proximate effect of increasing the proportionate share of the
42 outstanding shares of any class or series of voting shares or
43 securities convertible into voting shares of the resident domestic
44 corporation or any subsidiary of the resident domestic corporation
45 which is beneficially owned by the interested stockholder or any



1 affiliate or associate of the interested stockholder, except as a result
2 of immaterial changes because of adjustments of fractional shares.

3 6. Any receipt by the interested stockholder or any affiliate or
4 associate of the interested stockholder of the benefit, directly or
5 indirectly, except proportionately as a stockholder of the resident
6 domestic corporation, of any loan, advance, guarantee, pledge or
7 other financial assistance or any tax credit or other tax advantage
8 provided by or through the resident domestic corporation.

9 **Sec. 10.** NRS 78.573 is hereby amended to read as follows:

10 78.573 1. The Secretary of State shall authorize a corporation
11 whose charter has been revoked to dissolve without paying
12 additional fees and penalties, other than the fee for filing ~~the~~
13 ~~certificate~~ *articles* of dissolution required by NRS 78.780, if the
14 corporation provides evidence satisfactory to the Secretary of State
15 that the corporation did not transact business in this State or as a
16 corporation organized pursuant to the laws of this State:

17 (a) During the entire period for which its charter was revoked; or

18 (b) During a portion of the period for which its charter was
19 revoked and the corporation paid the fees and penalties for the
20 portion of that period in which the corporation transacted business
21 in this State or as a corporation organized pursuant to the laws of
22 this State.

23 2. The Secretary of State may adopt regulations to administer
24 the provisions of this section.

25 **Sec. 11.** NRS 78.580 is hereby amended to read as follows:

26 78.580 1. If the board of directors of any corporation
27 organized under this chapter decides that the corporation should be
28 dissolved, the board may adopt a resolution to that effect.

29 2. If the corporation has issued no stock, only the directors
30 need to approve the dissolution.

31 3. If the corporation has issued stock, the directors must
32 recommend the dissolution to the stockholders. The board of
33 directors may condition its submission of the proposal for
34 dissolution on any lawful basis. Unless the dissolution is to be
35 approved by written consent pursuant to *subsection 2 of* NRS
36 78.320, the corporation shall notify each stockholder, whether or not
37 entitled to vote on dissolution, of the proposed dissolution and the
38 stockholders entitled to vote must approve the dissolution. If the
39 dissolution is approved by written consent pursuant to subsection 2
40 of NRS 78.320, the corporation shall notify , ~~each stockholder~~
41 ~~whose written consent was not solicited of the dissolution,~~
42 in writing, not later than 10 days after the effective date of the
43 dissolution ~~[-]~~ , *each stockholder whose written consent was not*
44 *solicited to approve the dissolution.*



1 4. If the dissolution is approved by the directors or both the
2 directors and stockholders, as respectively provided in subsections 2
3 and 3, the corporation shall file with the Secretary of State ~~the~~
4 ~~certificate~~ *articles of dissolution* signed by an officer of the
5 corporation setting forth *the name of the corporation*, that the
6 dissolution has been approved by the directors, or by the directors
7 and the stockholders, ~~and~~ a list of the names and addresses, either
8 residence or business, of the corporation's president, secretary and
9 treasurer, or the equivalent thereof, and all of its directors ~~and~~, *and*
10 *the effective date and time of the dissolution.*

11 5. The dissolution takes effect at the time of the filing of the
12 ~~certificate~~ *articles* of dissolution with the Secretary of State or
13 upon a later date and time as specified in the ~~certificate~~ *articles of*
14 *dissolution*, which date must be not more than 90 days after the date
15 on which the ~~certificate is~~ *articles of dissolution are* filed. If ~~a~~
16 ~~certificate~~ *the articles* of dissolution ~~specifies~~ *specify* a later
17 effective date but ~~does~~ *do* not specify an effective time, the
18 ~~certificate~~ *dissolution* is effective at 12:01 a.m. in the Pacific time
19 zone on the specified later date.

20 **Sec. 12.** NRS 78.780 is hereby amended to read as follows:

21 78.780 The fee for filing ~~a certificate~~ *articles* of dissolution,
22 whether it occurs before or after payment of capital and beginning
23 of business, is \$100.

24 **Sec. 13.** NRS 82.442 is hereby amended to read as follows:

25 82.442 1. The Secretary of State shall authorize a nonprofit
26 corporation whose charter has been revoked to dissolve without
27 paying additional fees and penalties, other than the fee for filing a
28 ~~certificate~~ *record* of dissolution required by NRS 82.531, if the
29 nonprofit corporation provides evidence satisfactory to the Secretary
30 of State that the nonprofit corporation did not transact business in
31 this State or as a nonprofit corporation organized pursuant to the
32 laws of this State:

33 (a) During the entire period for which its charter was revoked; or

34 (b) During a portion of the period for which its charter was
35 revoked and the nonprofit corporation paid the fees and penalties for
36 the portion of that period in which the nonprofit corporation
37 transacted business in this State or as a nonprofit corporation
38 organized pursuant to the laws of this State.

39 2. The Secretary of State may adopt regulations to administer
40 the provisions of this section.

41 **Sec. 14.** NRS 86.241 is hereby amended to read as follows:

42 86.241 1. Each limited-liability company shall continuously
43 keep at its principal office in this State or with its custodian of
44 records whose name and street address are available at its registered



1 office, unless otherwise provided by an operating agreement, the
2 following:

3 (a) A current list of the full name and last known ~~[business]~~
4 address , *either residence or business*, of each member and
5 manager, separately identifying the members in alphabetical order
6 and the managers, if any, in alphabetical order;

7 (b) A copy of the filed articles of organization and all
8 amendments thereto, together with signed copies of any powers of
9 attorney pursuant to which any record has been signed; and

10 (c) Copies of any then effective operating agreement of the
11 company.

12 2. Each member of a limited-liability company is entitled to
13 obtain from the company, from time to time upon reasonable
14 demand, for any purpose reasonably related to the interest of the
15 member as a member of the company:

16 (a) The records required to be maintained pursuant to
17 subsection 1;

18 (b) True and, in light of the member's stated purpose, complete
19 records regarding the activities and the status of the business and
20 financial condition of the company;

21 (c) Promptly after becoming available, a copy of the company's
22 federal, state and local income tax returns for each year;

23 (d) True and complete records regarding the amount of cash and
24 a description and statement of the agreed value of any other property
25 or services contributed by each member and which each member
26 has agreed to contribute in the future, and the date on which each
27 became a member; and

28 (e) Other records regarding the affairs of the company as is just
29 and reasonable under the circumstances and in light of the member's
30 stated purpose for demanding such records.

31 ➤ The right to obtain records under this subsection includes, if
32 reasonable, the right to make copies or abstracts by photographic,
33 xerographic, electronic or other means.

34 3. Each manager of a limited-liability company managed by a
35 manager or managers is entitled to examine from time to time upon
36 reasonable demand, for a purpose reasonably related to the
37 manager's rights, powers and duties as such, the records described
38 in subsection 2.

39 4. Any demand by a member or manager under subsection 2 or
40 3 is subject to such reasonable standards regarding at what time and
41 location and at whose expense records are to be furnished as may be
42 set forth in the articles of organization or in an operating agreement
43 adopted or amended as provided in subsection 8, or, if no such
44 standards are set forth in the articles of organization or operating
45 agreement, the records must be provided or made available for



1 examination, as the case may be, during ordinary business hours, at
2 the expense of the demanding member or manager.

3 5. If the records subject to a demand pursuant to subsection 2
4 or 3 are not available to obtain or made available for examination, as
5 applicable, at a location within this State upon a reasonable demand
6 made pursuant to subsection 2 or 3, the manager or member may
7 serve a demand upon the limited-liability company's registered
8 agent that the records to be obtained or examined be sent to the
9 demanding manager or member. Upon such a demand, the limited-
10 liability company shall send copies of the requested records
11 described in subsection 2 either in paper or electronic form to the
12 manager or member within 10 business days after the demand is
13 served upon the registered agent.

14 6. Any demand by a member or manager under this section
15 must be in writing and must state the purpose of such demand.
16 When a demanding member seeks to obtain or a manager seeks to
17 examine the records described in subsection 2, the demanding
18 member or manager must first establish that:

19 (a) The demanding member or manager has complied with the
20 provisions of this section respecting the form and manner of making
21 a demand for obtaining or examining such records; and

22 (b) The records sought by the demanding member or manager
23 are reasonably related to the member's interest as a member or the
24 manager's rights, powers and duties as a manager, as the case may
25 be.

26 7. In every instance where an attorney or other agent of a
27 member or manager seeks to exercise any right arising under this
28 section on behalf of such member or manager, the demand must be
29 accompanied by a power of attorney signed by the member or
30 manager authorizing the attorney or other agent to exercise such
31 rights on behalf of the member or manager.

32 8. The rights of a member to obtain or a manager to examine
33 records as provided in this section may be restricted or denied
34 entirely in the articles of organization or in an operating agreement
35 adopted by all of the members or by the sole member or in any
36 subsequent amendment adopted by all of the members at the time of
37 amendment.

38 **Sec. 15.** NRS 86.490 is hereby amended to read as follows:

39 86.490 1. Before the commencement of business by any
40 limited-liability company where management is vested in one or
41 more managers and where no member's interest in the limited-
42 liability company has been issued, at least two-thirds of the
43 organizers or the managers of the limited-liability company may
44 dissolve the limited-liability company by filing with the Secretary of



1 State ~~[a certificate]~~ *articles* of dissolution to dissolve the limited-
2 liability company.

3 2. ~~[A certificate]~~ *Any articles* of dissolution filed with the
4 Secretary of State pursuant to subsection 1 must state that:

5 (a) The management of the limited-liability company is vested
6 in one or more managers;

7 (b) The limited-liability company has not commenced business;
8 and

9 (c) No member's interest in the limited-liability company has
10 been issued.

11 **Sec. 16.** NRS 86.531 is hereby amended to read as follows:

12 86.531 1. Except in the case of a dissolution pursuant to NRS
13 86.490, as soon as practicable after the ~~[dissolution of]~~
14 *determination that* a limited-liability company ~~[]~~ *should be*
15 *dissolved*, articles of dissolution must be prepared and signed setting
16 forth:

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

18 (b) That the ~~[company has been dissolved;]~~ *dissolution has*
19 *been approved or is otherwise required pursuant to NRS 86.491,*
20 *or has been decreed by the district court pursuant to NRS 86.495;*
21 and

22 (c) The effective date and time of the dissolution, which ~~[may~~
23 ~~not]~~ *must* be ~~[later than]~~ *at* the ~~[effective date and]~~ *time of the filing*
24 *of the articles of dissolution [] with the Secretary of State or upon*
25 *a later date and time as specified in the articles of dissolution,*
26 *which date must not be more than 90 days after the date on which*
27 *the articles of dissolution are filed. If the articles of dissolution*
28 *specify a later effective date but do not specify an effective time,*
29 *the dissolution is effective at 12:01 a.m. in the Pacific time zone on*
30 *the specified later date.*

31 2. The articles of dissolution must be signed by:

32 (a) A manager of the company, if management of the company
33 is vested in a manager;

34 (b) A member of the company, if management of the company
35 is not vested in a manager; or

36 (c) The personal representative of the last remaining member, if
37 there is no remaining manager or member, unless otherwise
38 provided in the articles of organization or operating agreement.

39 **Sec. 17.** NRS 86.544 is hereby amended to read as follows:

40 86.544 1. Before transacting business in this State, a foreign
41 limited-liability company must register with the Secretary of State.
42 A person shall not register a foreign limited-liability company with
43 the Secretary of State for any illegal purpose or with the fraudulent
44 intent to conceal any business activity, or lack thereof, from another
45 person or a governmental agency.



1 2. In order to register, a foreign limited-liability company must
2 submit to the Secretary of State an application for registration as a
3 foreign limited-liability company, signed by a manager of the
4 company or, if management is not vested in a manager, a member of
5 the company, or by some other person specifically authorized by the
6 foreign limited-liability company to sign the application. The
7 application for registration must set forth:

8 (a) The name of the foreign limited-liability company and, if
9 different, the name under which it proposes to register and transact
10 business in this State;

11 (b) The jurisdiction and date of its formation;

12 (c) A declaration of the existence of the foreign limited-liability
13 company and that the foreign limited-liability company is in good
14 standing in the jurisdiction in which it was formed;

15 (d) The information required pursuant to NRS 77.310;

16 (e) A statement that the Secretary of State is appointed the agent
17 of the foreign limited-liability company for service of process if the
18 authority of the registered agent has been revoked, or if the
19 registered agent has resigned or cannot be found or served with
20 the exercise of reasonable diligence;

21 (f) The address of the office required to be maintained in the
22 state of its organization by the laws of that state or, if not so
23 required, of the principal office of the foreign limited-liability
24 company;

25 (g) The name and **[business]** address , *either residence or*
26 *business*, of each manager or, if management is not vested in a
27 manager, each member;

28 (h) The address of the office at which is kept a list of the names
29 and addresses of the members and their capital contributions,
30 together with an undertaking by the foreign limited-liability
31 company to keep those records until the registration in this State of
32 the foreign limited-liability company is cancelled or withdrawn; and

33 (i) If the foreign limited-liability company has one or more
34 series of members and if the debts or liabilities of a series are
35 enforceable against the assets of that series only and not against the
36 assets of the company generally or another series, a statement to that
37 effect.

38 **Sec. 18.** NRS 87.4343 is hereby amended to read as follows:

39 87.4343 A partner is dissociated from a partnership upon the
40 occurrence of any of the following events:

41 1. The partnership's having notice of the partner's express will
42 to withdraw as a partner or on a later date specified by the partner;

43 2. An event agreed to in the partnership agreement as causing
44 the partner's dissociation;



1 3. The partner's expulsion pursuant to the partnership
2 agreement;

3 4. The partner's expulsion by the unanimous vote of the other
4 partners if:

5 (a) It is unlawful to carry on the partnership business with that
6 partner;

7 (b) There has been a transfer of all or substantially all of that
8 partner's transferable interest in the partnership, other than a transfer
9 for security purposes, or a court order charging the partner's
10 interest, which has not been foreclosed;

11 (c) Within 90 days after the partnership notifies a corporate
12 partner that it will be expelled because it has filed ~~[a certificate]~~
13 *articles* of dissolution or the equivalent, its charter has been revoked
14 or its right to conduct business has been suspended by the
15 jurisdiction of its incorporation, there is no revocation of the
16 ~~[certificate]~~ *articles* of dissolution or no reinstatement of its charter
17 or its right to conduct business; or

18 (d) A partnership that is a partner has been dissolved and its
19 business is being wound up;

20 5. On application by the partnership or another partner, the
21 partner's expulsion by judicial determination because:

22 (a) The partner engaged in wrongful conduct that adversely and
23 materially affected the partnership business;

24 (b) The partner willfully or persistently committed a material
25 breach of the partnership agreement or of a duty owed to the
26 partnership or the other partners under NRS 87.4336; or

27 (c) The partner engaged in conduct relating to the partnership
28 business which makes it not reasonably practicable to carry on the
29 business in partnership with the partner;

30 6. The partner's:

31 (a) Becoming a debtor in bankruptcy;

32 (b) Executing an assignment for the benefit of creditors;

33 (c) Seeking, consenting to or acquiescing in the appointment of
34 a trustee, receiver or liquidator of that partner or of all or
35 substantially all of that partner's property; or

36 (d) Failing, within 90 days after the appointment, to have
37 vacated or stayed the appointment of a trustee, receiver or liquidator
38 of the partner or of all or substantially all of the partner's property
39 obtained without the partner's consent or acquiescence, or failing
40 within 90 days after the expiration of a stay to have the appointment
41 vacated;

42 7. In the case of a partner who is a natural person:

43 (a) The partner's death;

44 (b) The appointment of a guardian or general conservator for the
45 partner; or



1 (c) A judicial determination that the partner has otherwise
2 become incapable of performing the partner's duties under the
3 partnership agreement;

4 8. In the case of a partner that is a trust or is acting as a partner
5 by virtue of being a trustee of a trust, distribution of the trust's entire
6 transferable interest in the partnership, but not merely by reason of
7 the substitution of a successor trustee;

8 9. In the case of a partner that is an estate or is acting as a
9 partner by virtue of being a personal representative of an estate,
10 distribution of the estate's entire transferable interest in the
11 partnership, but not merely by reason of the substitution of a
12 successor personal representative; or

13 10. Termination of a partner who is not a natural person,
14 partnership, corporation, trust or estate.

15 **Sec. 19.** NRS 87A.435 is hereby amended to read as follows:

16 87A.435 1. A person does not have a right to withdraw as a
17 limited partner before the termination of the limited partnership.

18 2. A person is withdrawn from a limited partnership as a
19 limited partner upon the occurrence of any of the following events:

20 (a) The limited partnership's having notice of the person's
21 express will to withdraw as a limited partner or on a later date
22 specified by the person;

23 (b) An event agreed to in the partnership agreement as causing
24 the person's withdrawal as a limited partner;

25 (c) The person's expulsion as a limited partner pursuant to the
26 partnership agreement;

27 (d) The person's expulsion as a limited partner by the
28 unanimous consent of the other partners if:

29 (1) It is unlawful to carry on the limited partnership's
30 activities with the person as a limited partner;

31 (2) There has been a transfer of all of the person's
32 transferable interest in the limited partnership, other than a transfer
33 for security purposes, or a court order charging the person's interest,
34 which has not been foreclosed;

35 (3) The person is a corporation and, within 90 days after the
36 limited partnership notifies the person that it will be expelled as a
37 limited partner because it has filed ~~[a certificate]~~ *articles* of
38 dissolution or the equivalent, its charter has been revoked or its right
39 to conduct business has been suspended by the jurisdiction of its
40 incorporation, there is no revocation of the ~~[certificate]~~ *articles* of
41 dissolution or no reinstatement of its charter or its right to conduct
42 business; or

43 (4) The person is a limited-liability company or partnership
44 that has been dissolved and whose business is being wound up;



1 (e) On application by the limited partnership, the person's
2 expulsion as a limited partner by judicial order because:

3 (1) The person engaged in wrongful conduct that adversely
4 and materially affected the limited partnership's activities;

5 (2) The person willfully or persistently committed a material
6 breach of the partnership agreement or of the obligation of good
7 faith and fair dealing under subsection 2 of NRS 87A.340; or

8 (3) The person engaged in conduct relating to the limited
9 partnership's activities which makes it not reasonably practicable to
10 carry on the activities with the person as limited partner;

11 (f) In the case of a person who is a natural person, the person's
12 death;

13 (g) In the case of a person that is a trust or is acting as a limited
14 partner by virtue of being a trustee of a trust, distribution of the
15 trust's entire transferable interest in the limited partnership, but not
16 merely by reason of the substitution of a successor trustee;

17 (h) In the case of a person that is an estate or is acting as a
18 limited partner by virtue of being a personal representative of an
19 estate, distribution of the estate's entire transferable interest in the
20 limited partnership, but not merely by reason of the substitution of a
21 successor personal representative;

22 (i) Termination of a limited partner that is not a natural person,
23 partnership, limited-liability company, corporation, trust or estate;
24 or

25 (j) The limited partnership's participation in a conversion or
26 merger if the limited partnership:

27 (1) Is not the converted or surviving entity; or

28 (2) Is the converted or surviving entity but, as a result of the
29 conversion or merger, the person ceases to be a limited partner.

30 **Sec. 20.** NRS 87A.445 is hereby amended to read as follows:

31 87A.445 A person is withdrawn from a limited partnership as a
32 general partner upon the occurrence of any of the following events:

33 1. The limited partnership's having notice of the person's
34 express will to withdraw as a general partner or on a later date
35 specified by the person;

36 2. An event agreed to in the partnership agreement as causing
37 the person's withdrawal as a general partner;

38 3. The person's expulsion as a general partner pursuant to the
39 partnership agreement;

40 4. The person's expulsion as a general partner by the
41 unanimous consent of the other partners if:

42 (a) It is unlawful to carry on the limited partnership's activities
43 with the person as a general partner;

44 (b) There has been a transfer of all or substantially all of the
45 person's transferable interest in the limited partnership, other than a



1 transfer for security purposes, or a court order charging the person's
2 interest, which has not been foreclosed;

3 (c) The person is a corporation and, within 90 days after the
4 limited partnership notifies the person that it will be expelled as a
5 general partner because it has filed ~~[a-certificate]~~ *articles* of
6 dissolution or the equivalent, its charter has been revoked or its right
7 to conduct business has been suspended by the jurisdiction of its
8 incorporation, there is no revocation of the ~~[certificate]~~ *articles* of
9 dissolution or no reinstatement of its charter or its right to conduct
10 business; or

11 (d) The person is a limited-liability company or partnership that
12 has been dissolved and whose business is being wound up;

13 5. On application by the limited partnership, the person's
14 expulsion as a general partner by judicial determination because:

15 (a) The person engaged in wrongful conduct that adversely and
16 materially affected the limited partnership activities;

17 (b) The person willfully or persistently committed a material
18 breach of the partnership agreement or of a duty owed to the
19 partnership or the other partners under NRS 87A.385; or

20 (c) The person engaged in conduct relating to the limited
21 partnership's activities which makes it not reasonably practicable to
22 carry on the activities of the limited partnership with the person as a
23 general partner;

24 6. The person's:

25 (a) Becoming a debtor in bankruptcy;

26 (b) Execution of an assignment for the benefit of creditors;

27 (c) Seeking, consenting to or acquiescing in the appointment of
28 a trustee, receiver or liquidator of the person or of all or
29 substantially all of the person's property; or

30 (d) Failure, within 90 days after the appointment, to have
31 vacated or stayed the appointment of a trustee, receiver or liquidator
32 of the general partner or of all or substantially all of the person's
33 property obtained without the person's consent or acquiescence, or
34 failing within 90 days after the expiration of a stay to have the
35 appointment vacated;

36 7. In the case of a person who is a natural person:

37 (a) The person's death;

38 (b) The appointment of a guardian or general conservator for the
39 person; or

40 (c) A judicial determination that the person has otherwise
41 become incapable of performing the person's duties as a general
42 partner under the partnership agreement;

43 8. In the case of a person that is a trust or is acting as a general
44 partner by virtue of being a trustee of a trust, distribution of the



1 trust's entire transferable interest in the limited partnership, but not
2 merely by reason of the substitution of a successor trustee;

3 9. In the case of a person that is an estate or is acting as a
4 general partner by virtue of being a personal representative of an
5 estate, distribution of the estate's entire transferable interest in the
6 limited partnership, but not merely by reason of the substitution of a
7 successor personal representative;

8 10. Termination of a general partner that is not a natural
9 person, partnership, limited-liability company, corporation, trust or
10 estate; or

11 11. The limited partnership's participation in a conversion or
12 merger under chapter 92A of NRS, if the limited partnership:

13 (a) Is not the converted or surviving entity; or

14 (b) Is the converted or surviving entity but, as a result of the
15 conversion or merger, the person ceases to be a general partner.

16 **Sec. 21.** NRS 88.450 is hereby amended to read as follows:

17 88.450 Except as approved by the specific written consent of
18 all partners at the time, a person ceases to be a general partner of a
19 limited partnership upon the happening of any of the following
20 events:

21 1. The general partner withdraws from the limited partnership
22 as provided in NRS 88.495;

23 2. The general partner ceases to be a member of the limited
24 partnership as provided in NRS 88.530;

25 3. The general partner is removed as a general partner in
26 accordance with the partnership agreement;

27 4. Unless otherwise provided in writing in the partnership
28 agreement, the general partner:

29 (a) Makes an assignment for the benefit of creditors;

30 (b) Files a voluntary petition in bankruptcy;

31 (c) Is adjudicated a bankrupt or insolvent;

32 (d) Files a petition or answer seeking for the general partner any
33 reorganization, arrangement, composition, readjustment, liquidation,
34 dissolution or similar relief under any statute, law or regulation;

35 (e) Files an answer or other pleading admitting or failing to
36 contest the material allegations of a petition filed against the general
37 partner in any proceeding of this nature; or

38 (f) Seeks, consents to or acquiesces in the appointment of a
39 trustee, receiver or liquidator of the general partner or of all or any
40 substantial part of the general partner's properties;

41 5. Unless otherwise provided in writing in the partnership
42 agreement, 120 days after the commencement of any proceeding
43 against the general partner seeking reorganization, arrangement,
44 composition, readjustment, liquidation, dissolution or similar relief
45 under any statute, law or regulation, the proceeding has not been



1 dismissed, or if within 90 days after the appointment without the
2 general partner's consent or acquiescence of a trustee, receiver or
3 liquidator of the general partner or of all or any substantial part of
4 the general partner's properties, the appointment is not vacated or
5 stayed, or within 90 days after the expiration of any such stay, the
6 appointment is not vacated;

7 6. In the case of a general partner who is a natural person:

8 (a) The general partner's death; or

9 (b) The entry by a court of competent jurisdiction adjudicating
10 the general partner to be incapacitated;

11 7. In the case of a general partner who is acting as a general
12 partner by virtue of being a trustee of a trust, the termination of the
13 trust, but not merely the substitution of a new trustee;

14 8. In the case of a general partner that is a separate partnership,
15 the dissolution and commencement of winding up of the separate
16 partnership;

17 9. In the case of a general partner that is a corporation, the
18 filing of ~~[a certificate]~~ *articles* of dissolution, or its equivalent, for
19 the corporation or the revocation of its charter; or

20 10. In the case of an estate, the distribution by the fiduciary of
21 the estate's entire interest in the partnership.

22 **Sec. 22.** Chapter 92A of NRS is hereby amended by adding
23 thereto a new section to read as follows:

24 *1. Unless otherwise expressly required by the articles of*
25 *incorporation of a constituent corporation, no submission to and*
26 *no vote of the stockholders of the constituent corporation are*
27 *necessary to authorize a restructuring merger if the plan of*
28 *merger expressly permits or requires the merger to be effected*
29 *under this section and:*

30 *(a) The constituent corporation and the merger subsidiary are*
31 *the only constituent entities in the restructuring merger;*

32 *(b) Each share or fraction of a share of the capital stock of the*
33 *constituent corporation outstanding immediately before the*
34 *effective time of the restructuring merger is converted in*
35 *the restructuring merger into a share or equal fraction of a share*
36 *of capital stock of the holding corporation that, in comparison to*
37 *the class or series of capital stock of the constituent corporation*
38 *being converted:*

39 *(1) Has the same voting powers, designations, preferences,*
40 *limitations, restrictions and relative rights;*

41 *(2) Is likewise registered under applicable securities laws, if*
42 *such converted share or fraction of a share was so registered*
43 *immediately before the effective time of the restructuring merger;*
44 *and*



1 (3) *Is likewise eligible or approved for trading on each*
2 *exchange and in each market, if any, as the converted share or*
3 *fraction of a share was so eligible or approved immediately before*
4 *the effective time of the restructuring merger;*

5 (c) *The organizational documents of the holding corporation*
6 *immediately following the effective time of the restructuring*
7 *merger contain only provisions identical to the organizational*
8 *documents of the constituent corporation immediately before the*
9 *effective time of the restructuring merger, other than:*

10 (1) *The name of the holding corporation, if different from*
11 *the constituent corporation;*

12 (2) *Any provision that could be omitted from restated*
13 *articles of incorporation in accordance with NRS 78.403; and*

14 (3) *The provisions required by paragraph (f);*

15 (d) *As a result of the restructuring merger, the surviving*
16 *company becomes a direct or indirect wholly owned subsidiary of*
17 *the holding corporation;*

18 (e) *The plan of merger for the restructuring merger requires*
19 *that the directors and officers of the constituent corporation are*
20 *the only directors and officers, respectively, of the holding*
21 *corporation at the effective time of the restructuring merger;*

22 (f) *The organizational documents of the holding corporation*
23 *and the surviving company, in each case for a period of not less*
24 *than 2 years after the effective time of the restructuring merger,*
25 *contain provisions requiring, by specific reference to this section,*
26 *that:*

27 (1) *At least a majority of the voting power of the governing*
28 *body of the surviving company will be comprised of individuals*
29 *then serving as a director of the holding corporation, unless the*
30 *surviving company is a limited-liability company managed by its*
31 *members and the holding corporation then holds at least a*
32 *majority of the voting power of the owner's interests of the*
33 *surviving company;*

34 (2) *If the surviving company is a limited-liability company,*
35 *either:*

36 (I) *The surviving company will be managed by its*
37 *members and the holding corporation then holds at least a*
38 *majority of the voting power of the owner's interests of the*
39 *surviving company; or*

40 (II) *The surviving company will be managed by one or*
41 *more managers and the organizational documents of the surviving*
42 *company expressly provide that such a manager shall be subject to*
43 *non-waivable fiduciary duties identical to those of a director of a*
44 *domestic corporation and the benefit of the entitlements,*



1 *presumptions and protections afforded to such directors under*
2 *chapter 78 of NRS;*

3 (3) *The approval of at least a majority of the voting power*
4 *of the stockholders of the holding corporation or owners of any*
5 *successor entity thereto will be required, in addition to any vote or*
6 *other approval required by this chapter or the organizational*
7 *documents of the holding corporation or the surviving company,*
8 *for:*

9 (I) *Any other merger in which the surviving company is*
10 *a constituent entity, other than a merger of the surviving company*
11 *with another entity that is wholly owned by the holding*
12 *corporation immediately before the effective time of such other*
13 *merger, that requires the approval of the owners of the surviving*
14 *company;*

15 (II) *Any sale of the assets of the surviving company that*
16 *would require the approval of the stockholders pursuant to NRS*
17 *78.565 if the surviving company were a domestic corporation,*
18 *regardless of whether the surviving corporation is then a domestic*
19 *corporation, provided that no approval pursuant to this sub-*
20 *paragraph will be required in connection with the mortgage or*
21 *pledge of such assets made in good faith and not in circumvention*
22 *of any other approval required pursuant to this subparagraph;*

23 (III) *Any sale, exchange, transfer or other disposition of*
24 *the owner's interests of the surviving company holding greater*
25 *than a majority of the voting power of such owner's interests with*
26 *respect to the election of the governing body of the surviving*
27 *company, provided that no approval pursuant to this sub-*
28 *paragraph will be required in connection with the mortgage or*
29 *pledge of such owner's interests made in good faith and not in*
30 *circumvention of any other approval required pursuant to this*
31 *subparagraph; or*

32 (IV) *Dissolution or other termination of the existence of*
33 *the surviving company; and*

34 (4) *The provisions of subparagraph (3) shall not be*
35 *construed to require the approval of the stockholders of the*
36 *holding corporation to elect or remove any member of the*
37 *governing body of the surviving entity; and*

38 (g) *The board of directors of the constituent corporation*
39 *determines in good faith that the stockholders of the constituent*
40 *corporation would not reasonably be expected to recognize gain or*
41 *loss for United States federal income tax purposes by reason of*
42 *giving effect to the restructuring merger.*

43 2. *The articles of incorporation of a domestic corporation*
44 *may forbid the corporation from entering into a merger pursuant*
45 *to this section.*



1 3. Nothing in this section shall revive, extinguish or
2 otherwise affect the standing of any person under NRS 41.520
3 with respect to the constituent corporation as of immediately
4 before the effective time of the restructuring merger.

5 4. This section does not apply to circumvent or contravene
6 the provisions of NRS 78.378 to 78.3793, inclusive, or 78.411 to
7 78.444, inclusive. If and to the extent the provisions of NRS
8 78.378 to 78.3793, inclusive, or 78.411 to 78.444, inclusive,
9 applied to the constituent corporation, any class or series of its
10 capital stock or any of its stockholders immediately before the
11 effective time of the restructuring merger, such provisions apply
12 correspondingly to the holding corporation, its capital stock and
13 its stockholders immediately after the effective time of the
14 restructuring merger. Nothing in this section shall be construed
15 to:

16 (a) Affect the status of any stockholder as an interested
17 stockholder, as defined in NRS 78.3787 or 78.423; or

18 (b) Lengthen or shorten the duration of any time period under
19 the provisions of NRS 78.378 to 78.3793, inclusive, or 78.411 to
20 78.444, inclusive, applicable to the constituent corporation, any
21 class or series of its capital stock or any of its stockholders
22 immediately before the effective time of the restructuring merger,
23 and the duration of each such time period as applicable to the
24 holding corporation, its capital stock and its stockholders after the
25 effective time of the restructuring merger, will be determined with
26 reference to the constituent corporation, its capital stock and its
27 stockholders before the effective time of the restructuring merger.

28 5. As used in this section:

29 (a) "Constituent corporation" means a domestic corporation
30 that is a constituent entity in a restructuring merger.

31 (b) "Holding corporation" means a domestic corporation
32 which, from the date of its incorporation through and until the
33 effective time of a restructuring merger, is at all times a direct or
34 indirect wholly owned subsidiary of the constituent corporation
35 and whose shares will be issued to the former stockholders of the
36 constituent corporation in the restructuring merger.

37 (c) "Merger subsidiary" means a domestic corporation or
38 domestic limited-liability company in each case that is a direct or
39 indirect wholly owned subsidiary of the constituent corporation.

40 (d) "Organizational documents" means, when used in
41 reference to:

42 (1) A corporation, the articles of incorporation and bylaws
43 of the corporation; and

44 (2) A limited-liability company, the articles of organization
45 and operating agreement of the limited-liability company.



1 (e) *“Restructuring merger” means the merger of a constituent*
2 *corporation with a merger subsidiary effected pursuant to this*
3 *section.*

4 (f) *“Surviving company” means the surviving entity of the*
5 *merger of the constituent corporation and the merger subsidiary.*

6 **Sec. 23.** NRS 92A.120 is hereby amended to read as follows:

7 92A.120 1. ~~After adopting~~ For a plan of merger, ~~exchange~~
8 ~~or~~ conversion ~~or~~ ~~exchange to be approved,~~ the board of
9 directors of each domestic corporation that is a constituent entity ~~in~~
10 ~~the merger or conversion, or the board of directors of the domestic~~
11 ~~corporation whose shares will be acquired in the exchange,~~ must
12 ~~submit~~ *adopt* the plan. ~~of merger, except~~

13 2. *Except* as otherwise provided in NRS 92A.130, 92A.133
14 and 92A.180 ~~, the plan of conversion or the plan of exchange for~~
15 ~~approval by its stockholders who are entitled to vote on the plan in~~
16 ~~accordance with the provisions of this section.~~

17 ~~2. For a plan of merger, conversion or exchange to be~~
18 ~~approved;~~ *and section 22 of this act:*

19 (a) The board of directors *of each domestic corporation that is*
20 *a constituent entity* must recommend the plan ~~of merger,~~
21 ~~conversion or exchange~~ to the stockholders ~~of~~ *of such a domestic*
22 *corporation entitled to vote on the plan,* unless the board of
23 directors determines that because of a conflict of interest , or
24 *because of* other special circumstances *relating to the composition*
25 *of the board of directors at the time of its consideration of the*
26 *plan,* it should make no recommendation and it communicates the
27 basis for its determination to the stockholders ~~with~~ *in its*
28 *submission of* the plan ~~and~~ *pursuant to paragraph (b);*

29 (b) The *board of directors of each domestic corporation that is*
30 *a constituent entity must submit the plan for approval by the*
31 *stockholders of such a domestic corporation who are entitled to*
32 *vote on the plan in accordance with the provisions of this section;*
33 *and*

34 (c) *The stockholders of each domestic corporation that is a*
35 *constituent entity who are* entitled to vote *on the plan* must approve
36 the plan ~~in~~ *in accordance with the provisions of this section.*

37 3. *Without limiting the requirements of paragraph (a) of*
38 *subsection 2:*

39 (a) The board of directors may condition its submission *to the*
40 *stockholders* of the proposed merger, conversion or exchange on
41 any basis ~~. The provisions of this section or this chapter must not be~~
42 ~~construed to permit a board of directors to submit, or to agree to~~
43 ~~submit, a~~ ; *and*

44 (b) *If any provision of the* plan of merger, conversion or
45 exchange ~~to the stockholders without the recommendation of the~~



1 ~~board required pursuant to paragraph (a) of subsection 2 unless the~~
2 ~~board of directors determines that because of a conflict of interest or~~
3 ~~other special circumstances it should make no recommendation and~~
4 ~~it communicates the basis for its determination to the stockholders~~
5 ~~with the plan. Any} or of any other~~ agreement ~~{of}~~ **requires** the
6 board of directors to submit **{a} the** plan ~~{of merger, conversion or~~
7 ~~exchange}~~ to the stockholders , notwithstanding an adverse
8 recommendation of the board of directors **made in accordance with**
9 **the terms and conditions of the plan, such provision** shall be
10 ~~{deemed to be} void and~~ of no force or effect.

11 4. Unless the plan of merger, conversion or exchange is
12 approved by the written consent of stockholders pursuant to
13 subsection 7, the domestic corporation must notify each stockholder,
14 whether or not the stockholder is entitled to vote, of the proposed
15 stockholders' meeting in accordance with NRS 78.370. The notice
16 must also state that the purpose, or one of the purposes, of the
17 meeting is to consider the plan of merger, conversion or exchange
18 and must contain or be accompanied by a copy or summary of the
19 plan.

20 5. Unless this chapter, the articles of incorporation, the
21 resolutions of the board of directors establishing the class or series
22 of stock or the board of directors acting pursuant to **paragraph (a)**
23 **of** subsection 3 require a greater vote or a vote by classes of
24 stockholders, the plan of merger or conversion must be approved by
25 a majority of the voting power of the stockholders.

26 6. Unless the articles of incorporation or the resolution of the
27 board of directors establishing a class or series of stock provide
28 otherwise, or unless the board of directors acting pursuant to
29 **paragraph (a) of** subsection 3 requires a greater vote, the plan of
30 exchange must be approved by a majority of the voting power of
31 each class and each series to be exchanged pursuant to the plan
32 of exchange.

33 7. Unless otherwise provided in the articles of incorporation or
34 the bylaws of the domestic corporation, the plan of merger,
35 conversion or exchange may be approved by written consent as
36 provided in NRS 78.320.

37 8. If an officer, director or stockholder of a domestic
38 corporation, which will be the constituent entity in a conversion,
39 will have any liability for the obligations of the resulting entity after
40 the conversion because the officer, director or stockholder will be
41 the owner of an owner's interest in the resulting entity, then that
42 officer, director or stockholder must also approve the plan of
43 conversion.

44 9. Unless otherwise provided in the articles of incorporation or
45 bylaws of a domestic corporation, a plan of merger, conversion or



1 exchange may contain a provision that permits amendment of the
2 plan of merger, conversion or exchange at any time after the
3 stockholders of the domestic corporation approve the plan of
4 merger, conversion or exchange, but before the articles of merger,
5 conversion or exchange become effective, without obtaining the
6 approval of the stockholders of the domestic corporation for the
7 amendment if the amendment does not:

8 (a) Alter or change the manner or basis of exchanging an
9 owner's interest to be acquired for owner's interests, rights to
10 purchase owner's interests, or other securities of the acquiring entity
11 or any other entity, or for cash or other property in whole or in part;
12 or

13 (b) Alter or change any of the terms and conditions of the plan
14 of merger, conversion or exchange in a manner that adversely
15 affects the stockholders of the domestic corporation.

16 ~~¶10.—A board of directors shall cancel the proposed meeting or
17 remove the plan of merger, conversion or exchange from
18 consideration at the meeting if the board of directors determines that
19 it is not advisable to submit the plan of merger, conversion or
20 exchange to the stockholders for approval.]~~

21 **Sec. 24.** NRS 92A.133 is hereby amended to read as follows:

22 92A.133 1. Unless otherwise expressly required by the
23 articles of incorporation, no *submission to, and no* vote of , the
24 stockholders of a domestic corporation ~~[is]~~ *are* necessary to
25 authorize a merger in which the domestic corporation is a
26 constituent entity if the plan of merger expressly permits or requires
27 the merger to be effected under this section and:

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

30 (b) The ownership threshold requirement is satisfied in whole or
31 in part by way of an offer and:

32 (1) The domestic corporation has been a publicly traded
33 corporation at all times during the period between:

34 (I) The date of the commencement of the offer or the date
35 of the adoption of the plan of merger by the board of directors of the
36 domestic corporation, whichever is earlier; and

37 (II) The effective date of the merger; and

38 (2) The plan of merger requires that:

39 (I) The merger must be effected as soon as practicable
40 following the consummation of the offer if the merger is effected
41 under this section; and

42 (II) Each outstanding share of each class or series of stock
43 of the domestic corporation that is the subject of, and not
44 irrevocably accepted for purchase or exchange in, the offer must be
45 converted in such merger into, or into the right to receive, the same



1 amount and kind of cash, property, rights or securities to be paid for
2 shares of such class or series of stock of the domestic corporation
3 irrevocably accepted for purchase or exchange in the offer. The plan
4 of merger may expressly provide that the requirements of this sub-
5 subparagraph must not apply to specified categories of excluded
6 shares.

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

9 (a) The ownership threshold requirement must be satisfied
10 without counting the voting power of any shares of the stock of the
11 domestic corporation acquired from the domestic corporation, or
12 any of the directors, officers, affiliates or associates thereof, within
13 the 6 months immediately preceding the adoption of the plan of
14 merger by the board of directors of the domestic corporation;

15 (b) The domestic corporation must provide notice of the merger
16 to all of its stockholders not less than 30 days before the effective
17 date of the merger; and

18 (c) The domestic corporation must have been a publicly traded
19 corporation at all times during the period between the date of the
20 adoption of the plan of merger by the board of directors of the
21 domestic corporation and the effective date of the merger.

22 3. This section does not apply to circumvent or contravene the
23 provisions of NRS 78.378 to 78.3793, inclusive, or NRS 78.411 to
24 78.444, inclusive.

25 4. As used in this section:

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

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

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

30 (d) "Excluded shares" means:

31 (1) Rollover shares; and

32 (2) Shares of the domestic corporation that are owned
33 beneficially or of record at the commencement of an offer by:

34 (I) The domestic corporation;

35 (II) The constituent entity making the offer;

36 (III) Any person who owns, directly or indirectly, all of
37 the outstanding equity interests of the constituent entity making the
38 offer; or

39 (IV) Any direct or indirect wholly owned subsidiary of
40 any of the foregoing.

41 (e) "Offer" means an offer made by the other constituent entity
42 in the merger for all of the outstanding shares of each class or series
43 of stock of the domestic corporation listed on a national securities
44 exchange, on the terms provided in the plan of merger that, absent
45 this section, would be entitled to vote on the approval of the plan of



1 merger. The other constituent entity in the merger may, but is not
2 required to, engage in the consummation of separate offers for
3 separate classes or series of the stock of the domestic corporation.
4 An offer may, but is not required to:

5 (1) Exclude any excluded shares; and

6 (2) Be conditioned on the tender of a minimum number or
7 proportion of shares of any class or series of the stock of the
8 domestic corporation.

9 (f) "Owned affiliate" means, with respect to a constituent entity,
10 any other person who owns, directly or indirectly, all of the
11 outstanding equity interests of the constituent entity, or any direct or
12 indirect wholly owned subsidiary of the constituent entity or other
13 person.

14 (g) "Ownership threshold requirement" means that the voting
15 power of the stock of the domestic corporation otherwise owned
16 beneficially or of record by the other constituent entity in the merger
17 or any of the owned affiliates of the other constituent entity,
18 together with the voting power of any rollover shares and any shares
19 irrevocably accepted for purchase or exchange pursuant to any offer
20 and received before the expiration of the offer by the agent or
21 depository appointed to facilitate the consummation of the offer,
22 equals at least that proportion of the voting power of the stock, and
23 of each class or series thereof, of the domestic corporation that,
24 absent this section, would be required to approve the plan of merger
25 under this chapter and the articles of incorporation and bylaws of the
26 domestic corporation. For the purposes of this paragraph, shares are
27 received:

28 (1) If the shares are certificated shares, upon physical receipt
29 by the agent or depository of a stock certificate with an executed
30 letter of transmittal or other instrument of transfer;

31 (2) If the shares are uncertificated shares held of record by a
32 clearing corporation as nominee, upon transfer into the account of
33 the agent or depository by way of an agent's message; and

34 (3) If the shares are uncertificated shares held of record by a
35 person other than a clearing corporation as nominee, upon physical
36 receipt by the agent or depository of an executed letter of transmittal
37 or other instrument of transfer.

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

42 (i) "Rollover shares" means any shares of any class or series of
43 the capital stock of the domestic corporation that are the subject of a
44 written agreement requiring such shares to be contributed or
45 otherwise transferred to the other constituent entity in the merger or



1 any of the owned affiliates of the other constituent entity in
2 exchange for shares or other equity interest in the other constituent
3 entity or any of its owned affiliates. Shares must cease to be rollover
4 shares if, as of the effective time of the merger, the shares have not
5 been contributed or otherwise transferred pursuant to the written
6 agreement.

7 **Sec. 25.** NRS 92A.195 is hereby amended to read as follows:

8 92A.195 1. One foreign entity or foreign general partnership
9 may convert into one domestic entity if:

10 (a) The conversion is permitted by the law of the jurisdiction
11 governing the foreign entity or foreign general partnership and the
12 foreign entity or foreign general partnership complies with that law
13 in effecting the conversion;

14 (b) The foreign entity or foreign general partnership complies
15 with the applicable provisions of NRS 92A.205, 92A.207, 92A.210,
16 92A.230 and 92A.240; and

17 (c) The resulting domestic entity complies with the applicable
18 provisions of NRS 92A.205 and 92A.220.

19 2. One domestic entity or domestic general partnership may
20 convert into one foreign entity if:

21 (a) The conversion is permitted by the law of the jurisdiction
22 governing the resulting foreign entity and the resulting foreign entity
23 complies with that law in effecting the conversion; and

24 (b) The domestic entity complies with the applicable provisions
25 of NRS 92A.105, 92A.120, 92A.135, 92A.140, **92A.150**, 92A.165,
26 92A.205, 92A.207, 92A.210, 92A.230 and 92A.240.

27 3. When a conversion pursuant to subsection 2 takes effect, the
28 resulting foreign entity shall be deemed to have appointed the
29 Secretary of State as its agent for service of process in a proceeding
30 to enforce any obligation. Service of process must be made
31 personally by delivering to and leaving with the Secretary of State
32 duplicate copies of the process and the payment of a fee of \$100 for
33 accepting and transmitting the process. The Secretary of State shall
34 send one of the copies of the process by registered or certified mail
35 to the resulting entity at its specified address, unless the resulting
36 entity has designated in writing to the Secretary of State a different
37 address for that purpose, in which case it must be mailed to the last
38 address so designated.

39 **Sec. 26.** NRS 92A.380 is hereby amended to read as follows:

40 92A.380 1. Except as otherwise provided in NRS 92A.370
41 and 92A.390 and subject to the limitation in paragraph (f), any
42 stockholder is entitled to dissent from, and obtain payment of the
43 fair value of the stockholder's shares in the event of any of the
44 following corporate actions:



1 (a) Consummation of a plan of merger to which the domestic
2 corporation is a constituent entity:

3 (1) If approval by the stockholders is required for the merger
4 by ~~[NRS 92A.120 to 92A.160, inclusive,]~~ *this chapter* or the articles
5 of incorporation, regardless of whether the stockholder is entitled to
6 vote on the plan of merger;

7 (2) If the domestic corporation is a subsidiary and is merged
8 with its parent pursuant to NRS 92A.180; or

9 (3) If the domestic corporation is a constituent entity in a
10 merger pursuant to NRS 92A.133.

11 (b) Consummation of a plan of conversion to which the
12 domestic corporation is a constituent entity as the corporation whose
13 subject owner's interests will be converted.

14 (c) Consummation of a plan of exchange to which the domestic
15 corporation is a constituent entity as the corporation whose subject
16 owner's interests will be acquired, if the stockholder's shares are to
17 be acquired in the plan of exchange.

18 (d) Any corporate action taken pursuant to a vote of the
19 stockholders to the extent that the articles of incorporation, bylaws
20 or a resolution of the board of directors provides that voting or
21 nonvoting stockholders are entitled to dissent and obtain payment
22 for their shares.

23 (e) Accordance of full voting rights to control shares, as defined
24 in NRS 78.3784, only to the extent provided for pursuant to
25 NRS 78.3793.

26 (f) Any corporate action not described in this subsection
27 pursuant to which the stockholder would be obligated, as a result of
28 the corporate action, to accept money or scrip rather than receive a
29 fraction of a share in exchange for the cancellation of all the
30 stockholder's outstanding shares, except where the stockholder
31 would not be entitled to receive such payment pursuant to NRS
32 78.205, 78.2055 or 78.207. A dissent pursuant to this paragraph
33 applies only to the fraction of a share, and the stockholder is entitled
34 only to obtain payment of the fair value of the fraction of a share.

35 2. A stockholder who is entitled to dissent and obtain payment
36 pursuant to NRS 92A.300 to 92A.500, inclusive, must not *otherwise*
37 *object to or* challenge the corporate action creating the entitlement
38 ~~[unless the action is unlawful or constitutes or]~~, *except to the extent*
39 *that:*

40 (a) *The domestic corporation did not obtain the vote or consent*
41 *of the requisite voting power of the stockholders to approve the*
42 *action as prescribed under this chapter and the articles of*
43 *incorporation and bylaws of the domestic corporation; or*

44 (b) *The corporate action* is the *proximate* result of actual fraud
45 against the stockholder or the domestic corporation.



1 3. Subject to the limitations in this subsection, from and after
2 the effective date of any corporate action described in subsection 1,
3 no stockholder who has exercised the right to dissent pursuant to
4 NRS 92A.300 to 92A.500, inclusive, is entitled to vote his or her
5 shares for any purpose or to receive payment of dividends or any
6 other distributions on shares. This subsection does not apply to
7 dividends or other distributions payable to stockholders on a date
8 before the effective date of any corporate action from which the
9 stockholder has dissented. If a stockholder exercises the right to
10 dissent with respect to a corporate action described in paragraph (f)
11 of subsection 1, the restrictions of this subsection apply only to the
12 shares to be converted into a fraction of a share and the dividends
13 and distributions to those shares.

⑩



