

REQUIRES TWO-THIRDS MAJORITY VOTE (§§ 5, 7, 29, 37, 38, 55, 75,
88, 90, 91, 93, 102, 107, 113, 129)

(REPRINTED WITH ADOPTED AMENDMENTS)
SECOND REPRINT

S.B. 51

SENATE BILL NO. 51—COMMITTEE ON JUDICIARY

PREFILED JANUARY 24, 2001

(ON BEHALF OF ENCOURAGING BUSINESSES TO ORGANIZE AND
CONDUCT BUSINESS IN NEVADA (S.C.R. 19))

Referred to Committee on Judiciary

SUMMARY—Makes various changes pertaining to business associations. (BDR 7-255)

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

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

AN ACT relating to business associations; providing for the decrease of issued and outstanding shares of stock in certain circumstances; providing for the voting rights of fiduciaries and joint owners of stock; revising various provisions governing the filing of organizational and related documents; revising the fees for filing certain documents; revising provisions governing the forfeiture of stock by delinquent subscribers; providing for the registration and management of foreign limited-liability companies; revising provisions governing the merger, conversion and exchange of business entities; providing for the domestication of certain foreign business entities; providing that the secretary of state and his employees are not liable for actions or omissions with respect to the examination, acceptance or filing of inaccurate or defective documents received from a business association; making various other changes pertaining to business associations; and providing other matters properly relating thereto.

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

1 **Section 1.** Chapter 78 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2 and 3 of this act.

3 **Sec. 2. 1. *A person holding stock in a fiduciary capacity is entitled***
4 ***to vote the shares so held.***

5 **2. *A person whose stock is pledged is entitled to vote, unless in the***
6 ***pledge the pledgor has expressly empowered the pledgee to vote the stock,***
7 ***in which case only the pledgee or the proxy of the pledgee may vote the***
8 ***stock.***



1 3. If shares or other securities having voting power stand of record
2 in the names of two or more persons, whether fiduciaries, joint tenants,
3 tenants in common or otherwise, or if two or more persons have the same
4 fiduciary relationship respecting the shares or securities, unless the
5 secretary of the corporation is given written notice to the contrary and is
6 furnished with a copy of the instrument or order appointing them or
7 creating the relationship, their acts with respect to voting have the
8 following effect:

9 (a) If only one votes, that person's act binds all;

10 (b) If more than one votes, the act chosen by a majority of votes binds
11 all; or

12 (c) If more than one votes, but the vote is evenly split on any
13 particular matter, each faction may vote the shares or securities in
14 question proportionally.

15 **Sec. 3. 1.** Unless otherwise provided in the articles of
16 incorporation, a corporation that desires to decrease the number of
17 issued and outstanding shares of a class or series held by each
18 stockholder of record at the effective date and time of the change without
19 correspondingly decreasing the number of authorized shares of the same
20 class or series may do so if:

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

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

29 2. If the proposal required by subsection 1 is approved by the
30 stockholders entitled to vote, the corporation may reissue its stock in
31 accordance with the proposal after the effective date and time of the
32 change.

33 3. If a proposed decrease in the number of issued and outstanding
34 shares of any class or series would adversely alter or change any
35 preference, or any relative or other right given to any other class or
36 series of outstanding shares, then the decrease must be approved by the
37 vote, in addition to any vote otherwise required, of the shares
38 representing a majority of the voting power of each class or series whose
39 preference or rights are adversely affected by the decrease, or such
40 greater proportion as may be provided in the articles of incorporation,
41 regardless of limitations or restrictions on the voting power of the
42 adversely affected class or series.

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

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



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

11 **Sec. 4.** NRS 78.010 is hereby amended to read as follows:

12 78.010 1. As used in this chapter:

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

16 (b) "Articles," "articles of incorporation" and "certificate of
17 incorporation" are synonymous terms and unless the context otherwise
18 requires, include all certificates filed pursuant to NRS 78.030, 78.1955,
19 78.209, 78.380, 78.385 and 78.390 and any articles of merger ~~for~~ ,
20 *conversion, exchange or domestication* filed pursuant to NRS 92A.200 to
21 92A.240, inclusive ~~H~~ , *and sections 109 to 115, inclusive, of this act.*
22 Unless the context otherwise requires, these terms include restated articles
23 and certificates of incorporation.

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

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

27 (e) "Registered office" means the office maintained at the street address
28 of the resident agent.

29 (f) "Resident agent" means the agent appointed by the corporation upon
30 whom process or a notice or demand authorized by law to be served upon
31 the corporation may be served.

32 (g) "Sign" means to affix a signature to a document.

33 (h) "Signature" means a name, word or mark executed or adopted by a
34 person with the present intention to authenticate a document. The term
35 includes, without limitation, a digital signature as defined in NRS 720.060.

36 (i) "Stockholder of record" means a person whose name appears on the
37 stock ledger of the corporation.

38 (j) "Street address" of a resident agent means the actual physical
39 location in this state at which a resident agent is available for service of
40 process.

41 2. General terms and powers given in this chapter are not restricted by
42 the use of special terms, or by any grant of special powers contained in this
43 chapter.

44 **Sec. 5.** NRS 78.0295 is hereby amended to read as follows:

45 78.0295 1. A corporation may correct a document filed by the
46 secretary of state *with respect to the corporation* if the document contains
47 an ~~incorrect statement~~ *inaccurate record of a corporate action described*
48 *in the document* or was defectively executed, attested, sealed, verified or
49 acknowledged.



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- 1 2. To correct a document, the corporation shall:
2 (a) Prepare a certificate of correction which:
3 (1) States the name of the corporation;
4 (2) Describes the document, including, without limitation, its filing
5 date;
6 (3) Specifies the ~~incorrect statement and the reason it is incorrect or~~
7 ~~the manner in which the execution or other formal authentication was~~
8 ~~defective;~~
9 ~~(4) Corrects the incorrect statement~~ *inaccuracy or defect;*
10 *(4) Sets forth the inaccurate or defective* ~~execution;~~ *portion of the*
11 *document in an accurate or corrected form;* and
12 (5) Is signed by an officer of the corporation . ~~and~~
13 (b) Deliver the certificate to the secretary of state for filing.
14 *(c) Pay a filing fee of \$75 to the secretary of state.*
15 3. A certificate of correction is effective on the effective date of the
16 document it corrects except as to persons relying on the uncorrected
17 document and adversely affected by the correction. As to those persons, the
18 certificate is effective when filed.
19 **Sec. 6.** NRS 78.125 is hereby amended to read as follows:
20 78.125 1. Unless it is otherwise provided in the articles of
21 incorporation, the board of directors may designate one or more
22 committees which, to the extent provided in the resolution or resolutions or
23 in the bylaws of the corporation, have and may exercise the powers of the
24 board of directors in the management of the business and affairs of the
25 corporation . ~~and may have power to authorize the seal of the corporation~~
26 ~~to be affixed to all papers on which the corporation desires to place a seal.~~
27 2. The committee or committees must have such name or names as
28 may be stated in the bylaws of the corporation or as may be determined
29 from time to time by resolution adopted by the board of directors.
30 3. Each committee must include at least one director. Unless the
31 articles of incorporation or the bylaws provide otherwise, the board of
32 directors may appoint natural persons who are not directors to serve on
33 committees.
34 *4. The board of directors may designate one or more directors as*
35 *alternate members of a committee to replace any member who is*
36 *disqualified or absent from a meeting of the committee. The bylaws of the*
37 *corporation may provide that, unless the board of directors appoints*
38 *alternate members pursuant to this subsection, the member or members*
39 *of a committee present at a meeting and not disqualified from voting,*
40 *whether or not the member or members constitute a quorum, may*
41 *unanimously appoint another member of the board of directors to act at*
42 *the meeting in the place of an absent or disqualified member of the*
43 *committee.*
44 **Sec. 7.** NRS 78.150 is hereby amended to read as follows:
45 78.150 1. A corporation organized ~~under~~ *pursuant to* the laws of
46 this state shall, on or before the first day of the second month after the
47 filing of its articles of incorporation with the secretary of state, file with the
48 secretary of state a list, on a form furnished by him, containing:
49 (a) The name of the corporation;



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1 (b) The file number of the corporation, if known;
2 (c) The names and titles of the president, secretary, treasurer and of all
3 the directors of the corporation;

4 (d) The mailing or street address, either residence or business, of each
5 officer and director listed, following the name of the officer or director;
6 and

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

9 2. The corporation shall annually thereafter, on or before the last day
10 of the month in which the anniversary date of incorporation occurs in each
11 year, file with the secretary of state, on a form furnished by him, an
12 ~~amended~~ *annual* list containing all of the information required in
13 subsection 1.

14 3. Upon filing ~~a list of officers and directors,~~ *the annual list required*
15 *by subsection 2,* the corporation shall pay to the secretary of state a fee
16 of \$85.

17 4. The secretary of state shall, 60 days before the last day for filing the
18 annual list required by subsection 2, cause to be mailed to each corporation
19 which is required to comply with the provisions of NRS 78.150 to 78.185,
20 inclusive, and which has not become delinquent, a notice of the fee due
21 pursuant to subsection 3 and a reminder to file ~~a list of officers and~~
22 ~~directors,~~ *the annual list required by subsection 2.* Failure of any
23 corporation to receive a notice or form does not excuse it from the penalty
24 imposed by law.

25 5. If the list to be filed pursuant to the provisions of subsection 1 or 2
26 is defective in any respect or the fee required by subsection 3 , 6 or 7 is not
27 paid, the secretary of state may return the list for correction or payment.

28 6. An annual list for a corporation not in default which is received by
29 the secretary of state more than 60 days before its due date shall be deemed
30 an amended list for the previous year and *must be accompanied by a fee of*
31 *\$85 for filing. A payment submitted pursuant to this subsection* does not
32 satisfy the requirements of subsection 2 for the year to which the due date
33 is applicable.

34 7. If the corporation is an association as defined in NRS 116.110315,
35 the secretary of state shall not accept the filing required by this section
36 unless it is accompanied by evidence of the payment of the fee required to
37 be paid pursuant to NRS 116.31155 that is provided to the association
38 pursuant to subsection 4 of that section.

39 **Sec. 8.** NRS 78.175 is hereby amended to read as follows:

40 78.175 1. The secretary of state shall notify, by letter addressed to its
41 resident agent, each corporation deemed in default pursuant to NRS
42 78.170. The notice must be accompanied by a statement indicating the
43 amount of the filing fee, penalties and costs remaining unpaid.

44 2. On the first day of the ~~ninth month following~~ *first anniversary of*
45 the month *following the month* in which the filing was required, the
46 charter of the corporation is revoked and its right to transact business is
47 forfeited.

48 3. The secretary of state shall compile a complete list containing the
49 names of all corporations whose right to do business has been forfeited.



1 The secretary of state shall forthwith notify, by letter addressed to its
2 resident agent, each such corporation of the forfeiture of its charter. The
3 notice must be accompanied by a statement indicating the amount of the
4 filing fee, penalties and costs remaining unpaid.

5 4. If the charter of a corporation is revoked and the right to transact
6 business is forfeited as provided in subsection 2, all of the property and
7 assets of the defaulting domestic corporation must be held in trust by the
8 directors of the corporation as for insolvent corporations, and the same
9 proceedings may be had with respect thereto as are applicable to insolvent
10 corporations. Any person interested may institute proceedings at any time
11 after a forfeiture has been declared, but if the secretary of state reinstates
12 the charter the proceedings must at once be dismissed and all property
13 restored to the officers of the corporation.

14 5. Where the assets are distributed they must be applied in the
15 following manner:

- 16 (a) To the payment of the filing fee, penalties and costs due to the state;
17 (b) To the payment of the creditors of the corporation; and
18 (c) Any balance remaining to distribution among the stockholders.

19 **Sec. 9.** NRS 78.180 is hereby amended to read as follows:

20 78.180 1. Except as otherwise provided in subsections 3 and 4, the
21 secretary of state shall reinstate a corporation which has forfeited its right
22 to transact business ~~under~~ *pursuant to* the provisions of this chapter and
23 restore to the corporation its right to carry on business in this state, and to
24 exercise its corporate privileges and immunities, if it:

- 25 (a) Files with the secretary of state the list required by NRS 78.150; and
26 (b) Pays to the secretary of state:

27 (1) The annual filing fee and penalty set forth in NRS 78.150 and
28 78.170 for each year or portion thereof during which ~~its charter was~~
29 ~~revoked;~~ *it failed to file each required annual list in a timely manner;*
30 and

31 (2) A fee of \$50 for reinstatement.

32 2. When the secretary of state reinstates the corporation, he shall:

33 (a) Immediately issue and deliver to the corporation a certificate of
34 reinstatement authorizing it to transact business as if the filing fee *or fees*
35 had been paid when due; and

36 (b) Upon demand, issue to the corporation one or more certified copies
37 of the certificate of reinstatement.

38 3. The secretary of state shall not order a reinstatement unless all
39 delinquent fees and penalties have been paid, and the revocation of the
40 charter occurred only by reason of failure to pay the fees and penalties.

41 4. If a corporate charter has been revoked pursuant to the provisions of
42 this chapter and has remained revoked for a period of 5 consecutive years,
43 the charter must not be reinstated.

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

45 78.195 1. If a corporation desires to have more than one class or
46 series of stock, the articles of incorporation must prescribe, or vest
47 authority in the board of directors to prescribe, the classes, series and the
48 number of each class or series of stock and the voting powers,
49 designations, preferences, limitations, restrictions and relative rights of



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1 each class or series of stock. If more than one class or series of stock is
2 authorized, the articles of incorporation or the resolution of the board of
3 directors passed pursuant to a provision of the articles must prescribe a
4 distinguishing designation for each class and series. The voting powers,
5 designations, preferences, limitations, restrictions, relative rights and
6 distinguishing designation of each class or series of stock must be
7 described in the articles of incorporation or the resolution of the board of
8 directors before the issuance of shares of that class or series.

9 2. All shares of a series must have voting powers, designations,
10 preferences, limitations, restrictions and relative rights identical with those
11 of other shares of the same series and, except to the extent otherwise
12 provided in the description of the series, with those of other series of the
13 same class.

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

17 4. Any rate, condition or time for payment of distributions on any class
18 or series of stock may be made dependent upon any fact or event which
19 may be ascertained outside the articles of incorporation or the resolution
20 providing for the distributions adopted by the board of directors if the
21 manner in which a fact or event may operate upon the rate, condition or
22 time of payment for the distributions is stated in the articles of
23 incorporation or the resolution. *As used in this subsection, "fact or event"*
24 *includes, without limitation, the existence of a fact or occurrence of an*
25 *event, including, without limitation, a determination or action by a*
26 *person, government, governmental agency or political subdivision of a*
27 *government.*

28 5. The provisions of this section do not restrict the directors of a
29 corporation from taking action to protect the interests of the corporation
30 and its stockholders, including, but not limited to, adopting or executing
31 plans, arrangements or instruments that *grant rights to stockholders or*
32 *that* deny rights, privileges, power or authority to a holder of a specified
33 number of shares or percentage of share ownership or voting power.

34 **Sec. 11.** NRS 78.1955 is hereby amended to read as follows:

35 78.1955 1. If the voting powers, designations, preferences,
36 limitations, restrictions and relative rights of any class or series of stock
37 have been established by a resolution of the board of directors pursuant to a
38 provision in the articles of incorporation, a certificate of designation *setting*
39 *forth the resolution* must be *signed by an officer of the corporation and*
40 *filed with the secretary of state .* ~~setting forth the resolution. The~~
41 ~~certificate of designation must be executed by the president or vice~~
42 ~~president and secretary or assistant secretary and acknowledged by the~~
43 ~~president or vice president before a person authorized by the laws of~~
44 ~~Nevada to take acknowledgments of deeds. The~~ A certificate of
45 designation ~~so executed and acknowledged must be filed~~ *signed and filed*
46 *pursuant to this section must become effective* before the issuance of any
47 shares of the class or series.

48 2. Unless otherwise provided in the articles of incorporation or the
49 certificate of designation being amended, if no shares of a class or series of



1 stock established by a resolution of the board of directors have been issued,
2 the designation of the class or series, the number of the class or series and
3 the voting powers, designations, preferences, limitations, restrictions and
4 relative rights of the class or series may be amended by a resolution of the
5 board of directors pursuant to a certificate of amendment filed in the
6 manner provided in subsection 4.

7 3. Unless otherwise provided in the articles of incorporation or the
8 certificate of designation, if shares of a class or series of stock established
9 by a resolution of the board of directors have been issued, the designation
10 of the class or series, the number of the class or series and the voting
11 powers, designations, preferences, limitations, restrictions and relative
12 rights of the class or series may be amended by a resolution of the board of
13 directors only if the amendment is approved as provided in this subsection.
14 Unless otherwise provided in the articles of incorporation or the certificate
15 of designation, the proposed amendment adopted by the board of directors
16 must be approved by the vote of stockholders holding shares in the
17 corporation entitling them to exercise a majority of the voting power, or
18 such greater proportion of the voting power as may be required by the
19 articles of incorporation or the certificate of designation, of:

20 (a) The class or series of stock being amended; and
21 (b) Each class and each series of stock which, before amendment, is
22 senior to the class or series being amended as to the payment of
23 distributions upon dissolution of the corporation, regardless of any
24 limitations or restrictions on the voting power of that class or series.

25 4. A certificate of amendment to a certificate of designation must be
26 *signed by an officer of the corporation and* filed with the secretary of state
27 and must:

28 (a) Set forth the original designation and the new designation, if the
29 designation of the class or series is being amended;

30 (b) State that no shares of the class or series have been issued or state
31 that the approval of the stockholders required pursuant to subsection 3 has
32 been obtained; and

33 (c) Set forth the amendment to the class or series or set forth the
34 designation of the class or series, the number of the class or series and the
35 voting powers, designations, preferences, limitations, restrictions and
36 relative rights of the class or series, as amended.

37 ~~{The certificate of amendment must be executed by the president or vice~~
38 ~~president and secretary or assistant secretary and acknowledged by the~~
39 ~~president or vice president before a person authorized by the laws of~~
40 ~~Nevada to take acknowledgments of deeds.}~~

41 5. *A certificate filed pursuant to subsection 1 or 4 becomes effective*
42 *upon filing with the secretary of state or upon a later date specified in the*
43 *certificate, which must not be later than 90 days after the certificate is*
44 *filed.*

45 6. *If shares of a class or series of stock established by a certificate of*
46 *designation are not outstanding, the corporation may file a certificate*
47 *which states that no shares of the class or series are outstanding and*
48 *which contains the resolution of the board of directors authorizing the*
49 *withdrawal of the certificate of designation establishing the class or*



1 *series of stock. The certificate must be signed by an officer of the*
2 *corporation and filed with the secretary of state. Upon filing the*
3 *certificate and payment of the fee required pursuant to NRS 78.765, all*
4 *matters contained in the certificate of designation regarding the class or*
5 *series of stock are eliminated from the articles of incorporation.*

6 7. NRS 78.380, 78.385 and 78.390 do not apply to certificates of
7 amendment filed pursuant to this section.

8 **Sec. 12.** NRS 78.196 is hereby amended to read as follows:

9 78.196 1. Each corporation must have:

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

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

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

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

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

22 (b) Are redeemable or convertible:

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

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

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

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

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

34 (e) Have par value; or

35 (f) Have powers, designations, preferences, limitations, restrictions and
36 relative rights dependent upon any fact or event which may be ascertained
37 outside of the articles of incorporation or the resolution if the manner in
38 which the fact or event may operate on such class or series of stock is
39 stated in the articles of incorporation or the resolution.

40 3. *Unless otherwise provided in the articles of incorporation or in a*
41 *resolution of the board of directors establishing a class or series of stock,*
42 *shares which are subject to redemption and which have been called for*
43 *redemption are not deemed to be outstanding shares for purposes of*
44 *voting or determining the total number of shares entitled to vote on a*
45 *matter on and after the date on which:*

46 (a) *Written notice of redemption has been sent to the holders of such*
47 *shares; and*



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1 *(b) A sum sufficient to redeem the shares has been irrevocably*
2 *deposited or set aside to pay the redemption price to the holders of the*
3 *shares upon surrender of any certificates.*

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

7 **Sec. 13.** NRS 78.205 is hereby amended to read as follows:

8 78.205 1. A corporation is not ~~obliged~~ *obligated* to but may
9 execute and deliver a certificate for or including a fraction of a share.

10 2. In lieu of executing and delivering a certificate for a fraction of a
11 share, a corporation may:

12 (a) Pay to any person otherwise entitled to become a holder of a fraction
13 of a share:

14 (1) The appraised value of that share if the appraisal was properly
15 demanded ~~+~~ *pursuant to this chapter or chapter 92A of NRS;* or

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

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

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

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

40 **Sec. 14.** NRS 78.207 is hereby amended to read as follows:

41 78.207 1. Unless otherwise provided in the articles of incorporation,
42 a corporation ~~{organized and existing under the laws of this state}~~ that
43 desires to change the number of shares of a class ~~and~~ *or* series, if any, of
44 its authorized stock by increasing or decreasing the number of authorized
45 shares of the class ~~and~~ *or* series and correspondingly increasing or
46 decreasing the number of issued and outstanding shares of the same class
47 ~~and~~ *or* series held by each stockholder of record at the effective date and
48 time of the change, may, except as otherwise provided in subsections 2 and
49 3, do so by a resolution adopted by the board of directors, without



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1 obtaining the approval of the stockholders. The resolution may also
2 provide for a change of the par value, if any, of the same class ~~and~~ or
3 series of the shares increased or decreased. After the effective date and
4 time of the change, the corporation may issue its stock in accordance
5 therewith.

6 2. A proposal to increase or decrease the number of authorized shares
7 of any class ~~and~~ or series, if any, that includes provisions pursuant to
8 which only money will be paid or scrip will be issued to stockholders who:

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

12 (b) Would otherwise be entitled to receive fractions of shares
13 in exchange for the cancellation of all of their outstanding
14 shares,

15 must be approved by the vote of stockholders holding a majority of the
16 voting power of the affected class ~~and~~ or series, or such greater
17 proportion as may be provided in the articles of incorporation, regardless of
18 limitations or restrictions on the voting power thereof.

19 3. If a proposed increase or decrease in the number of authorized
20 shares of any class or series would *adversely* alter or change any preference
21 or any relative or other right given to any other class or series of
22 outstanding shares, then the increase or decrease must be approved by the
23 vote, in addition to any vote otherwise required, of the holders of shares
24 representing a majority of the voting power of each class or series whose
25 preference or rights are *adversely* affected by the increase or decrease,
26 regardless of limitations or restrictions on the voting power thereof.

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

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

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

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

43 **Sec. 15.** NRS 78.209 is hereby amended to read as follows:

44 78.209 1. A change pursuant to NRS 78.207 is not effective until
45 after the filing in the office of the secretary of state of a certificate, signed
46 by ~~the corporation's president, or a vice president, and its secretary, or an~~
47 ~~assistant secretary, and acknowledged by the president or vice president~~
48 ~~before a person authorized by the laws of this state to take~~
49 ~~acknowledgments of deeds,~~ *an officer of the corporation*, setting forth:



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- 1 (a) The current number of authorized shares and the par value, if any, of
2 each class ~~and~~ or series, if any, of shares before the change;
3 (b) The number of authorized shares and the par value, if any, of each
4 class ~~and~~ or series, if any, of shares after the change;
5 (c) The number of shares of each affected class ~~and~~ or series, if any, to
6 be issued after the change in exchange for each issued share of the same
7 class or series;
8 (d) The provisions, if any, for the issuance of fractional shares, or for
9 the payment of money or the issuance of scrip to stockholders otherwise
10 entitled to a fraction of a share and the percentage of outstanding shares
11 affected thereby; *and*
12 (e) That any required approval of the stockholders has been obtained. ~~;~~
13 ~~and~~
14 ~~—(f) Whether the change is effective on filing the certificate or, if not, the~~
15 ~~date and time at which the change will be effective, which must not be~~
16 ~~more than 90 days after the certificate is filed.~~
17 The provisions in the articles of incorporation of the corporation regarding
18 the authorized number and par value, if any, of the changed class ~~and~~ or
19 series, if any, of shares shall be deemed amended as provided in the
20 certificate at the effective date and time of the change.
21 2. Unless an increase or decrease of the number of authorized shares
22 pursuant to NRS 78.207 is accomplished by an action that otherwise
23 requires an amendment to the ~~corporation's~~ articles of incorporation ~~it~~ *of*
24 *the corporation*, such an amendment is not required by that section.
25 3. *A certificate filed pursuant to subsection 1 becomes effective upon*
26 *filing with the secretary of state or upon a later date specified in the*
27 *certificate, which must not be later than 90 days after the certificate is*
28 *filed.*
29 4. *If a certificate filed pursuant to subsection 1 specifies an effective*
30 *date, the board of directors may terminate the effectiveness of the*
31 *certificate by resolution. A certificate of termination must:*
32 *(a) Be filed with the secretary of state before the effective date*
33 *specified in the certificate filed pursuant to subsection 1;*
34 *(b) Identify the certificate being terminated;*
35 *(c) State that the effectiveness of the certificate has been terminated;*
36 *(d) Be signed by an officer of the corporation; and*
37 *(e) Be accompanied by the fee required pursuant to NRS 78.765.*
38 **Sec. 16.** NRS 78.211 is hereby amended to read as follows:
39 78.211 1. The board of directors may authorize shares to be issued
40 for consideration consisting of any tangible or intangible property or
41 benefit to the corporation, including, but not limited to, cash, promissory
42 notes, services performed, contracts for services to be performed or other
43 securities of the corporation.
44 ~~{2. Before the corporation issues shares, the board of directors must~~
45 ~~determine that the consideration received or to be received for the shares to~~
46 ~~be issued is adequate.}~~ The judgment of the board of directors as to ~~the~~
47 ~~adequacy of~~ the consideration received for the shares issued is conclusive
48 in the absence of actual fraud in the transaction.



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1 ~~13-1~~ 2. When the corporation receives the consideration for which the
2 board of directors authorized the issuance of shares, the shares issued
3 therefor are fully paid.

4 ~~14-1~~ 3. The corporation may place in escrow shares issued for a
5 contract for future services or benefits or a promissory note, or make any
6 other arrangements to restrict the transfer of the shares. The corporation
7 may credit distributions made for the shares against their purchase price,
8 until the services are performed, the benefits are received or the promissory
9 note is paid. If the services are not performed, the benefits are not received
10 or the promissory note is not paid, the shares escrowed or restricted and the
11 distributions credited may be canceled in whole or in part.

12 **Sec. 17.** NRS 78.220 is hereby amended to read as follows:

13 78.220 1. Subscriptions to the shares of a corporation, whether made
14 before or after its organization, ~~1shall1~~ **must** be paid in full at such time or
15 in such installments at such times as determined by the board of directors.
16 Any call made by the board of directors for payment on subscriptions
17 ~~1shall1~~ **must** be uniform as to all shares of the same class or series.

18 2. If default is made in the payment of any installment or call, the
19 corporation may proceed to collect the amount due in the same manner as
20 any debt due the corporation. In addition, the corporation may sell a
21 sufficient number of the subscriber's shares at public auction to pay for the
22 installment or call and any incidental charges incurred as a result of the
23 sale. No penalty causing a forfeiture of a subscription, of stock for which a
24 subscription has been executed, or of amounts paid thereon, may be
25 declared against any subscriber unless the amount due remains unpaid for
26 30 days after written demand. Such written demand shall be deemed made
27 when it is mailed by registered or certified mail, return receipt requested, to
28 the subscriber's last known address. If any of the subscriber's shares are
29 sold at public auction, any excess of the proceeds over the total of the
30 amount due plus any incidental charges of the sale ~~1shall1~~ **must** be paid to
31 the subscriber or his legal representative. If an action is brought to recover
32 the amount due on a subscription or call, any judgment in favor of the
33 corporation ~~1shall1~~ **must** be reduced by the amount of the net proceeds of
34 any sale by the corporation of the subscriber's stock.

35 3. *All stock subject to a delinquent installment or call and all
36 amounts previously paid by a delinquent subscriber for the stock must be
37 forfeited to the corporation if an amount due from a subscriber remains
38 unpaid, the corporation has complied with the requirements of
39 subsection 2 and:*

40 *(a) A bidder does not purchase the subscriber's shares at public
41 auction; or*

42 *(b) The corporation does not collect the defaulted amount by an
43 action at law.*

44 4. If a receiver of a corporation has been appointed, all unpaid
45 subscriptions ~~1shall1~~ **must** be paid at such times and in such installments as
46 the receiver or the court may direct, subject, however, to the provisions of
47 the subscription contract.

48 ~~14-1~~ 5. A subscription for shares of a corporation to be organized is
49 irrevocable for 6 months unless otherwise provided by the subscription



1 agreement or unless all of the subscribers consent to the revocation of the
2 subscription.

3 **Sec. 18.** NRS 78.235 is hereby amended to read as follows:

4 78.235 1. Except as otherwise provided in subsection 4, every
5 stockholder is entitled to have a certificate, signed by officers or agents
6 designated by the corporation for the purpose, certifying the number of
7 shares owned by him in the corporation.

8 2. Whenever any certificate is countersigned or otherwise
9 authenticated by a transfer agent or transfer clerk, and by a registrar, then a
10 facsimile of the signatures of the officers or agents, the transfer agent or
11 transfer clerk or the registrar of the corporation may be printed or
12 lithographed upon the certificate in lieu of the actual signatures. If a
13 corporation uses facsimile signatures of its officers and agents on its stock
14 certificates, it cannot act as registrar of its own stock, but its transfer agent
15 and registrar may be identical if the institution acting in those dual
16 capacities countersigns or otherwise authenticates any stock certificates in
17 both capacities.

18 3. If any officer or officers who have signed, or whose facsimile
19 signature or signatures have been used on, any certificate or certificates for
20 stock cease to be an officer or officers of the corporation, whether because
21 of death, resignation or other reason, before the certificate or certificates
22 have been delivered by the corporation, the certificate or certificates may
23 nevertheless be adopted by the corporation and be issued and delivered as
24 though the person or persons who signed the certificate or certificates, or
25 whose facsimile signature or signatures have been used thereon, had not
26 ceased to be an officer or officers of the corporation.

27 4. ~~{A corporation may provide in its}~~ *Unless otherwise provided in the*
28 *articles of incorporation or {in its bylaws for} bylaws, the board of*
29 *directors may authorize the* issuance of uncertificated shares of some or all
30 of the shares of any or all of its classes or series. The issuance of
31 uncertificated shares has no effect on existing certificates for shares until
32 surrendered to the corporation, or on the respective rights and obligations
33 of the stockholders. Unless otherwise provided by a specific statute, the
34 rights and obligations of stockholders are identical whether or not their
35 shares of stock are represented by certificates.

36 5. Within a reasonable time after the issuance or transfer of shares
37 without certificates, the corporation shall send the stockholder a written
38 statement containing the information required on the certificates pursuant
39 to subsection 1. At least annually thereafter, the corporation shall provide
40 to its stockholders of record, a written statement confirming the
41 information contained in the informational statement previously sent
42 pursuant to this subsection.

43 6. *Unless otherwise provided in the articles of incorporation or*
44 *bylaws, a corporation may issue a new certificate of stock or, if*
45 *authorized by the board of directors pursuant to subsection 4,*
46 *uncertificated shares in place of a certificate previously issued by it and*
47 *alleged to have been lost, stolen or destroyed. A corporation may require*
48 *an owner or legal representative of an owner of a lost, stolen or destroyed*
49 *certificate to give the corporation a bond or other security sufficient to*



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1 *indemnify it against any claim that may be made against it for the alleged*
2 *loss, theft or destruction of a certificate, or the issuance of a new*
3 *certificate or uncertificated shares.*

4 **Sec. 19.** NRS 78.257 is hereby amended to read as follows:

5 78.257 1. Any person who has been a stockholder of record of any
6 corporation and owns not less than 15 percent of all of the issued and
7 outstanding shares of the stock of such corporation or has been authorized
8 in writing by the holders of at least 15 percent of all its issued and
9 outstanding shares, upon at least 5 days' written demand, is entitled to
10 inspect in person or by agent or attorney, during normal business hours, the
11 books of account and all financial records of the corporation, to make
12 ~~extracts therefrom~~ *copies of records*, and to conduct an audit of such
13 records. Holders of voting trust certificates representing 15 percent of the
14 issued and outstanding shares of the corporation shall be regarded as
15 stockholders for the purpose of this subsection. The right of stockholders to
16 inspect the corporate records may not be limited in the articles or bylaws of
17 any corporation.

18 2. All costs for making ~~extracts~~ *copies* of records or conducting an
19 audit must be borne by the person exercising his rights ~~under~~ *set forth in*
20 subsection 1.

21 3. The rights authorized by subsection 1 may be denied to any
22 stockholder upon his refusal to furnish the corporation an affidavit that
23 such inspection, ~~extracts~~ *copies* or audit is not desired for any purpose not
24 related to his interest in the corporation as a stockholder. Any stockholder
25 or other person, exercising rights ~~under~~ *set forth in* subsection 1, who
26 uses or attempts to use information, documents, records or other data
27 obtained from the corporation, for any purpose not related to the
28 stockholder's interest in the corporation as a stockholder, is guilty of a
29 gross misdemeanor.

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

38 5. A stockholder who brings an action or proceeding to enforce any
39 right ~~under~~ *set forth in* this section or to recover damages resulting from
40 its denial:

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

42 (b) Is liable for such costs and fees, if he does not
43 prevail,

44 in the action or proceeding.

45 6. Except as otherwise provided in this subsection, the provisions of
46 this section do not apply to any corporation listed and traded on any
47 recognized stock exchange nor do they apply to any corporation that
48 furnishes to its stockholders a detailed, annual financial statement. A
49 person who owns, or is authorized in writing by the owners of, at least 15



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1 percent of the issued and outstanding shares of the stock of a corporation
2 that has elected to be governed by subchapter S of the Internal Revenue
3 Code and whose shares are not listed or traded on any recognized stock
4 exchange is entitled to inspect the books of the corporation pursuant to
5 subsection 1 and has the rights, duties and liabilities provided in
6 subsections 2 to 5, inclusive.

7 **Sec. 20.** NRS 78.288 is hereby amended to read as follows:

8 78.288 1. Except as otherwise provided in subsection 2 and the
9 articles of incorporation, a board of directors may authorize and the
10 corporation may make distributions to its stockholders ~~++~~ , *including*
11 *distributions on shares that are partially paid.*

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

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

15 (b) Except as otherwise specifically allowed by the articles of
16 incorporation, the corporation's total assets would be less than the sum of
17 its total liabilities plus the amount that would be needed, if the corporation
18 were to be dissolved at the time of distribution, to satisfy the preferential
19 rights upon dissolution of stockholders whose preferential rights are
20 superior to those receiving the distribution.

21 3. The board of directors may base a determination that a distribution
22 is not prohibited ~~under~~ *pursuant to* subsection 2 on:

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

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

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

28 4. The effect of a distribution ~~under~~ *pursuant to* subsection 2 must
29 be measured:

30 (a) In the case of a distribution by purchase, redemption or other
31 acquisition of the corporation's shares, as of the earlier of:

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

34 (2) The date upon which the stockholder ceases to be a stockholder
35 with respect to the acquired shares.

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

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

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

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

43 5. A corporation's indebtedness to a stockholder incurred by reason of
44 a distribution made in accordance with this section is at parity with the
45 corporation's indebtedness to its general unsecured creditors except to the
46 extent subordinated by agreement.

47 6. Indebtedness of a corporation, including indebtedness issued as a
48 distribution, is not considered a liability for purposes of determinations
49 ~~under~~ *pursuant to* subsection 2 if its terms provide that payment of



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1 principal and interest are made only if and to the extent that payment of a
2 distribution to stockholders could then be made pursuant to this section. If
3 the indebtedness is issued as a distribution, each payment of principal or
4 interest must be treated as a distribution, the effect of which must be
5 measured on the date the payment is actually made.

6 **Sec. 21.** NRS 78.310 is hereby amended to read as follows:

7 78.310 **1.** Meetings of stockholders and directors of any corporation
8 organized ~~under~~ **pursuant to** the provisions of this chapter may be held
9 within or without this state, in the manner provided by the bylaws of the
10 corporation. The articles of incorporation may designate any place or
11 places where such stockholders' or directors' meetings may be held, but in
12 the absence of any provision therefor in the articles of incorporation, then
13 the meetings must be held within or without this state, as directed from
14 time to time by the bylaws of the corporation.

15 **2.** *Unless otherwise provided in the articles of incorporation or*
16 *bylaws, the entire board of directors, any two directors or the president*
17 *may call annual and special meetings of the stockholders and directors.*

18 **Sec. 22.** NRS 78.315 is hereby amended to read as follows:

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

26 **2.** Unless otherwise restricted by the articles of incorporation or
27 bylaws, any action required or permitted to be taken at a meeting of the
28 board of directors or of a committee thereof may be taken without a
29 meeting if, before or after the action, a written consent thereto is signed by
30 all the members of the board or of the committee.

31 **3.** Unless otherwise restricted by the articles of incorporation or
32 bylaws, members of the board of directors or the governing body of any
33 corporation, or of any committee designated by such board or body, may
34 participate in a meeting of the board, body or committee by means of a
35 telephone conference or similar ~~method~~ **methods** of communication by
36 which all persons participating in the meeting can hear each other.
37 Participation in a meeting pursuant to this subsection constitutes presence
38 in person at the meeting.

39 **Sec. 23.** NRS 78.320 is hereby amended to read as follows:

40 78.320 **1.** Unless this chapter, the articles of incorporation or the
41 bylaws provide for different proportions:

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

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



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

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

10 4. Unless otherwise restricted by the articles of incorporation or
11 bylaws, stockholders may participate in a meeting of stockholders by
12 means of a telephone conference or similar ~~method~~ *methods* of
13 communication by which all persons participating in the meeting can hear
14 each other. Participation in a meeting pursuant to this subsection
15 constitutes presence in person at the meeting.

16 *5. Unless otherwise provided in this chapter, the articles of*
17 *incorporation or the bylaws, if voting by a class or series of stockholders*
18 *is permitted or required, a majority of the voting power of the class or*
19 *series that is present in person or by proxy, regardless of whether the*
20 *proxy has authority to vote on all matters, constitutes a quorum for the*
21 *transaction of business. An act by the stockholders of each class or series*
22 *is approved if a majority of the voting power of a quorum of the class or*
23 *series votes for the action.*

24 **Sec. 24.** NRS 78.330 is hereby amended to read as follows:

25 78.330 1. Unless elected pursuant to NRS 78.320, directors of every
26 corporation must be elected at the annual meeting of the stockholders by a
27 plurality of the votes cast at the election. Unless otherwise provided *in this*
28 *chapter or* in the bylaws, the board of directors ~~have~~ *has* the authority to
29 set the date, time and place for the annual meeting of the stockholders. If
30 for any reason directors are not elected pursuant to NRS 78.320 or at the
31 annual meeting of the stockholders, they may be elected at any special
32 meeting of the stockholders which is called and held for that purpose.
33 *Unless otherwise provided in the articles of incorporation or bylaws, each*
34 *director holds office after the expiration of his term until his successor is*
35 *elected and qualified, or until he resigns or is removed.*

36 2. The articles of incorporation or the bylaws may provide for the
37 classification of directors as to the duration of their respective terms of
38 office or as to their election by one or more authorized classes or series of
39 shares, but at least one-fourth in number of the directors of every
40 corporation must be elected annually. If an amendment reclassifying the
41 directors would otherwise increase the term of a director, unless the
42 amendment is to the articles of incorporation and otherwise provides, the
43 term of each incumbent director on the effective date of the amendment
44 terminates on the date it would have terminated had there been no
45 reclassification.

46 3. The articles of incorporation may provide that the voting power of
47 individual directors or classes of directors may be greater than or less than
48 that of any other individual directors or classes of directors, and the
49 different voting powers may be stated in the articles of incorporation or



1 may be dependent upon any fact or event that may be ascertained outside
2 the articles of incorporation if the manner in which the fact or event may
3 operate on those voting powers is stated in the articles of incorporation. If
4 the articles of incorporation provide that any directors may have voting
5 power greater than or less than other directors, every reference in this
6 chapter to a majority or other proportion of directors shall be deemed to
7 refer to a majority or other proportion of the voting power of all of the
8 directors or classes of directors, as may be required by the articles of
9 incorporation.

10 **Sec. 25.** NRS 78.3783 is hereby amended to read as follows:

11 78.3783 1. Except as otherwise provided in subsection 2,
12 "acquisition" means the direct or indirect acquisition of a controlling
13 interest.

14 2. "Acquisition" does not include any acquisition of shares in good
15 faith, and without an intent to avoid the requirements of NRS 78.378 to
16 78.3793, inclusive:

17 (a) By an acquiring person authorized pursuant to NRS 78.378 to
18 78.3793, inclusive, to exercise voting rights, to the extent that the new
19 acquisition does not result in the acquiring person obtaining a controlling
20 interest greater than that previously authorized; or

21 (b) Pursuant to:

22 (1) The laws of descent and distribution;

23 (2) The enforcement of a judgment;

24 (3) The satisfaction of a pledge or other security interest; or

25 (4) A merger, *exchange, conversion, domestication* or
26 reorganization effected in compliance with the provisions of NRS 78.622,
27 ~~for~~ 92A.200 to 92A.240, inclusive, *or sections 109 to 115, inclusive, of*
28 *this act* to which the issuing corporation is a party.

29 **Sec. 26.** NRS 78.3791 is hereby amended to read as follows:

30 78.3791 Except as otherwise provided by the articles of incorporation
31 of the issuing corporation, a resolution of the stockholders granting voting
32 rights to the control shares acquired by an acquiring person must be
33 approved by:

34 1. The holders of a majority of the voting power of the corporation;
35 and

36 2. If the acquisition will result in any change of the kind described in
37 subsection ~~13~~ 2 of NRS 78.390, the holders of a majority of each class or
38 series affected,

39 excluding those shares as to which any interested stockholder exercises
40 voting rights.

41 **Sec. 27.** NRS 78.3793 is hereby amended to read as follows:

42 78.3793 ~~It~~ Unless otherwise provided in the articles of
43 incorporation or the bylaws of the issuing corporation in effect on the 10th
44 day following the acquisition of a controlling interest by an acquiring
45 person, if the control shares are accorded full voting rights pursuant to
46 NRS 78.378 to 78.3793, inclusive, and the acquiring person has acquired
47 control shares with a majority or more of all the voting power, any
48 stockholder ~~of record~~, *as that term is defined in NRS 92A.325*, other
49 than the acquiring person, ~~who has~~ *whose shares are* not voted in favor



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1 of authorizing voting rights for the control shares ~~is entitled to demand~~
2 ~~payment for~~ *may dissent in accordance with the provisions of NRS*
3 *92A.300 to 92A.500, inclusive, and obtain payment of* the fair value of his
4 shares.

5 ~~{2. The board of directors of the issuing corporation shall, within 20~~
6 ~~days after the vote of the stockholders authorizing voting rights for the~~
7 ~~control shares, cause a notice to be sent to any stockholder, other than the~~
8 ~~acquiring person, who has not voted in favor of authorizing voting rights~~
9 ~~for the control shares, advising him of the fact and of his right to receive~~
10 ~~fair value for his shares as provided in subsection 3.~~

11 ~~— 3. Within 20 days after the mailing of the notice described in~~
12 ~~subsection 2, any stockholder of the corporation, other than the acquiring~~
13 ~~person, who has not voted in favor of authorizing voting rights for the~~
14 ~~control shares, may deliver to the registered office of the corporation a~~
15 ~~written demand that the corporation purchase, for fair value, all or any~~
16 ~~portion of his shares. The corporation shall comply with the demand within~~
17 ~~30 days after its delivery.~~

18 **Sec. 28.** NRS 78.380 is hereby amended to read as follows:

19 78.380 1. At least two-thirds of the incorporators or of the board of
20 directors of any corporation, before issuing any stock, may amend the
21 ~~{original}~~ articles of incorporation ~~{thereof as may be desired by executing~~
22 ~~or proving in the manner required for original articles of incorporation,}~~ *of*
23 *the corporation by signing* and filing with the secretary of state a
24 certificate amending, modifying, changing or altering the ~~{original}~~
25 articles, in whole or in part. The certificate must *state that:*

26 (a) ~~{Declare that the}~~ *The* signers thereof are at least two-thirds of the
27 incorporators or of the board of directors of the corporation, and state the
28 ~~{corporation's name.}~~ *name of the corporation; and*

29 (b) ~~{State the date upon which the original articles thereof were filed~~
30 ~~with the secretary of state.~~

31 ~~—(c) Affirmatively declare that to.}~~ *As of* the date of the certificate, no
32 stock of the corporation has been issued.

33 2. ~~{The amendment}~~ *A certificate filed pursuant to this section* is
34 effective upon ~~{the filing of}~~ *filing* the certificate with the secretary of state
35 *or upon a later date specified in the certificate, which must not be later*
36 *than 90 days after the certificate is filed.*

37 3. *If a certificate specifies an effective date and if no stock of the*
38 *corporation has been issued, the board of directors may terminate the*
39 *effectiveness of a certificate by filing a certificate of termination with the*
40 *secretary of state that:*

41 (a) *Identifies the certificate being terminated;*

42 (b) *States that no stock of the corporation has been issued;*

43 (c) *States that the effectiveness of the certificate has been terminated;*

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

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

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



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1 **Sec. 29.** NRS 78.390 is hereby amended to read as follows:
2 78.390 1. Every amendment adopted pursuant to the provisions of
3 NRS 78.385 must be made in the following manner:
4 (a) The board of directors must adopt a resolution setting forth the
5 amendment proposed and declaring its advisability, and *either* call a
6 *special* meeting ~~[- either annual or special,] of the stockholders entitled to~~
7 *vote on the amendment or direct that the proposed amendment be*
8 *considered at the next annual meeting* of the stockholders entitled to vote
9 ~~[- for the consideration thereof,] on the amendment.~~
10 (b) At the meeting, of which notice must be given to each stockholder
11 entitled to vote pursuant to the provisions of this section, a vote of the
12 stockholders entitled to vote in person or by proxy must be taken for and
13 against the proposed amendment. If it appears upon the canvassing of the
14 votes that stockholders holding shares in the corporation entitling them to
15 exercise at least a majority of the voting power, or such greater proportion
16 of the voting power as may be required in the case of a vote by classes or
17 series, as provided in subsections ~~[- 3 and 5,] 2 and 4,~~ or as may be required
18 by the provisions of the articles of incorporation, have voted in favor of the
19 amendment, ~~[- the president, or vice president, and secretary, or assistant~~
20 ~~secretary, shall execute] an officer of the corporation shall sign~~ a
21 certificate setting forth the amendment, or setting forth the articles of
22 incorporation as amended, and the vote by which the amendment was
23 adopted.
24 (c) The certificate so ~~[- executed] signed~~ must be filed ~~[- in the office of]~~
25 *with* the secretary of state.
26 2. ~~[- Upon filing the certificate the articles of incorporation are amended~~
27 ~~accordingly-~~
28 ~~[- 3.]~~ If any proposed amendment would *adversely* alter or change any
29 preference or any relative or other right given to any class or series of
30 outstanding shares, then the amendment must be approved by the vote, in
31 addition to the affirmative vote otherwise required, of the holders of shares
32 representing a majority of the voting power of each class or series
33 *adversely* affected by the amendment regardless of limitations or
34 restrictions on the voting power thereof.
35 ~~[- 4.] 3.~~ Provision may be made in the articles of incorporation
36 requiring, in the case of any specified amendments, a larger proportion of
37 the voting power of stockholders than that required by this section.
38 ~~[- 5.] 4.~~ Different series of the same class of shares do not constitute
39 different classes of shares for the purpose of voting by classes except when
40 the series is adversely affected by an amendment in a different manner than
41 other series of the same class.
42 5. *The resolution of the stockholders approving the proposed*
43 *amendment may provide that at any time before the effective date of the*
44 *amendment, notwithstanding approval of the proposed amendment by the*
45 *stockholders, the board of directors may, by resolution, abandon the*
46 *proposed amendment without further action by the stockholders.*
47 6. *A certificate filed pursuant to subsection 1 becomes effective upon*
48 *filing with the secretary of state or upon a later date specified in the*



1 *certificate, which must not be later than 90 days after the certificate is*
2 *filed.*

3 7. *If a certificate filed pursuant to subsection 1 specifies an effective*
4 *date and if the resolution of the stockholders approving the proposed*
5 *amendment provides that the board of directors may abandon the*
6 *proposed amendment pursuant to subsection 5, the board of directors*
7 *may terminate the effectiveness of the certificate by resolution and by*
8 *filing a certificate of termination with the secretary of state that:*

9 (a) *Is filed before the effective date specified in the certificate filed*
10 *pursuant to subsection 1;*

11 (b) *Identifies the certificate being terminated;*

12 (c) *States that, pursuant to the resolution of the stockholders, the*
13 *board of directors is authorized to terminate the effectiveness of the*
14 *certificate;*

15 (d) *States that the effectiveness of the certificate has been terminated;*

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

17 (f) *Is accompanied by a filing fee of \$75.*

18 **Sec. 30.** NRS 78.403 is hereby amended to read as follows:

19 78.403 1. A corporation may restate, or amend and restate, in a
20 single certificate the entire text of its articles of incorporation as amended
21 by filing with the secretary of state a certificate ~~entitled "Restated Articles~~
22 ~~of Incorporation of,;"~~ *signed by an officer of the corporation*
23 *which must set forth the articles as amended to the date of the certificate. If*
24 *the certificate alters or amends the articles in any manner, it must comply*
25 *with the provisions of ~~this chapter governing such amendments~~ NRS*
26 *78.380, 78.385 and 78.390, as applicable, and must be accompanied by:*

27 (a) A resolution; or

28 (b) A form prescribed by the secretary of state,
29 setting forth which provisions of the articles of incorporation on file with
30 the secretary of state are being altered or amended.

31 2. If the certificate does not alter or amend the articles, it must be
32 signed by ~~the president or vice president and the secretary or assistant~~
33 ~~secretary~~ *an officer* of the corporation and state that ~~they have~~ *he has*
34 *been authorized to execute the certificate by resolution of the board of*
35 *directors adopted on the date stated, and that the certificate correctly sets*
36 *forth the text of the articles of incorporation as amended to the date of the*
37 *certificate.*

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

39 (a) The names, addresses, signatures and acknowledgments of the
40 incorporators;

41 (b) The names and addresses of the members of the past and present
42 boards of directors; and

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

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



1 **Sec. 31.** NRS 78.565 is hereby amended to read as follows:
2 78.565 ~~{Every}~~

3 1. *Unless otherwise provided in the articles of incorporation, every*
4 corporation may, by action taken at any meeting of its board of directors,
5 sell, lease or exchange all of its property and assets, including its good will
6 and its corporate franchises, upon such terms and conditions as its board of
7 directors may ~~{deem expedient and for the best interests of the~~
8 ~~corporation,}~~ *approve*, when and as authorized by the affirmative vote of
9 stockholders holding stock in the corporation entitling them to exercise at
10 least a majority of the voting power given at a stockholders' meeting called
11 for that purpose. ~~{but:~~

12 ~~1. The articles of incorporation may require the vote of a larger~~
13 ~~proportion of the stockholders and the separate vote or consent of any class~~
14 ~~of stockholders; and}~~

15 2. Unless *otherwise provided in* the articles of incorporation ~~{provide~~
16 ~~otherwise, not}~~, a vote of stockholders is *not* necessary ~~{for}~~ :

17 (a) *For* a transfer of assets by way of mortgage, or in trust or in pledge
18 to secure indebtedness of the corporation ~~{; or~~

19 (b) *To abandon the sale, lease or exchange of assets.*

20 **Sec. 32.** NRS 78.580 is hereby amended to read as follows:

21 78.580 1. If the board of directors of any corporation organized
22 under this chapter, after the issuance of stock or the beginning of business,
23 decides that the corporation should be dissolved, the board may adopt a
24 resolution to that effect. If the corporation has issued no stock, only the
25 directors need to approve the dissolution. If the corporation has issued
26 stock, the directors must recommend the dissolution to the stockholders.
27 The corporation shall notify each stockholder entitled to vote on
28 dissolution and the stockholders entitled to vote must approve the
29 dissolution.

30 2. If the dissolution is approved by the directors or both the directors
31 and stockholders, as respectively provided in subsection 1, the corporation
32 shall file a certificate setting forth that the dissolution has been approved
33 by the directors, or by the directors and the stockholders, and a list of the
34 names and post office box or street addresses, either residence or business,
35 of the corporation's president, secretary and treasurer and all of its
36 directors, certified by the president, or a vice president, and the secretary,
37 or an assistant secretary, in the office of the secretary of state. ~~{The~~
38 ~~secretary of state, upon being satisfied that these requirements have been~~
39 ~~complied with and that the corporate charter has not been revoked, shall~~
40 ~~issue a certificate that the corporation is dissolved.}~~

41 **Sec. 33.** NRS 78.622 is hereby amended to read as follows:

42 78.622 1. If a corporation is under reorganization in a federal court
43 pursuant to Title 11 of U.S.C., it may take any action necessary to carry out
44 any proceeding and do any act directed by the court relating to
45 reorganization, without further action by its directors or stockholders. This
46 authority may be exercised by:

47 (a) The trustee in bankruptcy appointed by the court;

48 (b) Officers of the corporation designated by the court; or



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- 1 (c) Any other representative appointed by the court,
2 with the same effect as if exercised by the directors and stockholders of the
3 corporation.
- 4 2. By filing a ~~certified copy of the~~ confirmed plan of reorganization ,
5 *certified by the bankruptcy court*, with the secretary of state, the
6 corporation may:
- 7 (a) Alter, amend or repeal its bylaws;
8 (b) Constitute or reconstitute and classify or reclassify its board of
9 directors;
10 (c) Name, constitute or appoint directors and officers in place of or in
11 addition to all or some of the directors or officers then in office;
12 (d) Amend its articles of incorporation;
13 (e) Make any change in its authorized and issued stock;
14 (f) Make any other amendment, change, alteration or provision
15 authorized by this chapter; and
16 (g) Be dissolved, transfer all or part of its assets or merge or consolidate
17 or make any other change authorized by this chapter.
- 18 3. In any action taken pursuant to subsections 1 and 2, a stockholder
19 has no right to demand payment for his stock.
- 20 4. Any amendment of the articles of incorporation made pursuant to
21 subsection 2 must be signed under penalty of perjury by the person
22 authorized by the court and filed with the secretary of state. If the
23 amendment is filed in accordance with the order of reorganization, it
24 becomes effective when it is filed unless otherwise ordered by the court.
- 25 5. Any filing with the secretary of state pursuant to this section must
26 be accompanied by the appropriate fee, if any.
- 27 **Sec. 34.** NRS 78.750 is hereby amended to read as follows:
28 78.750 1. In any action commenced against any corporation in any
29 court of this state, service of process may be made in the manner provided
30 by law and rule of court for the service of civil process.
- 31 2. Service of process on a corporation *whose charter has been*
32 *revoked or* which has been continued as a body corporate ~~under~~ *pursuant to*
33 *NRS 78.585* may be made by mailing copies of the process and any
34 associated documents by certified mail, with return receipt requested, to:
- 35 (a) The resident agent of the corporation, if there is one; and
36 (b) Each officer and director of the corporation as named in the list last
37 filed with the secretary of state before the dissolution or expiration of the
38 corporation or the forfeiture of its charter.
- 39 The manner of serving process described in this subsection does not affect
40 the validity of any other service authorized by law.
- 41 **Sec. 35.** NRS 78.751 is hereby amended to read as follows:
42 78.751 1. Any discretionary indemnification ~~under~~ *pursuant to*
43 *NRS 78.7502* , unless ordered by a court or advanced pursuant to
44 subsection 2, may be made by the corporation only as authorized in the
45 specific case upon a determination that indemnification of the director,
46 officer, employee or agent is proper in the circumstances. The
47 determination must be made:
48 (a) By the stockholders;



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1 (b) By the board of directors by majority vote of a quorum consisting of
2 directors who were not parties to the action, suit or proceeding;

3 (c) If a majority vote of a quorum consisting of directors who were not
4 parties to the action, suit or proceeding so orders, by independent legal
5 counsel in a written opinion; or

6 (d) If a quorum consisting of directors who were not parties to the
7 action, suit or proceeding cannot be obtained, by independent legal counsel
8 in a written opinion.

9 2. The articles of incorporation, the bylaws or an agreement made by
10 the corporation may provide that the expenses of officers and directors
11 incurred in defending a civil or criminal action, suit or proceeding must be
12 paid by the corporation as they are incurred and in advance of the final
13 disposition of the action, suit or proceeding, upon receipt of an undertaking
14 by or on behalf of the director or officer to repay the amount if it is
15 ultimately determined by a court of competent jurisdiction that he is not
16 entitled to be indemnified by the corporation. The provisions of this
17 subsection do not affect any rights to advancement of expenses to which
18 corporate personnel other than directors or officers may be entitled under
19 any contract or otherwise by law.

20 3. The indemnification *pursuant to NRS 78.7502* and advancement of
21 expenses authorized in or ordered by a court pursuant to this section:

22 (a) Does not exclude any other rights to which a person seeking
23 indemnification or advancement of expenses may be entitled under the
24 articles of incorporation or any bylaw, agreement, vote of stockholders or
25 disinterested directors or otherwise, for either an action in his official
26 capacity or an action in another capacity while holding his office, except
27 that indemnification, unless ordered by a court pursuant to NRS 78.7502 or
28 for the advancement of expenses made pursuant to subsection 2, may not
29 be made to or on behalf of any director or officer if a final adjudication
30 establishes that his acts or omissions involved intentional misconduct,
31 fraud or a knowing violation of the law and was material to the cause of
32 action.

33 (b) Continues for a person who has ceased to be a director, officer,
34 employee or agent and inures to the benefit of the heirs, executors and
35 administrators of such a person.

36 **Sec. 36.** NRS 78.760 is hereby amended to read as follows:

37 78.760 1. The fee for filing articles of incorporation is prescribed in
38 the following schedule:

39 If the amount represented by the total number of shares provided for
40 in the articles ~~for agreement~~ is:

41	
42	\$25,000 or less \$125
43	Over \$25,000 and not over \$75,000 175
44	Over \$75,000 and not over \$200,000 225
45	Over \$200,000 and not over \$500,000 325
46	Over \$500,000 and not over \$1,000,000 425
47	Over \$1,000,000:
48	For the first \$1,000,000 425
49	For each additional \$500,000 or fraction thereof 225



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1 2. The maximum fee which may be charged ~~under~~ *pursuant to* this
2 section is \$25,000 for:
3 (a) The original filing of articles of incorporation.
4 (b) A subsequent filing of any instrument which authorizes an increase
5 in stock.
6 3. For the purposes of computing the filing fees according to the
7 schedule in subsection 1, the amount represented by the total number of
8 shares provided for in the articles of incorporation is:
9 (a) The aggregate par value of the shares, if only shares with a par value
10 are therein provided for;
11 (b) The product of the number of shares multiplied by \$1, regardless of
12 any lesser amount prescribed as the value or consideration for which shares
13 may be issued and disposed of, if only shares without par value are therein
14 provided for; or
15 (c) The aggregate par value of the shares with a par value plus the
16 product of the number of shares without par value multiplied by \$1,
17 regardless of any lesser amount prescribed as the value or consideration for
18 which the shares without par value may be issued and disposed of, if shares
19 with and without par value are therein provided for.
20 For the purposes of this subsection, shares with no prescribed par value
21 shall be deemed shares without par value.
22 4. The secretary of state shall calculate filing fees pursuant to this
23 section with respect to shares with a par value of less than one-tenth of a
24 cent as if the par value were one-tenth of a cent.
25 **Sec. 37.** NRS 78.765 is hereby amended to read as follows:
26 78.765 1. The fee for filing a certificate changing the number of
27 authorized shares pursuant to NRS 78.209 or a certificate of amendment to
28 articles of incorporation that increases the corporation's authorized stock or
29 a certificate of correction that increases the corporation's authorized stock
30 is the difference between the fee computed at the rates specified in NRS
31 78.760 upon the total authorized stock of the corporation, including the
32 proposed increase, and the fee computed at the rates specified in NRS
33 78.760 upon the total authorized capital, excluding the proposed increase.
34 In no case may the amount be less than \$75.
35 2. The fee for filing a certificate of amendment to articles of
36 incorporation that does not increase the corporation's authorized stock or a
37 certificate of correction that does not increase the corporation's authorized
38 stock is \$75.
39 3. The fee for filing a certificate or an amended certificate pursuant to
40 NRS 78.1955 is \$75.
41 **4. *The fee for filing a certificate of termination pursuant to NRS***
42 ***78.1955, 78.209 or 78.380 is \$75.***
43 **Sec. 38.** NRS 78.785 is hereby amended to read as follows:
44 78.785 1. The fee for filing a certificate of change of location of a
45 corporation's registered office and resident agent, or a new designation of
46 resident agent, is \$15.
47 2. The fee for certifying articles of incorporation where a copy is
48 provided is \$10.



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1 3. The fee for certifying a copy of an amendment to articles of
2 incorporation, or to a copy of the articles as amended, where a copy is
3 furnished, is \$10.

4 4. The fee for certifying an authorized printed copy of the general
5 corporation law as compiled by the secretary of state is \$10.

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

7 6. The fee for executing a certificate of corporate existence which does
8 not list the previous documents relating to the corporation, or a certificate
9 of change in a corporate name, is ~~\$15~~ \$20.

10 7. The fee for executing a certificate of corporate existence which lists
11 the previous documents relating to the corporation is \$20.

12 8. The fee for executing, certifying or filing any certificate or
13 document not provided for in NRS 78.760 to 78.785, inclusive, is \$20.

14 9. The fee for copies made at the office of the secretary of state is \$1
15 per page.

16 10. The fee for filing articles of incorporation, articles of merger, or
17 certificates of amendment increasing the basic surplus of a mutual or
18 reciprocal insurer must be computed pursuant to NRS 78.760, 78.765 and
19 ~~78.770~~ 92A.210, on the basis of the amount of basic surplus of the
20 insurer.

21 11. The fee for examining and provisionally approving any document
22 at any time before the document is presented for filing is \$100.

23 **Sec. 39.** NRS 78A.030 is hereby amended to read as follows:

24 78A.030 1. Any corporation organized under chapter 78 of NRS may
25 become a close corporation pursuant to this chapter by executing, filing
26 and recording, in accordance with NRS 78.390, a certificate of amendment
27 of the certificate of incorporation which must:

28 (a) Contain a statement that the corporation elects to become a close
29 corporation; and

30 (b) Meet the requirements of *paragraph (a) of* subsection 2 of NRS
31 78A.020.

32 2. Except as otherwise provided in subsection 3, the amendment must
33 be adopted in accordance with the requirements of NRS ~~78.380~~ or 78.390.

34 3. ~~The~~ *If an amendment is adopted in accordance with the*
35 *requirements of NRS 78.390, it* must be approved by a vote of the holders
36 of record of at least two-thirds of the shares of each class of stock of the
37 corporation that are outstanding and entitled to vote, unless the articles of
38 incorporation or bylaws require approval by a greater proportion.

39 **Sec. 40.** Chapter 80 of NRS is hereby amended by adding thereto a
40 new section to read as follows:

41 *Before the issuance of stock, an incorporator or, after the issuance of*
42 *stock, an officer of a foreign corporation may authorize the secretary of*
43 *state in writing to replace any page of a document submitted for filing,*
44 *on an expedited basis, before the actual filing, and to accept the page as*
45 *if it were part of the originally signed filing.*

46 **Sec. 41.** NRS 80.015 is hereby amended to read as follows:

47 80.015 1. For the purposes of this chapter, the following activities do
48 not constitute doing business in this state:

49 (a) Maintaining, defending or settling any proceeding;



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- 1 (b) Holding meetings of the board of directors or stockholders or
2 carrying on other activities concerning internal corporate affairs;
3 (c) Maintaining accounts in banks or credit unions;
4 (d) Maintaining offices or agencies for the transfer, exchange and
5 registration of the corporation's own securities or maintaining trustees or
6 depositaries with respect to those securities;
7 (e) Making sales through independent contractors;
8 (f) Soliciting or receiving orders outside of this state through or in
9 response to letters, circulars, catalogs or other forms of advertising,
10 accepting those orders outside of this state and filling them by shipping
11 goods into this state;
12 (g) Creating or acquiring indebtedness, mortgages and security interests
13 in real or personal property;
14 (h) Securing or collecting debts or enforcing mortgages and security
15 interests in property securing the debts;
16 (i) Owning, without more, real or personal property;
17 (j) Isolated transactions completed within 30 days and not a part of a
18 series of similar transactions;
19 (k) The production of motion pictures as defined in NRS 231.020;
20 (l) Transacting business as an out-of-state depository institution
21 pursuant to the provisions of Title 55 of NRS; and
22 (m) Transacting business in interstate commerce.
23 2. The list of activities in subsection 1 is not exhaustive.
24 3. A person who is not doing business in this state within the meaning
25 of this section need not qualify or comply with any provision of ~~NRS~~
26 ~~80.010 to 80.280, inclusive,~~ *this chapter*, chapter 645A, 645B or 645E of
27 NRS or Title 55 or 56 of NRS unless he:
28 (a) Maintains an office in this state for the transaction of business; or
29 (b) Solicits or accepts deposits in the state, except pursuant to the
30 provisions of chapter 666 or 666A of NRS.
31 *4. As used in this section and for the purposes of NRS 80.016,*
32 *"deposits" means demand deposits, savings deposits and time deposits, as*
33 *those terms are defined in chapter 657 of NRS.*
34 **Sec. 42.** NRS 80.025 is hereby amended to read as follows:
35 80.025 1. If a foreign corporation cannot qualify to do business in
36 this state because its name does not meet the requirements of subsection 2
37 or 3 of NRS 80.010, it may apply for a certificate to do business by having
38 its board of directors adopt a resolution setting forth the name under which
39 the corporation elects to do business in this state. The resolution may:
40 (a) Add to the existing corporate name a word, abbreviation or other
41 distinctive element; or
42 (b) Adopt a name different from its existing corporate name that is
43 available for use in this state.
44 2. In addition to the documents required by subsection 1 of NRS
45 80.010, the corporation shall file a ~~certified copy of the resolution~~
46 ~~adopting~~ *resolution certifying the adoption of* the modified name.
47 3. If the secretary of state determines that the modified corporate name
48 complies with the provisions of subsection 2 or 3 of NRS 80.010, he shall



1 issue the certificate in the foreign corporation's modified name if the
2 foreign corporation otherwise qualifies to do business in this state.

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

6 **Sec. 43.** NRS 80.030 is hereby amended to read as follows:

7 80.030 1. Each foreign corporation admitted to do business in this
8 state shall, within ~~30~~ 90 days after the filing of any document amendatory
9 or otherwise relating to the original articles in the place of its creation, file
10 in the office of the secretary of state:

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

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

18 2. When a foreign corporation authorized to do business in this state
19 becomes a constituent of a merger permitted by the laws of the state or
20 country in which it is incorporated, it shall, within ~~30~~ 90 days after the
21 merger becomes effective, file a copy of the agreement of merger filed in
22 the place of its creation, certified by an authorized officer of the place of its
23 creation, or a certificate, issued by the proper officer of the place of its
24 creation, attesting to the occurrence of the event, in the office of the
25 secretary of state.

26 3. The secretary of state may revoke the right of a foreign corporation
27 to transact business in this state if it fails to file the documents required by
28 this section or pay the fees incident to that filing.

29 **Sec. 44.** NRS 80.090 is hereby amended to read as follows:

30 80.090 If a foreign corporation doing business in this state maintains
31 and keeps in the state a resident agent as provided by NRS 80.060 and files
32 or has microfilmed the papers, documents and instruments required by
33 NRS 80.010 to 80.040, inclusive, ~~it shall be~~ and section 40 of this act,
34 *the foreign corporation is* entitled to the benefit of the laws of this state
35 limiting the time for the commencement of civil actions.

36 **Sec. 45.** NRS 81.650 is hereby amended to read as follows:

37 81.650 1. The board of directors or trustees of any private foundation
38 which is a corporation organized under and governed by Nevada law may,
39 by a majority vote of its directors or trustees, amend its governing
40 instrument at any regular or special meeting of the board of directors or
41 trustees, without a vote of the stockholders or members of the private
42 foundation, if any, in order to avoid the penalties and liabilities described
43 in Sections 4941(a), 4942(a), 4943(a), 4944(a) and 4945(a) or to comply
44 with the provisions of Section 508(e).

45 2. Such an amendment must not be made until the board of directors or
46 trustees has notified the members or stockholders, if any, at least 30 days
47 before the meeting at which the governing instrument is to be amended.

48 ~~Notice of the intention to amend the governing instrument must be served~~



1 ~~upon the attorney general at least 30 days before the meeting, together with~~
2 ~~a copy of the proposed amended governing instrument.~~

3 3. If the private foundation is a corporation organized under and
4 governed by Nevada law, after any such amendment has been approved by
5 the directors or trustees, a copy of the amended governing instrument must
6 be filed with the secretary of state.

7 **Sec. 46.** Chapter 82 of NRS is hereby amended by adding thereto a
8 new section to read as follows:

9 *An officer of a corporation or a director named in the original articles*
10 *of incorporation may authorize the secretary of state in writing to replace*
11 *any page of a document submitted for filing, on an expedited basis,*
12 *before the actual filing, and to accept the page as if it were part of the*
13 *originally signed filing.*

14 **Sec. 47.** NRS 82.346 is hereby amended to read as follows:

15 82.346 1. If the first meeting of the directors has not taken place and
16 if there are no members, a majority of the incorporators of a corporation
17 may amend the original articles by executing and proving in the manner
18 required for original articles, and filing with the secretary of state, a
19 certificate amending, modifying, changing or altering the original articles,
20 in whole or in part. The certificate must ~~be~~:

21 ~~—(a) Declare that the~~ *state that:*

22 *(a) The* signers thereof are a majority of the original incorporators of
23 the corporation; *and*

24 ~~(b) State the date upon which the original articles were filed with the~~
25 ~~secretary of state; and~~

26 ~~—(c) Affirmatively declare that to~~ *As of* the date of the certification no
27 meeting of the directors has taken place and the corporation has no
28 members other than the incorporators.

29 2. The amendment is effective upon the filing of the certificate with
30 the secretary of state.

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

33 4. The secretary of state shall charge the fee allowed by law for filing
34 the amended certificate of incorporation.

35 **Sec. 48.** NRS 82.371 is hereby amended to read as follows:

36 82.371 1. A corporation may restate, or amend and restate, in a
37 single certificate the entire text of its articles as amended by filing with the
38 secretary of state a certificate ~~entitled "Restated Articles of Incorporation~~
39 ~~of _____,"~~ which must set forth the articles as amended to the
40 date of the certificate. If the certificate alters or amends the articles in any
41 manner, it must comply with the provisions of ~~this chapter governing such~~
42 ~~amendments~~ *NRS 82.346, 82.351 and 82.356, as applicable*, and must be
43 accompanied by:

44 (a) A resolution; or

45 (b) A form prescribed by the secretary of state,
46 setting forth which provisions of the articles of incorporation on file with
47 the secretary of state are being altered or amended.

48 2. If the certificate does not alter or amend the articles, it must be
49 signed by the chairman of the board or the president or vice president, and



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1 the secretary or assistant secretary, of the corporation and must state that
2 they have been authorized to execute the certificate by resolution of the
3 board of directors adopted on the date stated, and that the certificate
4 correctly sets forth the text of the articles as amended to the date of the
5 certificate.

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

7 (a) The names, addresses, signatures and acknowledgments of the
8 incorporators;

9 (b) The names and addresses of the members of the past and present
10 board of directors; and

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

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

18 **Sec. 49.** NRS 82.446 is hereby amended to read as follows:

19 82.446 1. A corporation may be dissolved and its affairs wound up
20 voluntarily by the written request of a majority of the members and any
21 person or superior organization whose approval is required by a provision
22 of the articles authorized by NRS 82.091. The request must:

23 (a) Be addressed to the directors.

24 (b) Specify reasons why the winding up of affairs of the corporation is
25 deemed advisable.

26 (c) Name three persons who are members to act as trustees in
27 liquidation and in winding up the affairs of the corporation. The act of a
28 majority of the directors as trustees remaining in office is the act of the
29 directors as trustees.

30 2. Upon filing of the request with the directors and in the offices of the
31 secretary of state, all powers of the directors cease. ~~The secretary of state~~
32 ~~shall issue a certificate that the corporation is dissolved.~~

33 **Sec. 50.** NRS 82.451 is hereby amended to read as follows:

34 82.451 1. A corporation may be dissolved and its affairs wound up
35 voluntarily if the board of directors adopts a resolution to that effect and
36 calls a meeting of the members entitled to vote to take action upon the
37 resolution. The resolution must also be approved by any person or superior
38 organization whose approval is required by a provision of the articles
39 authorized by NRS 82.091. The meeting of the members must be held with
40 due notice. If at the meeting the members entitled to exercise a majority of
41 all the voting power consent by resolution to the dissolution, a ~~copy of the~~
42 ~~resolution,~~ *certificate setting forth that the dissolution has been*
43 *approved in compliance with this section,* together with a list of the names
44 and residences of the directors and officers, ~~certified~~ *executed* by the
45 chairman of the board, president or vice president, and the secretary or an
46 assistant secretary, must be filed in the office of the secretary of state.

47 2. If a corporation has no members entitled to vote upon a resolution
48 calling for the dissolution of the corporation, the corporation may be
49 dissolved and its affairs wound up voluntarily by the board of directors if it



1 adopts a resolution to that effect. The resolution must also be approved by
2 any person or superior organization whose approval is required by a
3 provision of the articles authorized by NRS 82.091. A ~~copy of the~~
4 ~~resolution~~ *certificate setting forth that the dissolution has been approved*
5 *in compliance with this section* and a list of the officers and directors,
6 ~~certified~~ *executed* as provided in subsection 1, must be filed in the office
7 of the secretary of state.

8 3. ~~Upon filing of the resolution or request in the office of the secretary~~
9 ~~of state, the secretary of state shall issue a certificate that the corporation is~~
10 ~~dissolved.~~

11 ~~—4.—~~ Upon the dissolution of any corporation under the provisions of this
12 section or upon the expiration of its period of corporate existence, the
13 directors are the trustees of the corporation in liquidation and in winding up
14 the affairs of the corporation. The act of a majority of the directors as
15 trustees remaining in office is the act of the directors as trustees.

16 **Sec. 51.** Chapter 86 of NRS is hereby amended by adding thereto the
17 provisions set forth as sections 52 to 70, inclusive, of this act.

18 **Sec. 52.** *“Articles” and “articles of organization” are synonymous*
19 *terms and, unless the context otherwise requires, include certificates and*
20 *restated articles of organization filed pursuant to NRS 86.221 and*
21 *articles of merger, conversion, exchange or domestication filed pursuant*
22 *to NRS 92A.200 to 92A.240, inclusive, and sections 109 to 115, inclusive,*
23 *of this act.*

24 **Sec. 53.** *“Noneconomic member” means a member of a limited-*
25 *liability company who:*

- 26 1. *Does not own a member’s interest in the company;*
- 27 2. *Does not have an obligation to contribute capital to the company;*
- 28 3. *Does not have a right to participate in or receive distributions of*
29 *profits of the company or an obligation to contribute to the losses of the*
30 *company; and*
- 31 4. *May have voting rights and other rights and privileges given to*
32 *noneconomic members of the company by the articles of organization or*
33 *operating agreement.*

34 **Sec. 54.** *The provisions of this chapter may be amended or repealed*
35 *at the pleasure of the legislature. A limited-liability company created*
36 *pursuant to the provisions of this chapter or availing itself of any of the*
37 *provisions of this chapter and all members and managers of the limited-*
38 *liability company are bound by the amendment. An amendment or repeal*
39 *does not take away or impair any remedy against a limited-liability*
40 *company or its managers or members for a liability that has been*
41 *previously incurred. The provisions of this chapter and all amendments*
42 *thereof are a part of the articles of every limited-liability company.*

43 **Sec. 55.** 1. *A limited-liability company may correct a document*
44 *filed by the secretary of state with respect to the limited-liability company*
45 *if the document contains an inaccurate record of a company action*
46 *described in the document or was defectively executed, attested, sealed,*
47 *verified or acknowledged.*

48 2. *To correct a document, the limited-liability company must:*

49 (a) *Prepare a certificate of correction that:*



- 1 (1) *States the name of the limited-liability company;*
- 2 (2) *Describes the document, including, without limitation, its filing*
- 3 *date;*
- 4 (3) *Specifies the inaccuracy or defect;*
- 5 (4) *Sets forth the inaccurate or defective portion of the document in*
- 6 *an accurate or corrected form; and*
- 7 (5) *Is signed by a manager of the company, or if management is not*
- 8 *vested in a manager, by a member of the company.*

9 (b) *Deliver the certificate to the secretary of state for filing.*

10 (c) *Pay a filing fee of \$75 to the secretary of state.*

11 3. *A certificate of correction is effective on the effective date of the*

12 *document it corrects except as to persons relying on the uncorrected*

13 *document and adversely affected by the correction. As to those persons,*

14 *the certificate is effective when filed.*

15 **Sec. 56.** *The articles of organization or operating agreement of a*

16 *limited-liability company may create classes of members or managers,*

17 *define their relative rights, powers and duties, and may authorize the*

18 *creation, in the manner provided in the operating agreement, of*

19 *additional classes of members or managers with the relative rights,*

20 *powers and duties as may from time to time be established, including,*

21 *without limitation, rights, powers and duties senior to existing classes of*

22 *members or managers. The articles of organization or operating*

23 *agreement may provide that any member, or class or group of members,*

24 *has voting rights that differ from other classes or groups.*

25 **Sec. 57.** *Upon application by or for a member, the district court may*

26 *decree dissolution of a limited-liability company whenever it is not*

27 *reasonably practicable to carry on the business of the company in*

28 *conformity with the articles of organization or operating agreement.*

29 **Sec. 58.** *A member who owns a member's interest in a limited-*

30 *liability company or a noneconomic member, when permitted by the*

31 *terms of the articles of organization or operating agreement, may bring*

32 *an action in the right of a limited-liability company to recover a*

33 *judgment in its favor if managers or members with authority to do so*

34 *have refused to bring the action or if an effort to cause those managers*

35 *or members to bring the action is not likely to succeed.*

36 **Sec. 59.** *In a derivative action, the plaintiff must be a member who*

37 *owns a member's interest or a noneconomic member at the time of*

38 *bringing the action and at the time of the transaction of which he*

39 *complains.*

40 **Sec. 60.** *In a derivative action, the complaint must set forth with*

41 *particularity:*

42 1. *The effort of the plaintiff to secure initiation of the action by a*

43 *manager or member; or*

44 2. *The reasons for the plaintiff not making the effort to secure*

45 *initiation of the action by a manager or member.*

46 **Sec. 61.** *If a derivative action is successful, in whole or in part, or if*

47 *anything is received by the plaintiff as a result of a judgment,*

48 *compromise or settlement of an action or claim, the court may award the*

49 *plaintiff reasonable expenses, including reasonable attorney's fees, and*



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1 shall direct him to remit to the limited-liability company the remainder of
2 those proceeds received by him.

3 **Sec. 62.** *Subject to the constitution of this state:*

4 1. *The laws of the state, pursuant to which a foreign limited-liability*
5 *company is organized, govern its organization, internal affairs and the*
6 *liability of its managers and members; and*

7 2. *A foreign limited-liability company may not be denied registration*
8 *by reason of any difference between the laws of the state of organization*
9 *and the laws of this state.*

10 **Sec. 63.** *Before transacting business in this state, a foreign limited-*
11 *liability company must register with the secretary of state. In order to*
12 *register, a foreign limited-liability company must submit to the secretary*
13 *of state an application for registration as a foreign limited-liability*
14 *company, signed by a manager of the company or, if management is not*
15 *vested in a manager, a member of the company and a signed certificate*
16 *of acceptance of a resident agent. The application for registration must*
17 *set forth:*

18 1. *The name of the foreign limited-liability company and, if different,*
19 *the name under which it proposes to register and transact business in*
20 *this state;*

21 2. *The state and date of its formation;*

22 3. *The name and address of the resident agent whom the foreign*
23 *limited-liability company elects to appoint;*

24 4. *A statement that the secretary of state is appointed the agent of the*
25 *foreign limited-liability company for service of process if the authority of*
26 *the resident agent has been revoked, or if the resident agent has resigned*
27 *or cannot be found or served with the exercise of reasonable diligence;*

28 5. *The address of the office required to be maintained in the state of*
29 *its organization by the laws of that state or, if not so required, of the*
30 *principal office of the foreign limited-liability company;*

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

33 7. *The address of the office at which is kept a list of the names and*
34 *addresses of the members and their capital contributions, together with*
35 *an undertaking by the foreign limited-liability company to keep those*
36 *records until the registration in this state of the foreign limited-liability*
37 *company is canceled or withdrawn.*

38 **Sec. 64.** *If the secretary of state finds that an application for*
39 *registration conforms to law and all requisite fees have been paid, he*
40 *shall issue a certificate of registration to transact business in this state*
41 *and mail it to the person who filed the application or his representative.*

42 **Sec. 65.** *A foreign limited-liability company may register with the*
43 *secretary of state under any name, whether or not it is the name under*
44 *which it is registered in its state of organization, which contains the*
45 *words required by NRS 86.171 and which could be registered by a*
46 *domestic limited-liability company.*

47 **Sec. 66.** 1. *A foreign limited-liability company may cancel its*
48 *registration by filing with the secretary of state a certificate of*
49 *cancellation signed by a manager of the company or, if management is*



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1 *not vested in a manager, a member of the company. The certificate,*
2 *which must be accompanied by the required fees, must set forth:*

- 3 *(a) The name of the foreign limited-liability company;*
4 *(b) The date upon which its certificate of registration was filed;*
5 *(c) The effective date of the cancellation if other than the date of the*
6 *filing of the certificate of cancellation; and*
7 *(d) Any other information deemed necessary by the manager of the*
8 *company or, if management is not vested in a manager, a member of the*
9 *company.*

10 *2. A cancellation pursuant to this section does not terminate the*
11 *authority of the secretary of state to accept service of process on the*
12 *foreign limited-liability company with respect to causes of action arising*
13 *from the transaction of business in this state by the foreign limited-*
14 *liability company.*

15 **Sec. 67.** *1. A foreign limited-liability company transacting*
16 *business in this state may not maintain any action, suit or proceeding in*
17 *any court of this state until it has registered in this state.*

18 *2. The failure of a foreign limited-liability company to register in this*
19 *state does not impair the validity of any contract or act of the foreign*
20 *limited-liability company, or prevent the foreign limited-liability company*
21 *from defending any action, suit or proceeding in any court of this state.*

22 *3. A foreign limited-liability company, by transacting business in this*
23 *state without registration, appoints the secretary of state as its agent for*
24 *service of process with respect to causes of action arising out of the*
25 *transaction of business in this state by the foreign limited-liability*
26 *company.*

27 **Sec. 68.** *The attorney general may bring an action to restrain a*
28 *foreign limited-liability company from transacting business in this state*
29 *in violation of this section and sections 62 to 67, inclusive, of this act.*

30 **Sec. 69.** *The articles of organization or operating agreement of a*
31 *limited-liability company may provide for one or more noneconomic*
32 *members or classes of noneconomic members.*

33 **Sec. 70.** *A manager or, if management of the company is not vested*
34 *in a manager, a member of a limited-liability company may authorize the*
35 *secretary of state in writing to replace any page of a document submitted*
36 *for filing, on an expedited basis, before the actual filing, and to accept*
37 *the page as if it were part of the originally signed filing.*

38 **Sec. 71.** NRS 86.011 is hereby amended to read as follows:
39 86.011 As used in this chapter, unless the context otherwise requires,
40 the words and terms defined in NRS ~~86.021~~ **86.031** to 86.128, inclusive,
41 **and sections 52 and 53 of this act** have the meanings ascribed to them in
42 those sections.

43 **Sec. 72.** NRS 86.081 is hereby amended to read as follows:
44 86.081 “Member” means the owner of ~~an~~ **a member’s** interest in a
45 limited-liability company ~~or a noneconomic member.~~

46 **Sec. 73.** NRS 86.201 is hereby amended to read as follows:
47 86.201 1. ~~Upon filing the articles of organization and the certificate~~
48 ~~of acceptance of the resident agent, and the payment of filing fees, the~~ **A**



1 limited-liability company is considered legally organized pursuant to this
2 chapter ~~§~~ upon:

3 (a) *Filing the articles of organization with the secretary of state or*
4 *upon a later date specified in the articles of organization;*

5 (b) *Filing the certificate of acceptance of the resident agent with the*
6 *secretary of state; and*

7 (c) *Paying the required filing fees to the secretary of state.*

8 2. A limited-liability company must not transact business or incur
9 indebtedness, except that which is incidental to its organization or to
10 obtaining subscriptions for or payment of contributions, until the ~~secretary~~
11 ~~of state has filed the articles of organization and the certificate of~~
12 ~~acceptance.~~ *company is considered legally organized pursuant to*
13 *subsection 1.*

14 **Sec. 74.** NRS 86.221 is hereby amended to read as follows:

15 86.221 1. The articles of organization of a limited-liability company
16 may be amended for any purpose, not inconsistent with law, as determined
17 by all of the members or permitted by the articles or an operating
18 agreement.

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

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

22 (b) ~~The date of filing of the articles of organization;~~ *Whether the*
23 *limited-liability company is managed by one or more managers or*
24 *members; and*

25 (c) The amendment to the articles of organization.

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

28 4. Restated articles of organization may be executed and filed in the
29 same manner as a certificate of amendment. *If the certificate alters or*
30 *amends the articles in any manner, it must be accompanied by:*

31 (a) *A resolution; or*

32 (b) *A form prescribed by the secretary of state,*
33 *setting forth which provisions of the articles of organization on file with*
34 *the secretary of state are being altered or amended.*

35 **Sec. 75.** NRS 86.226 is hereby amended to read as follows:

36 86.226 1. A signed certificate of amendment, or a certified copy of a
37 judicial decree of amendment, must be filed with the secretary of state. A
38 person who executes a certificate as an agent, officer or fiduciary of the
39 limited-liability company need not exhibit evidence of his authority as a
40 prerequisite to filing. Unless the secretary of state finds that a certificate
41 does not conform to law, upon his receipt of all required filing fees he shall
42 file the certificate.

43 2. ~~Upon the filing of a~~ *A* certificate of amendment or judicial decree
44 of amendment ~~in the office of~~ *is effective upon filing with* the secretary
45 of state ~~the articles of organization are amended as set forth therein.~~ *or*
46 *upon a later date specified in the certificate or judicial decree, which*
47 *must not be more than 90 days after the certificate or judicial decree is*
48 *filed.*



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1 3. *If a certificate specifies an effective date and if the resolution of*
2 *the members approving the proposed amendment provides that one or*
3 *more managers or, if management is not vested in a manager, one or*
4 *more members may abandon the proposed amendment, then those*
5 *managers or members may terminate the effectiveness of the certificate*
6 *by filing a certificate of termination with the secretary of state that:*

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

9 *(b) Identifies the certificate being terminated;*

10 *(c) States that, pursuant to the resolution of the members, the*
11 *manager of the company or, if management is not vested in a manager, a*
12 *designated member is authorized to terminate the effectiveness of the*
13 *certificate;*

14 *(d) States that the effectiveness of the certificate has been terminated;*

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

17 *(f) Is accompanied by a filing fee of \$75.*

18 **Sec. 76.** NRS 86.274 is hereby amended to read as follows:

19 86.274 1. The secretary of state shall notify, by letter addressed to its
20 resident agent, each limited-liability company deemed in default pursuant
21 to the provisions of this chapter. The notice must be accompanied by a
22 statement indicating the amount of the filing fee, penalties and costs
23 remaining unpaid.

24 2. On the first ~~day of the ninth month~~ *anniversary of the month*
25 *following the month in which the filing was required, the charter of the*
26 *company is revoked and its right to transact business is forfeited.*

27 3. The secretary of state shall compile a complete list containing the
28 names of all limited-liability companies whose right to do business has
29 been forfeited. The secretary of state shall forthwith notify each limited-
30 liability company by letter addressed to its resident agent of the forfeiture
31 of its charter. The notice must be accompanied by a statement indicating
32 the amount of the filing fee, penalties and costs remaining unpaid.

33 4. If the charter of a limited-liability company is revoked and the right
34 to transact business is forfeited, all of the property and assets of the
35 defaulting company must be held in trust by the managers or, if none, by
36 the members of the company, and the same proceedings may be had with
37 respect to its property and assets as apply to the dissolution of a limited-
38 liability company ~~+~~ *pursuant to NRS 86.505 and 86.521.* Any person
39 interested may institute proceedings at any time after a forfeiture has been
40 declared, but if the secretary of state reinstates the charter the proceedings
41 must be dismissed and all property restored to the company.

42 5. If the assets are distributed they must be applied in the following
43 manner:

44 (a) To the payment of the filing fee, penalties and costs due to the state;
45 and

46 (b) To the payment of the creditors of the company.

47 Any balance remaining must be distributed among the members as
48 provided in subsection 1 of NRS 86.521.



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1 **Sec. 77.** NRS 86.276 is hereby amended to read as follows:

2 86.276 1. Except as otherwise provided in subsections 3 and 4, the
3 secretary of state shall reinstate any limited-liability company which has
4 forfeited its right to transact business ~~under~~ *pursuant to* the provisions of
5 this chapter and restore to the company its right to carry on business in this
6 state, and to exercise its privileges and immunities, if it:

7 (a) Files with the secretary of state the list required by NRS 86.263; and

8 (b) Pays to the secretary of state:

9 (1) The annual filing fee and penalty set forth in NRS 86.263 and
10 86.272 for each year or portion thereof during which ~~its charter has been~~
11 ~~revoked;~~ *it failed to file in a timely manner each required annual list;*
12 and

13 (2) A fee of \$50 for reinstatement.

14 2. When the secretary of state reinstates the limited-liability company,
15 he shall:

16 (a) Immediately issue and deliver to the company a certificate of
17 reinstatement authorizing it to transact business as if the filing fee had been
18 paid when due; and

19 (b) Upon demand, issue to the company one or more certified copies of
20 the certificate of reinstatement.

21 3. The secretary of state shall not order a reinstatement unless all
22 delinquent fees and penalties have been paid, and the revocation of the
23 charter occurred only by reason of failure to pay the fees and penalties.

24 4. If a company's charter has been revoked pursuant to the provisions
25 of this chapter and has remained revoked for a period of 5 consecutive
26 years, the charter must not be reinstated.

27 **Sec. 78.** NRS 86.281 is hereby amended to read as follows:

28 86.281 A limited-liability company organized and existing ~~under~~
29 *pursuant to* this chapter may ~~it~~ *exercise the powers and privileges*
30 *granted by this chapter and may:*

31 1. Sue and be sued, complain and defend, in its name;

32 2. Purchase, take, receive, lease or otherwise acquire, own, hold,
33 improve, use and otherwise deal in and with real or personal property, or
34 an interest in it, wherever situated;

35 3. Sell, convey, mortgage, pledge, lease, exchange, transfer and
36 otherwise dispose of all or any part of its property and assets;

37 4. Lend money to and otherwise assist its members;

38 5. Purchase, take, receive, subscribe for or otherwise acquire, own,
39 hold, vote, use, employ, sell, mortgage, lend, pledge or otherwise dispose
40 of, and otherwise use and deal in and with shares, member's interests or
41 other interests in or obligations of domestic or foreign limited-liability
42 companies, domestic or foreign corporations, joint ventures or similar
43 associations, general or limited partnerships or natural persons, or direct or
44 indirect obligations of the United States or of any government, state,
45 territory, governmental district or municipality or of any instrumentality
46 of it;

47 6. Make contracts and guarantees and incur liabilities, borrow money
48 at such rates of interest as the company may determine, issue its notes,



1 bonds and other obligations and secure any of its obligations by mortgage
2 or pledge of all or any part of its property, franchises and income;

3 7. Lend, invest and reinvest its money and take and hold real property
4 and personal property for the payment of money so loaned or invested;

5 8. Conduct its business, carry on its operations and have and exercise
6 the powers granted by this chapter in any state, territory, district or
7 possession of the United States, or in any foreign country;

8 9. Appoint managers and agents, define their duties and fix their
9 compensation;

10 10. Cease its activities and surrender its articles of organization;

11 11. Exercise all powers necessary or convenient to effect any of the
12 purposes for which the company is organized; and

13 12. Hold a license issued pursuant to the provisions of chapter 463 of
14 NRS.

15 **Sec. 79.** NRS 86.286 is hereby amended to read as follows:

16 86.286 **1.** A limited-liability company may, but is not required to,
17 adopt an operating agreement. An operating agreement may be adopted
18 only by the unanimous vote or unanimous written consent of the members,
19 *or by the sole member*, and the operating agreement must be in writing.
20 Unless otherwise provided in the operating agreement, amendments to the
21 agreement may be adopted only by the unanimous vote or unanimous
22 written consent of the persons who are members at the time of amendment.

23 *2. An operating agreement may be adopted before, after or at the*
24 *time of the filing of the articles of organization and, whether entered into*
25 *before, after or at the time of the filing, may become effective at the*
26 *formation of the limited-liability company or at a later date specified in*
27 *the operating agreement. If an operating agreement is adopted before the*
28 *filing of the articles of organization or before the effective date of*
29 *formation specified in the articles of organization, the operating*
30 *agreement is not effective until the effective date of formation of the*
31 *limited-liability company.*

32 *3. An operating agreement may provide that a certificate of limited-*
33 *liability company interest issued by the limited-liability company may*
34 *evidence a member's interest in a limited-liability company.*

35 **Sec. 80.** NRS 86.291 is hereby amended to read as follows:

36 86.291 **1.** Except as otherwise provided in this section ~~††~~ *or* the
37 articles of organization , ~~for the operating agreement.~~ management of a
38 limited-liability company is vested in its members in proportion to their
39 contribution to its capital, as adjusted from time to time to reflect properly
40 any additional contributions or withdrawals by the members.

41 **2.** If provision is made in the articles of organization, management of
42 the company may be vested in a manager or managers, who may but need
43 not be members, in the manner prescribed by the operating agreement of
44 the company. The manager or managers also hold the offices and have the
45 responsibilities accorded to them by the members and set out in the
46 operating agreement.

47 **Sec. 81.** NRS 86.301 is hereby amended to read as follows:

48 86.301 Except as otherwise provided in this chapter , ~~††~~ in its articles
49 of organization ~~††~~ *or its operating agreement*, no debt may be contracted



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1 or liability incurred by or on behalf of a limited-liability company, except
2 by one or more of its managers if management of the limited-liability
3 company has been vested by the members in a manager or managers or, if
4 management of the limited-liability company is retained by the members,
5 then ~~as provided in the articles of organization or the operating~~
6 ~~agreement~~ *by any member.*

7 **Sec. 82.** NRS 86.343 is hereby amended to read as follows:

8 86.343 1. A distribution of the profits *and contributions* of a limited-
9 liability company must not be made if, after giving it effect:

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

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

15 2. The manager or, if management of the company is not vested in a
16 manager or managers, the members may base a determination that a
17 distribution is not prohibited ~~under~~ *pursuant to* this section on:

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

20 (b) A fair valuation, including unrealized appreciation and depreciation;
21 or

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

23 3. The effect of a distribution ~~under~~ *pursuant to* this section must be
24 measured:

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

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

29 (2) The date on which the member ceases to be a member with
30 respect to his acquired interest.

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

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

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

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

38 4. Indebtedness of the company, including indebtedness issued as a
39 distribution, is not considered a liability for purposes of determinations
40 ~~under~~ *pursuant to* this section if its terms provide that payment of
41 principal and interest are to be made only if and to the extent that payment
42 of a distribution to the members could then be made pursuant to this
43 section. If the indebtedness is issued as a distribution, each payment of
44 principal or interest must be treated as a distribution, the effect of which
45 must be measured as of the date of payment.

46 *5. Except as otherwise provided in subsection 6, a member who*
47 *receives a distribution in violation of this section is liable to the limited-*
48 *liability company for the amount of the distribution. This subsection does*



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1 *not affect the validity of an obligation or liability of a member created by*
2 *an agreement or other applicable law for the amount of a distribution.*

3 6. *Unless otherwise agreed, a member who receives a distribution*
4 *from a limited-liability company is not liable for the amount of the*
5 *distribution after the expiration of 3 years after the date of the*
6 *distribution unless an action to recover the distribution from the member*
7 *is commenced before the expiration of the 3-year period following the*
8 *distribution.*

9 **Sec. 83.** NRS 86.351 is hereby amended to read as follows:

10 86.351 1. The interest of each member of a limited-liability company
11 is personal property. The articles of organization or operating agreement
12 may prohibit or regulate the transfer of a member's interest. Unless
13 otherwise provided in the articles or *operating* agreement, a transferee of a
14 member's interest has no right to participate in the management of the
15 business and affairs of the company or to become a member unless a
16 majority in interest of the other members approve the transfer. If so
17 approved, the transferee becomes a substituted member. The transferee is
18 only entitled to receive the share of profits or other compensation by way
19 of income, and the return of contributions, to which his transferor would
20 otherwise be entitled.

21 2. A substituted member has all the rights and powers and is subject to
22 all the restrictions and liabilities of his transferor, except that the
23 substitution of the transferee does not release the transferor from any
24 liability to the company.

25 **Sec. 84.** NRS 86.391 is hereby amended to read as follows:

26 86.391 1. A member is liable to a limited-liability company:

27 (a) For a difference between his contributions to capital as actually
28 made and as stated in the articles of organization or operating agreement as
29 having been made; and

30 (b) For any unpaid contribution to capital which he agreed in the articles
31 of organization or operating agreement to make in the future at the time
32 and on the conditions stated in the articles of organization or operating
33 agreement.

34 2. A member holds as trustee for the company ~~for~~
35 ~~—(a) Specific~~ *specific* property stated in the articles of organization or
36 operating agreement as contributed by him, but which was not *so*
37 contributed. ~~for which has been wrongfully or erroneously returned; and~~

38 ~~—(b) Money or other property wrongfully paid or conveyed to him on~~
39 ~~account of his contribution or the contribution of a predecessor with~~
40 ~~respect to his member's interest.]~~

41 3. The liabilities of a member as set out in this section can be waived
42 or compromised only by the consent of all of the members, but a waiver or
43 compromise does not affect the right of a creditor of the company to
44 enforce the liabilities if he extended credit or his claim arose before the
45 effective date of an amendment of the articles of organization or operating
46 agreement effecting the waiver or compromise.

47 ~~[4. When a contributor has rightfully received the return in whole or in~~
48 ~~part of his contribution to capital, the contributor is liable to the company~~
49 ~~for any sum, not in excess of the return with interest, necessary to~~



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~~discharge its liability to all of its creditors who extended credit or whose claims arose before the return.]~~

Sec. 85. NRS 86.401 is hereby amended to read as follows:

86.401 1. On application to a court of competent jurisdiction by a judgment creditor of a member, the court may charge the member's interest with payment of the unsatisfied amount of the judgment with interest. To the extent so charged, the judgment creditor has only the rights of an assignee of the member's interest.

2. The court may appoint a receiver of the share of the distributions due or to become due to the judgment debtor in respect of the limited-liability company. The receiver has only the rights of an assignee. The court may make all other orders, directions, accounts and inquiries that the judgment debtor might have made or which the circumstances of the case may require.

3. A charging order constitutes a lien on the member's interest of the judgment debtor. The court may order a foreclosure of the member's interest subject to the charging order at any time. The purchaser at the foreclosure sale has only the rights of an assignee.

4. Unless otherwise provided in the articles of organization or operating agreement, at any time before foreclosure, a member's interest charged may be redeemed:

(a) By the judgment debtor;

(b) With property other than property of the limited-liability company, by one or more of the other members; or

(c) By the limited-liability company with the consent of all of the members whose interests are not so charged.

5. This section provides the exclusive remedy by which a judgment creditor of a member or an assignee of a member may satisfy a judgment out of the member's interest of the judgment debtor.

6. No creditor of a member has any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of the limited-liability company.

7. This section does not deprive any member of the benefit of any exemption applicable to his interest.

Sec. 86. NRS 86.491 is hereby amended to read as follows:

86.491 1. A limited-liability company organized ~~under~~ *pursuant to* this chapter must be dissolved and its affairs wound up:

~~11-1~~ *(a)* At the time, if any, specified in the articles of organization;

~~12-1~~ *(b)* Upon the occurrence of an event specified in an operating agreement; ~~for~~

~~3.—By the unanimous written agreement of all members.]~~

(c) Unless otherwise provided in the articles of organization or operating agreement, upon the affirmative vote or written agreement of all the members; or

(d) Upon entry of a decree of judicial dissolution pursuant to section 57 of this act.

2. Except as otherwise provided in the articles of organization or operating agreement, the death, retirement, resignation, expulsion, bankruptcy, dissolution or dissociation of a member or any other event



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1 affecting a member, including, without limitation, a sole member, does
2 not:

- 3 (a) Terminate the status of the person as a member; or
4 (b) Cause the limited-liability company to be dissolved or its affairs to
5 be wound up.

6 3. Except as otherwise provided in the articles of organization or
7 operating agreement, upon the death of a natural person who is the sole
8 member of a limited-liability company, the status of the member,
9 including the member's interest, may pass to the heirs, successors and
10 assigns of the member by will or applicable law. The heir, successor or
11 assign of the member's interest becomes a substituted member pursuant
12 to NRS 86.351, subject to administration as provided by applicable law,
13 without the permission or consent of the heirs, successors or assigns or
14 those administering the estate of the deceased member.

15 **Sec. 87.** NRS 86.541 is hereby amended to read as follows:

16 86.541 1. The signed articles of dissolution must be filed with the
17 secretary of state. ~~Unless the secretary of state finds that the articles of~~
18 ~~dissolution do not conform to law, he shall when all fees and license taxes~~
19 ~~prescribed by law have been paid issue a certificate that the limited-~~
20 ~~liability company is dissolved.~~ *Articles of dissolution become effective*
21 *upon filing with the secretary of state.*

22 2. Upon the filing of the articles of dissolution the existence of the
23 company ceases, except for the purpose of suits, other proceedings and
24 appropriate action as provided in this chapter. The manager or managers in
25 office at the time of dissolution, or the survivors of them, are thereafter
26 trustees for the members and creditors of the dissolved company and as
27 such have authority to distribute any property of the company discovered
28 after dissolution, convey real estate and take such other action as may be
29 necessary on behalf of and in the name of the dissolved company.

30 **Sec. 88.** NRS 86.561 is hereby amended to read as follows:

31 86.561 1. The secretary of state shall charge and collect for:
32 (a) Filing the original articles of organization, or for registration of a
33 foreign company, \$125;
34 (b) Amending or restating the articles of organization, ~~for~~ amending
35 the registration of a foreign company ~~for~~ *or filing a certificate of*
36 *correction*, \$75;
37 (c) Filing the articles of dissolution of a domestic or foreign company,
38 \$30;
39 (d) Filing a statement of change of address of a records or registered
40 office, or change of the resident agent, \$15;
41 (e) Certifying articles of organization or an amendment to the articles,
42 in both cases where a copy is provided, \$10;
43 (f) Certifying an authorized printed copy of this chapter, \$10;
44 (g) Reserving a name for a limited-liability company, \$20;
45 (h) *Filing a certificate of cancellation, \$30;*
46 *(i)* Executing, filing or certifying any other document, \$20; and
47 ~~for~~ *(j)* Copies made at the office of the secretary of state, \$1 per page.

48 2. The secretary of state shall charge and collect at the time of any
49 service of process on him as agent for service of process of a limited-



1 liability company, \$10 which may be recovered as taxable costs by the
2 party to the action causing the service to be made if the party prevails in
3 the action.

4 3. Except as otherwise provided in this section, the fees set forth in
5 NRS 78.785 apply to this chapter.

6 **Sec. 89.** NRS 86.580 is hereby amended to read as follows:

7 86.580 1. A limited-liability company which did exist or is existing
8 ~~under~~ *pursuant to* the laws of this state may, upon complying with the
9 provisions of NRS 86.276, procure a renewal or revival of its charter for
10 any period, together with all the rights, franchises, privileges and
11 immunities, and subject to all its existing and preexisting debts, duties and
12 liabilities secured or imposed by its original charter and amendments
13 thereto, or existing charter, by filing:

14 (a) A certificate with the secretary of state, which must set forth:

15 (1) The name of the limited-liability company, which must be the
16 name of the limited-liability company at the time of the renewal or revival,
17 or its name at the time its original charter expired.

18 (2) The name of the person designated as the resident agent of the
19 limited-liability company, his street address for the service of process, and
20 his mailing address if different from his street address.

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

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

26 (5) That the limited-liability company desiring to renew or revive its
27 charter is, or has been, organized and carrying on the business authorized
28 by its existing or original charter and amendments thereto, and desires to
29 renew or continue through revival its existence pursuant to and subject to
30 the provisions of this chapter.

31 (b) A list of its managers, or if there are no managers, all its managing
32 members and their post office box or street addresses, either residence or
33 business.

34 2. A limited-liability company whose charter has not expired and is
35 being renewed shall cause the certificate to be signed by its manager, or if
36 there is no manager, by a person designated by its members. The certificate
37 must be approved by a majority ~~of the members~~ *in interest*.

38 3. A limited-liability company seeking to revive its original or
39 amended charter shall cause the certificate to be signed by a person or
40 persons designated or appointed by the members. The execution and filing
41 of the certificate must be approved by the written consent of a majority ~~of~~
42 ~~the members~~ *in interest* and must contain a recital that this consent was
43 secured. The limited-liability company shall pay to the secretary of state
44 the fee required to establish a new limited-liability company pursuant to
45 the provisions of this chapter.

46 4. The filed certificate, or a copy thereof which has been certified
47 under the hand and seal of the secretary of state, must be received in all
48 courts and places as prima facie evidence of the facts therein stated and of
49 the existence of the limited-liability company therein named.



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1 **Sec. 90.** Chapter 87 of NRS is hereby amended by adding thereto a
2 new section to read as follows:

3 1. *A limited-liability partnership may correct a document filed by the*
4 *secretary of state with respect to the limited-liability partnership if the*
5 *document contains an inaccurate record of a partnership action*
6 *described in the document or was defectively executed, attested, sealed,*
7 *verified or acknowledged.*

8 2. *To correct a document, the limited-liability partnership must:*

9 (a) *Prepare a certificate of correction that:*

10 (1) *States the name of the limited-liability partnership;*

11 (2) *Describes the document, including, without limitation, its filing*
12 *date;*

13 (3) *Specifies the inaccuracy or defect;*

14 (4) *Sets forth the inaccurate or defective portion of the document in*
15 *an accurate or corrected form; and*

16 (5) *Is signed by a managing partner of the limited-liability*
17 *partnership.*

18 (b) *Deliver the certificate to the secretary of state for filing.*

19 (c) *Pay a filing fee of \$75 to the secretary of state.*

20 3. *A certificate of correction is effective on the effective date of the*
21 *document it corrects except as to persons relying on the uncorrected*
22 *document and adversely affected by the correction. As to those persons,*
23 *the certificate is effective when filed.*

24 **Sec. 91.** NRS 87.550 is hereby amended to read as follows:

25 87.550 In addition to any other fees required by NRS 87.440 to
26 87.540, inclusive, and 87.560, the secretary of state shall charge and collect
27 the following fees for services rendered pursuant to those sections:

28 1. For certifying documents required by NRS 87.440 to 87.540,
29 inclusive, and 87.560, \$10 per certification.

30 2. For executing a certificate verifying the existence of a registered
31 limited-liability partnership, if the registered limited-liability partnership
32 has not filed a certificate of amendment, ~~\$15.~~ **\$20.**

33 3. For executing a certificate verifying the existence of a registered
34 limited-liability partnership, if the registered limited-liability partnership
35 has filed a certificate of amendment, \$20.

36 4. For executing, certifying or filing any certificate or document not
37 required by NRS 87.440 to 87.540, inclusive, and 87.560, \$20.

38 5. For any copies made by the office of the secretary of state, \$1 per
39 page.

40 6. For examining and provisionally approving any document before
41 the document is presented for filing, \$100.

42 **Sec. 92.** Chapter 88 of NRS is hereby amended by adding thereto the
43 provisions set forth as sections 93 and 94 of this act.

44 **Sec. 93.** 1. *A limited partnership may correct a document filed by*
45 *the secretary of state with respect to the limited partnership if the*
46 *document contains an inaccurate record of a partnership action*
47 *described in the document or was defectively executed, attested, sealed,*
48 *verified or acknowledged.*

49 2. *To correct a document, the limited partnership must:*



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1 (a) *Prepare a certificate of correction that:*

2 (1) *States the name of the limited partnership;*

3 (2) *Describes the document, including, without limitation, its filing*
4 *date;*

5 (3) *Specifies the inaccuracy or defect;*

6 (4) *Sets forth the inaccurate or defective portion of the document in*
7 *an accurate or corrected form; and*

8 (5) *Is signed by a general partner of the limited partnership.*

9 (b) *Deliver the certificate to the secretary of state for filing.*

10 (c) *Pay a filing fee of \$75 to the secretary of state.*

11 3. *A certificate of correction is effective on the effective date of the*
12 *document it corrects except as to persons relying on the uncorrected*
13 *document and adversely affected by the correction. As to those persons,*
14 *the certificate is effective when filed.*

15 **Sec. 94.** *A general partner of a limited partnership may authorize*
16 *the secretary of state in writing to replace any page of a document*
17 *submitted for filing, on an expedited basis, before the actual filing, and to*
18 *accept the page as if it were part of the originally signed filing.*

19 **Sec. 95.** NRS 88.320 is hereby amended to read as follows:

20 88.320 1. The name proposed for a limited partnership as set forth in
21 its certificate of limited partnership:

22 (a) Must contain ~~without abbreviation~~ the words “limited partnership”
23 ~~††~~, *or the abbreviation “LP” or “L.P.”*

24 (b) May not contain the name of a limited partner unless:

25 (1) It is also the name of a general partner or the corporate name of a
26 corporate general partner; or

27 (2) The business of the limited partnership had been carried on under
28 that name before the admission of that limited partner; and

29 (c) Must be distinguishable on the records of the secretary of state from
30 the names of all other artificial persons formed, organized, registered or
31 qualified pursuant to the provisions of this Title that are on file in the office
32 of the secretary of state and all names that are reserved in the office of the
33 secretary of state pursuant to the provisions of this Title. If the name on the
34 certificate of limited partnership submitted to the secretary of state is not
35 distinguishable from any name on file or reserved name, the secretary of
36 state shall return the certificate to the filer, unless the written,
37 acknowledged consent to the use of the same or the requested similar name
38 of the holder of the name on file or reserved name accompanies the
39 certificate of limited partnership.

40 2. For the purposes of this section, a proposed name is not
41 distinguished from a name on file or reserved name solely because one or
42 the other contains distinctive lettering, a distinctive mark, a trade-mark or a
43 trade name, or any combination of these.

44 3. The name of a limited partnership whose right to transact business
45 has been forfeited, which has merged and is not the surviving entity or
46 whose existence has otherwise terminated is available for use by any other
47 artificial person.

48 4. The secretary of state may adopt regulations that interpret the
49 requirements of this section.



1 **Sec. 96.** NRS 88.355 is hereby amended to read as follows:
2 88.355 1. A certificate of limited partnership is amended by filing a
3 certificate of amendment thereto in the office of the secretary of state. The
4 certificate must set forth:

- 5 (a) The name of the limited partnership; *and*
6 (b) ~~[(The date of filing of the certificate of limited partnership; and~~
7 ~~–(c)–]~~ The amendment.
8 2. Within 30 days after the happening of any of the following events
9 an amendment to a certificate of limited partnership reflecting the
10 occurrence of the event or events must be filed:
11 (a) The admission of a new general partner;
12 (b) The withdrawal of a general partner; or
13 (c) The continuation of the business under NRS 88.550 after an event of
14 withdrawal of a general partner.

15 3. A general partner who becomes aware that any statement in a
16 certificate of limited partnership was false when made or that any
17 arrangements or other facts described, except the address of its office or the
18 name or address of its resident agent, have changed, making the certificate
19 inaccurate in any respect, shall promptly amend the certificate.

20 4. A certificate of limited partnership may be amended at any time for
21 any other proper purpose the general partners determine.

22 5. No person has any liability because an amendment to a certificate of
23 limited partnership has not been filed to reflect the occurrence of any event
24 referred to in subsection 2 if the amendment is filed within the 30-day
25 period specified in subsection 2.

26 6. A restated certificate of limited partnership may be executed and
27 filed in the same manner as a certificate of amendment. *If the certificate*
28 *alters or amends the certificate of limited partnership in any manner, it*
29 *must be accompanied by:*

- 30 (a) *A resolution; or*
31 (b) *A form prescribed by the secretary of state,*
32 *setting forth which provisions of the certificate of limited partnership on*
33 *file with the secretary of state are being altered or amended.*

34 **Sec. 97.** NRS 88.395 is hereby amended to read as follows:

35 88.395 1. A limited partnership shall annually, on or before the last
36 day of the month in which the anniversary date of the filing of its
37 certificate of limited partnership occurs, file with the secretary of state, on
38 a form furnished by him, a list containing:

- 39 (a) The name of the limited partnership;
40 (b) The file number of the limited partnership, if known;
41 (c) The names of all of its general partners;
42 (d) The mailing or street address, either residence or business, of each
43 general partner; and
44 (e) The signature of a general partner of the limited partnership
45 certifying that the list is true, complete and accurate.

46 2. Upon filing the list of general partners, the limited partnership shall
47 pay to the secretary of state a fee of \$85.

48 3. The secretary of state shall, 60 days before the last day for filing the
49 list required by subsection 1, cause to be mailed to each limited partnership



1 required to comply with the provisions of this section which has not
2 become delinquent a notice of the fee due pursuant to the provisions of
3 subsection 2 and a reminder to file the annual list. Failure of any limited
4 partnership to receive a notice or form does not excuse it from the penalty
5 imposed by NRS 88.400.

6 4. If the list to be filed pursuant to the provisions of subsection 1 is
7 defective or the fee required by subsection 2 is not paid, the secretary of
8 state may return the list for correction or payment.

9 5. An annual list for a limited partnership not in default that is received
10 by the secretary of state more than 60 days before its due date shall be
11 deemed an amended list for the previous year and does not satisfy the
12 requirements of subsection 1 for the year to which the due date is
13 applicable.

14 *6. A filing made pursuant to this section does not satisfy the*
15 *provisions of NRS 88.355 and may not be substituted for filings*
16 *submitted pursuant to NRS 88.355.*

17 **Sec. 98.** NRS 88.400 is hereby amended to read as follows:

18 88.400 1. If a ~~corporation~~ *limited partnership* has filed the list in
19 compliance with NRS 88.395 and has paid the appropriate fee for the
20 filing, the canceled check received by the limited partnership constitutes a
21 certificate authorizing it to transact its business within this state until the
22 anniversary date of the filing of its certificate of limited partnership in the
23 next succeeding calendar year. If the limited partnership desires a formal
24 certificate upon its payment of the annual fee, its payment must be
25 accompanied by a self-addressed, stamped envelope.

26 2. Each limited partnership which refuses or neglects to file the list and
27 pay the fee within the time provided is in default.

28 3. For default there must be added to the amount of the fee a penalty of
29 \$15, and unless the filings are made and the fee and penalty are paid on or
30 before the first day of the ninth month following the month in which filing
31 was required, the defaulting limited partnership, by reason of its default,
32 forfeits its right to transact any business within this state.

33 **Sec. 99.** NRS 88.405 is hereby amended to read as follows:

34 88.405 1. The secretary of state shall notify, by letter addressed to its
35 resident agent, each defaulting limited partnership. The notice must be
36 accompanied by a statement indicating the amount of the filing fee,
37 penalties and costs remaining unpaid.

38 2. Immediately after the first ~~day of the ninth month following~~
39 *anniversary of* the month *following the month* in which filing was
40 required, the certificate of the limited partnership is revoked. The secretary
41 of state shall compile a complete list containing the names of all limited
42 partnerships whose right to do business has been forfeited. The secretary of
43 state shall notify, by letter addressed to its resident agent, each limited
44 partnership of the revocation of its certificate. The notice must be
45 accompanied by a statement indicating the amount of the filing fee,
46 penalties and costs remaining unpaid.

47 3. In case of revocation of the certificate and of the forfeiture of the
48 right to transact business ~~thereunder~~, all the property and assets of the
49 defaulting domestic limited partnership are held in trust by the general



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1 partners, and the same proceedings may be had with respect thereto as for
2 the judicial dissolution of a limited partnership. Any person interested may
3 institute proceedings at any time after a forfeiture has been declared, but if
4 the secretary of state reinstates the limited partnership the proceedings
5 must at once be dismissed and all property restored to the general partners.

6 **Sec. 100.** NRS 88.535 is hereby amended to read as follows:

7 88.535 **1.** On application to a court of competent jurisdiction by any
8 judgment creditor of a partner, the court may charge the partnership
9 interest of the partner with payment of the unsatisfied amount of the
10 judgment with interest. To the extent so charged, the judgment creditor has
11 only the rights of an assignee of the partnership interest.

12 **2.** *The court may appoint a receiver of the share of the distributions*
13 *due or to become due to the judgment debtor in respect of the*
14 *partnership. The receiver has only the rights of an assignee. The court*
15 *may make all other orders, directions, accounts and inquiries that the*
16 *judgment debtor might have made or which the circumstances of the case*
17 *may require.*

18 **3.** *A charging order constitutes a lien on the partnership interest of*
19 *the judgment debtor. The court may order a foreclosure of the*
20 *partnership interest subject to the charging order at any time. The*
21 *purchaser at the foreclosure sale has only the rights of an assignee.*

22 **4.** *Unless otherwise provided in the articles of organization or*
23 *operating agreement, at any time before foreclosure, a partnership*
24 *interest charged may be redeemed:*

25 *(a) By the judgment debtor;*

26 *(b) With property other than property of the limited partnership, by*
27 *one or more of the other partners; or*

28 *(c) By the limited partnership with the consent of all of the partners*
29 *whose interests are not so charged.*

30 **5.** *This section provides the exclusive remedy by which a judgment*
31 *creditor of a partner or an assignee of a partner may satisfy a judgment*
32 *out of the partnership interest of the judgment debtor.*

33 **6.** *No creditor of a partner has any right to obtain possession of, or*
34 *otherwise exercise legal or equitable remedies with respect to, the*
35 *property of the limited partnership.*

36 **7.** This ~~chapter~~ section does not deprive any partner of the benefit of
37 any exemption laws applicable to his partnership interest.

38 **Sec. 101.** Chapter 88A of NRS is hereby amended by adding thereto
39 the provisions set forth as sections 102 and 103 of this act.

40 **Sec. 102. 1.** *A business trust may correct a document filed by the*
41 *secretary of state with respect to the business trust if the document*
42 *contains an inaccurate record of a trust action described in the document*
43 *or was defectively executed, attested, sealed, verified or acknowledged.*

44 **2.** *To correct a document, the business trust must:*

45 *(a) Prepare a certificate of correction that:*

46 *(1) States the name of the business trust;*

47 *(2) Describes the document, including, without limitation, its filing*
48 *date;*

49 *(3) Specifies the inaccuracy or defect;*



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1 (4) Sets forth the inaccurate or defective portion of the document in
2 an accurate or corrected form; and

3 (5) Is signed by a trustee of the business trust.

4 (b) Deliver the certificate to the secretary of state for filing.

5 (c) Pay a filing fee of \$75 to the secretary of state.

6 3. A certificate of correction is effective on the effective date of the
7 document it corrects except as to persons relying on the uncorrected
8 document and adversely affected by the correction. As to those persons,
9 the certificate is effective when filed.

10 **Sec. 103.** A trustee of a business trust may authorize the secretary of
11 state in writing to replace any page of a document submitted for filing,
12 on an expedited basis, before the actual filing, and to accept the page as
13 if it were part of the originally signed filing.

14 **Sec. 104.** NRS 88A.030 is hereby amended to read as follows:

15 88A.030 "Business trust" means an unincorporated association which:

16 1. Is created by a trust instrument under which property is held,
17 managed, controlled, invested, reinvested or operated, or any combination
18 of these, or business or professional activities for profit are carried on, by a
19 trustee for the benefit of the persons entitled to a beneficial interest in the
20 trust property; and

21 2. Files a certificate of trust pursuant to NRS 88A.210.

22 The term includes, without limitation, a trust of the type known at common
23 law as a business trust or Massachusetts trust, a trust qualifying as a real
24 estate investment trust pursuant to 26 U.S.C. §§ 856 et seq., as amended, or
25 any successor provision, or a trust qualifying as a real estate mortgage
26 investment conduit pursuant to 26 U.S.C. § 860D, as amended, or any
27 successor provision. ~~¶The term does not include a corporation as that term~~
28 ~~is defined in 11 U.S.C. § 101(9).¶~~

29 **Sec. 105.** NRS 88A.220 is hereby amended to read as follows:

30 88A.220 1. A certificate of trust may be amended by filing with the
31 secretary of state a certificate of amendment signed by at least one trustee.
32 The certificate of amendment must set forth:

33 (a) The name of the business trust; *and*

34 (b) ~~¶The date of filing of the original certificate of trust; and~~

35 ~~—(c)¶~~ The amendment to the certificate of trust.

36 2. A certificate of trust may be restated by integrating into a single
37 instrument all the provisions of the original certificate, and all amendments
38 to the certificate, which are then in effect or are to be made by the
39 restatement. The restated certificate of trust must be so designated in its
40 heading, must be signed by at least one trustee and must set forth:

41 (a) The present name of the business trust and, if the name has been
42 changed, the name under which the business trust was originally formed;

43 (b) The date of filing of the original certificate of trust;

44 (c) The provisions of the original certificate of trust, and all
45 amendments to the certificate, which are then in effect; and

46 (d) Any further amendments to the certificate of trust.

47 3. A certificate of trust may be amended or restated at any time for any
48 purpose determined by the trustees.



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1 **Sec. 106.** NRS 88A.640 is hereby amended to read as follows:

2 88A.640 1. The secretary of state shall notify, by letter addressed to
3 its resident agent, each business trust deemed in default pursuant to the
4 provisions of this chapter. The notice must be accompanied by a statement
5 indicating the amount of the filing fee, penalties and costs remaining
6 unpaid.

7 2. ~~On the first day of the ninth month following~~ *Immediately after*
8 *the first anniversary of the month following* the month in which the filing
9 was required, the certificate of trust of the business trust is revoked and its
10 right to transact business is forfeited.

11 3. The secretary of state shall compile a complete list containing the
12 names of all business trusts whose right to do business has been forfeited.
13 He shall forthwith notify each such business trust, by letter addressed to its
14 resident agent, of the revocation of its certificate of trust. The notice must
15 be accompanied by a statement indicating the amount of the filing fee,
16 penalties and costs remaining unpaid.

17 4. If the certificate of trust is revoked and the right to transact business
18 is forfeited, all the property and assets of the defaulting business trust must
19 be held in trust by its trustees as for insolvent business trusts, and the same
20 proceedings may be had with respect thereto as are applicable to insolvent
21 business trusts. Any person interested may institute proceedings at any
22 time after a forfeiture has been declared, but if the secretary of state
23 reinstates the certificate of trust, the proceedings must at once be
24 dismissed.

25 **Sec. 107.** NRS 88A.900 is hereby amended to read as follows:

26 88A.900 The secretary of state shall charge and collect the following
27 fees for:

28 1. Filing an original certificate of trust, or for registering a foreign
29 business trust, \$125.

30 2. Filing an amendment or restatement, or a combination thereof, to a
31 certificate of trust, \$75.

32 3. Filing a certificate of cancellation, \$125.

33 4. Certifying a copy of a certificate of trust or an amendment or
34 restatement, or a combination thereof, \$10 per certification.

35 5. Certifying an authorized printed copy of this chapter, \$10.

36 6. Reserving a name for a business trust, \$20.

37 7. Executing a certificate of existence of a business trust which does
38 not list the previous documents relating to it, or a certificate of change in
39 the name of a business trust, ~~\$15~~ *\$20*.

40 8. Executing a certificate of existence of a business trust which lists
41 the previous documents relating to it, \$20.

42 9. Filing a statement of change of address of the registered office for
43 each business trust, \$15.

44 10. Filing a statement of change of the registered agent, \$15.

45 11. Executing, certifying or filing any certificate or document not
46 otherwise provided for in this section, \$20.

47 12. Examining and provisionally approving a document before the
48 document is presented for filing, \$100.

49 13. Copying a document on file with him, for each page, \$1.



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1 **Sec. 108.** Chapter 92A of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 109 to 115, inclusive, of this act.

3 **Sec. 109.** *“Domestic general partnership” means a general*
4 *partnership governed by the provisions of chapter 87 of NRS.*

5 **Sec. 110.** *“Resulting entity” means, with respect to a conversion, the*
6 *entity that results from conversion of the constituent entity.*

7 **Sec. 111.** 1. *Except as limited by NRS 78.411 to 78.444, inclusive,*
8 *one domestic general partnership or one domestic entity, except a*
9 *domestic nonprofit corporation, may convert into a domestic entity or a*
10 *foreign entity if the plan of conversion is approved pursuant to the*
11 *provisions of this chapter.*

12 2. *The plan of conversion must be in writing and set forth the:*

13 (a) *Name of the constituent entity and the proposed name for the*
14 *resulting entity;*

15 (b) *Address of the constituent entity and the resulting entity;*

16 (c) *Jurisdiction of the law that governs the constituent entity;*

17 (d) *Jurisdiction of the law that will govern the resulting entity;*

18 (e) *Terms and conditions of the conversion;*

19 (f) *Manner and basis of converting the owner’s interest or the interest*
20 *of a partner in a general partnership of the constituent entity into*
21 *owner’s interests, rights of purchase and other securities in the resulting*
22 *entity; and*

23 (g) *Full text of the constituent documents of the resulting entity.*

24 3. *The plan of conversion may set forth other provisions relating to*
25 *the conversion.*

26 **Sec. 112.** *Unless otherwise provided in the partnership agreement,*
27 *all partners must approve a plan of conversion involving a domestic*
28 *general partnership.*

29 **Sec. 113.** 1. *One foreign entity or foreign general partnership may*
30 *convert into one domestic entity if:*

31 (a) *The conversion is permitted by the law of the jurisdiction*
32 *governing the foreign entity or foreign general partnership and the*
33 *foreign entity or foreign general partnership complies with that law in*
34 *effecting the conversion;*

35 (b) *The foreign entity or foreign general partnership complies with the*
36 *applicable provisions of section 114 of this act and, if it is the resulting*
37 *entity in the conversion, with NRS 92A.210 to 92A.240, inclusive; and*

38 (c) *The domestic entity complies with the applicable provisions of NRS*
39 *92A.120, 92A.140 and 92A.165 and sections 111 and 112 of this act and,*
40 *if it is the resulting entity in the conversion, with NRS 92A.210 to*
41 *92A.240, inclusive, and section 114 of this act.*

42 2. *When the conversion takes effect, the resulting foreign entity in a*
43 *conversion shall be deemed to have appointed the secretary of state as its*
44 *agent for service of process in a proceeding to enforce any obligation.*
45 *Service of process must be made personally by delivering to and leaving*
46 *with the secretary of state duplicate copies of the process and the*
47 *payment of a fee of \$25 for accepting and transmitting the process. The*
48 *secretary of state shall send one of the copies of the process by registered*
49 *or certified mail to the resulting entity at its specified address, unless the*



1 *resulting entity has designated in writing to the secretary of state a*
2 *different address for that purpose, in which case it must be mailed to the*
3 *last address so designated.*

4 **Sec. 114.** 1. *After a plan of conversion is approved as required by*
5 *this chapter, if the resulting entity is a domestic entity, the constituent*
6 *entity shall deliver to the secretary of state for filing:*

7 (a) *Articles of conversion setting forth:*

8 (1) *The name and jurisdiction of organization of the constituent*
9 *entity and the resulting entity; and*

10 (2) *That a plan of conversion has been adopted by the constituent*
11 *entity in compliance with the law of the jurisdiction governing the*
12 *constituent entity.*

13 (b) *The following constituent document of the domestic resulting*
14 *entity:*

15 (1) *If the resulting entity is a domestic corporation, the articles of*
16 *incorporation filed in compliance with chapter 78 or 89 of NRS, as*
17 *applicable;*

18 (2) *If the resulting entity is a domestic limited partnership, the*
19 *certificate of limited partnership filed in compliance with chapter 88 of*
20 *NRS;*

21 (3) *If the resulting entity is a domestic limited-liability company, the*
22 *articles of organization filed in compliance with chapter 86 of NRS; or*

23 (4) *If the resulting entity is a domestic business trust, the certificate*
24 *of trust filed in compliance with chapter 88A of NRS.*

25 (c) *A certificate of acceptance of appointment of a resident agent for*
26 *the resulting entity which is executed by the resident agent.*

27 2. *After a plan of conversion is approved as required by this chapter,*
28 *if the resulting entity is a foreign entity, the constituent entity shall*
29 *deliver to the secretary of state for filing articles of conversion setting*
30 *forth:*

31 (a) *The name and jurisdiction of organization of the constituent entity*
32 *and the resulting entity;*

33 (b) *That a plan of conversion has been adopted by the constituent*
34 *entity in compliance with the laws of this state; and*

35 (c) *The address of the resulting entity where copies of process may be*
36 *sent by the secretary of state.*

37 3. *If the entire plan of conversion is not set forth in the articles of*
38 *conversion, the filing party must include in the articles of conversion a*
39 *statement that the complete executed plan of conversion is on file at the*
40 *registered office or principal place of business of the resulting entity or,*
41 *if the resulting entity is a domestic limited partnership, the office*
42 *described in paragraph (a) of subsection 1 of NRS 88.330.*

43 4. *If the conversion takes effect on a later date specified in the*
44 *articles of conversion pursuant to NRS 92A.240, the constituent*
45 *document filed with the secretary of state pursuant to paragraph (b) of*
46 *subsection 1 must state the name and the jurisdiction of the constituent*
47 *entity and that the existence of the resulting entity does not begin until*
48 *the later date.*



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1 5. Any documents filed with the secretary of state pursuant to this
2 section must be accompanied by the fees required pursuant to this Title
3 for filing the constituent document.

4 **Sec. 115. 1.** Any undomesticated organization may become
5 domesticated in this state as a domestic entity by:

6 (a) Paying to the secretary of state the fees required pursuant to this
7 Title for filing the constituent document; and

8 (b) Filing with the secretary of state:

9 (1) Articles of domestication which must be executed by an
10 authorized representative of the undomesticated organization approved
11 in compliance with subsection 6;

12 (2) The appropriate constituent document for the type of domestic
13 entity described in paragraph (b) of subsection 1 of section 114 of this
14 act; and

15 (3) A certificate of acceptance of appointment of a resident agent
16 for the domestic entity which is executed by the resident agent.

17 2. The articles of domestication must set forth the:

18 (a) Date when and the jurisdiction where the undomesticated
19 organization was first formed, incorporated, organized or otherwise
20 created;

21 (b) Name of the undomesticated organization immediately before
22 filing the articles of domestication;

23 (c) Name and type of domestic entity as set forth in its constituent
24 document pursuant to subsection 1; and

25 (d) Jurisdiction that constituted the principal place of business or
26 central administration of the undomesticated organization, or any other
27 equivalent thereto pursuant to applicable law,
28 immediately before filing the articles of domestication.

29 3. Upon filing the articles of domestication, the constituent document
30 and the certificate of acceptance of appointment of a resident agent with
31 the secretary of state, and the payment of the requisite fee for filing the
32 constituent document of the domestic entity, the undomesticated
33 organization is domesticated in this state as the domestic entity described
34 in the constituent document filed pursuant to subsection 1. The existence
35 of the domestic entity begins on the date the undomesticated organization
36 began its existence in the jurisdiction in which the undomesticated
37 organization was first formed, incorporated, organized or otherwise
38 created.

39 4. The domestication of any undomesticated organization does not
40 affect any obligations or liabilities of the undomesticated organization
41 incurred before its domestication.

42 5. The filing of the constituent document of the domestic entity
43 pursuant to subsection 1 does not affect the choice of law applicable to
44 the undomesticated organization. From the date the constituent
45 document of the domestic entity is filed, the law of this state applies to the
46 domestic entity to the same extent as if the undomesticated organization
47 was organized and created as a domestic entity on that date.

48 6. Before filing articles of domestication, the domestication must be
49 approved in the manner required by:



1 (a) *The document, instrument, agreement or other writing governing*
2 *the internal affairs of the undomesticated organization and the conduct*
3 *of its business; and*

4 (b) *Applicable foreign law.*

5 7. *When a domestication becomes effective, all rights, privileges and*
6 *powers of the undomesticated organization, all property owned by the*
7 *undomesticated organization, all debts due to the undomesticated*
8 *organization, and all causes of action belonging to the undomesticated*
9 *organization are vested in the domestic entity and become the property of*
10 *the domestic entity to the same extent as vested in the undomesticated*
11 *organization immediately before domestication. The title to any real*
12 *property vested by deed or otherwise in the undomesticated organization*
13 *is not reverted or impaired by the domestication. All rights of creditors*
14 *and all liens upon any property of the undomesticated organization are*
15 *preserved unimpaired and all debts, liabilities and duties of an*
16 *undomesticated organization that has been domesticated attach to the*
17 *domestic entity resulting from the domestication and may be enforced*
18 *against it to the same extent as if the debts, liability and duties had been*
19 *incurred or contracted by the domestic entity.*

20 8. *When an undomesticated organization is domesticated, the*
21 *domestic entity resulting from the domestication is for all purposes*
22 *deemed to be the same entity as the undomesticated organization. Unless*
23 *otherwise agreed by the owners of the undomesticated organization or as*
24 *required pursuant to applicable foreign law, the domestic entity resulting*
25 *from the domestication is not required to wind up its affairs, pay its*
26 *liabilities or distribute its assets. The domestication of an undomesticated*
27 *organization does not constitute the dissolution of the undomesticated*
28 *organization. The domestication constitutes a continuation of the*
29 *existence of the undomesticated organization in the form of a domestic*
30 *entity. If, following domestication, an undomesticated organization that*
31 *has become domesticated pursuant to this section continues its existence*
32 *in the foreign country or foreign jurisdiction in which it was existing*
33 *immediately before the domestication, the domestic entity and the*
34 *undomesticated organization are for all purposes a single entity formed,*
35 *incorporated, organized or otherwise created and existing pursuant to the*
36 *laws of this state and the laws of the foreign country or other foreign*
37 *jurisdiction.*

38 9. *As used in this section, “undomesticated organization” means any*
39 *incorporated organization, private law corporation, whether or not*
40 *organized for business purposes, public law corporation, general*
41 *partnership, registered limited-liability partnership, limited partnership*
42 *or registered limited-liability limited partnership, proprietorship, joint*
43 *venture, foundation, business trust, real estate investment trust, common*
44 *law trust or any other unincorporated business formed, organized,*
45 *created or the internal affairs of which are governed by the laws of any*
46 *foreign country or jurisdiction other than the United States, the District*
47 *of Columbia or another state, territory, possession, commonwealth or*
48 *dependency of the United States.*



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1 **Sec. 116.** NRS 92A.005 is hereby amended to read as follows:
2 92A.005 As used in this chapter, unless the context otherwise requires,
3 the words and terms defined in NRS 92A.007 to 92A.080, inclusive, *and*
4 *sections 109 and 110 of this act* have the meanings ascribed to them in
5 those sections.

6 **Sec. 117.** NRS 92A.010 is hereby amended to read as follows:
7 92A.010 “Constituent document” means the articles of incorporation
8 or bylaws of a corporation, whether or not for profit, the articles of
9 organization or operating agreement of a limited-liability company, ~~for~~
10 the certificate of limited partnership or partnership agreement of a limited
11 partnership ~~+~~, *or the certificate of trust or governing instrument of a*
12 *business trust.*

13 **Sec. 118.** NRS 92A.015 is hereby amended to read as follows:

14 92A.015 “Constituent entity” means ~~+~~with~~+~~:

15 1. *With* respect to a merger, each merging or surviving entity ~~and,~~
16 ~~with~~;

17 2. *With* respect to an exchange, each entity whose owner’s interests
18 will be acquired or each entity acquiring those interests ~~+~~; *and*

19 3. *With respect to the conversion of an entity or a general*
20 *partnership, the entity or general partnership that will be converted into*
21 *another entity.*

22 **Sec. 119.** NRS 92A.070 is hereby amended to read as follows:

23 92A.070 “Member” means:

24 1. A ~~person who owns an interest in, and has the right to participate in~~
25 ~~the management of the business and affairs of a domestic limited liability~~
26 ~~company;~~ *member of a limited-liability company, as defined in NRS*
27 *86.081; or*

28 2. A member of a nonprofit corporation which has members.

29 **Sec. 120.** NRS 92A.075 is hereby amended to read as follows:

30 92A.075 “Owner” means the holder of an interest described in NRS
31 92A.080 ~~+~~ *or a noneconomic member of a limited-liability company*
32 *described in section 53 of this act.*

33 **Sec. 121.** NRS 92A.120 is hereby amended to read as follows:

34 92A.120 1. After adopting a plan of merger ~~for exchange,~~,
35 *exchange or conversion*, the board of directors of each domestic
36 corporation that is a constituent entity in the merger ~~+~~ *or conversion*, or
37 the board of directors of the domestic corporation whose shares will be
38 acquired in the exchange, must submit the plan of merger, except as
39 otherwise provided in NRS 92A.130, *the plan of conversion* or the plan of
40 exchange for approval by its stockholders ~~+~~ *who are entitled to vote on*
41 *the plan.*

42 2. For a plan of merger, *conversion* or exchange to be approved:

43 (a) The board of directors must recommend the plan of merger,
44 *conversion* or exchange to the stockholders, unless the board of directors
45 determines that because of a conflict of interest or other special
46 circumstances it should make no recommendation and it communicates the
47 basis for its determination to the stockholders with the plan; and

48 (b) The stockholders entitled to vote must approve the plan.



1 3. The board of directors may condition its submission of the proposed
2 merger, *conversion* or exchange on any basis.

3 4. ~~[[The]]~~ *Unless the plan of merger, conversion or exchange is*
4 *approved by the written consent of stockholders pursuant to subsection 8,*
5 *the* domestic corporation must notify each stockholder, whether or not he is
6 entitled to vote, of the proposed stockholders' meeting in accordance with
7 NRS 78.370. The notice must also state that the purpose, or one of the
8 purposes, of the meeting is to consider the plan of merger, *conversion* or
9 exchange and must contain or be accompanied by a copy or summary of
10 the plan.

11 5. Unless this chapter, the articles of incorporation, *the resolutions of*
12 *the board of directors establishing the class or series of stock, subsection*
13 *6* or the board of directors acting pursuant to subsection 3 require a greater
14 vote or a vote by classes of stockholders, the plan of merger or ~~exchange~~
15 ~~to be authorized~~ *conversion* must be approved by a majority of the voting
16 power ~~unless stockholders of a class of shares are entitled to vote thereon~~
17 ~~as a class. If stockholders of a class of shares are so entitled, the plan must~~
18 ~~be approved by a majority of all votes entitled to be cast on the plan by~~
19 ~~each class and representing a majority of all votes entitled to be voted.~~

20 — 6. Separate voting by a class of stockholders is required:

21 — (a) ~~On a plan of merger if the plan contains a provision that, if~~
22 ~~contained in the proposed amendment to the articles of incorporation,~~
23 ~~would entitle particular stockholders to vote as a class on the proposed~~
24 ~~amendment; and~~

25 — (b) ~~On a plan of exchange by each class or series of shares included in~~
26 ~~the exchange, with each class or series constituting a separate voting class.~~

27 — ~~7. of the stockholders.~~

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

34 7. *In addition to any other vote required, if a plan of merger contains*
35 *an amendment to the articles of incorporation of the surviving domestic*
36 *corporation or if a plan of conversion provides for a resulting entity with*
37 *constituent documents, that adversely alter or change any preference or*
38 *other right given to any class or series of outstanding stock of the*
39 *surviving domestic corporation, then the plan of merger or conversion*
40 *must be approved by the vote of stockholders representing a majority of*
41 *the voting power of each class or series adversely affected by the*
42 *amendment or the constituent documents, regardless of limitations or*
43 *restrictions on the voting power of that class or series of stock.*

44 8. Unless otherwise provided in the articles of incorporation or the
45 bylaws of the domestic corporation, the plan of merger, *conversion or*
46 *exchange* may be approved by written consent as provided in NRS 78.320.

47 9. *If an officer, director or stockholder of a domestic corporation,*
48 *which will be the constituent entity in a conversion, will have any liability*
49 *for the obligations of the resulting entity after the conversion because he*



1 *will be the owner of an owner's interest in the resulting entity, then that*
2 *officer, director or stockholder must also approve the plan of conversion.*

3 *10. Unless otherwise provided in the articles of incorporation or*
4 *bylaws of a domestic corporation, a plan of merger, conversion or*
5 *exchange may contain a provision that permits amendment of the plan of*
6 *merger, conversion or exchange at any time after the stockholders of the*
7 *domestic corporation approve the plan of merger, conversion or*
8 *exchange, but before the articles of merger, conversion or exchange*
9 *become effective, without obtaining the approval of the stockholders of*
10 *the domestic corporation for the amendment if the amendment does not:*

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

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

18 *11. This section does not prevent or restrict a board of directors from*
19 *canceling the proposed meeting or removing the plan of merger,*
20 *conversion or exchange from consideration at the meeting if the board of*
21 *directors determines that it is not advisable to submit the plan of merger,*
22 *conversion or exchange to the stockholders for approval.*

23 **Sec. 122.** NRS 92A.140 is hereby amended to read as follows:

24 92A.140 1. Unless otherwise provided in the partnership agreement
25 or the certificate of limited partnership, a plan of merger , *conversion* or
26 exchange involving a domestic limited partnership must be approved by all
27 general partners and by limited partners who own a majority in interest of
28 the partnership then owned by all the limited partners. If the partnership
29 has more than one class of limited partners, the plan of merger , *conversion*
30 *or exchange* must be approved by those limited partners who own a
31 majority in interest of the partnership then owned by the limited partners in
32 each class.

33 2. For the purposes of this section, "majority in interest of the
34 partnership" means a majority of the interests in capital and profits of the
35 limited partners of a domestic limited partnership which:

36 (a) In the case of capital, is determined as of the date of the approval of
37 the plan of merger , *conversion* or exchange.

38 (b) In the case of profits, is based on any reasonable estimate of profits
39 for the period beginning on the date of the approval of the plan of merger ,
40 *conversion* or exchange and ending on the anticipated date of the
41 termination of the domestic limited partnership, including any present or
42 future division of profits distributed pursuant to the partnership agreement.

43 *3. If any partner of a domestic limited partnership, which will be the*
44 *constituent entity in a conversion, will have any liability for the*
45 *obligations of the resulting entity after the conversion because he will be*
46 *the owner of an owner's interest in the resulting entity, then that partner*
47 *must also approve the plan of conversion.*



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1 **Sec. 123.** NRS 92A.150 is hereby amended to read as follows:
2 92A.150 **1.** Unless otherwise provided in the articles of organization
3 or an operating agreement:

4 ~~1-1~~ **(a)** A plan of merger , *conversion* or exchange involving a
5 domestic limited-liability company must be approved by members who
6 own a majority of the interests in the current profits of the company then
7 owned by all of the members; and

8 ~~1-2~~ **(b)** If the company has more than one class of members, the plan of
9 merger , *conversion or exchange* must be approved by those members who
10 own a majority of the interests in the current profits of the company then
11 owned by the members in each class.

12 **2.** *If any manager or member of a domestic limited-liability*
13 *company, which will be the constituent entity in a conversion, will have*
14 *any liability for the obligations of the resulting entity after the conversion*
15 *because he will be the owner of an owner's interest in the resulting*
16 *entity, then that manager or member must also approve the plan of*
17 *conversion.*

18 **Sec. 124.** NRS 92A.165 is hereby amended to read as follows:
19 92A.165 Unless otherwise provided in the certificate of trust or
20 governing instrument of a business trust, a *plan of merger , conversion or*
21 *exchange* must be approved by all the trustees and beneficial owners of
22 each business trust that is a constituent entity in the merger.

23 **Sec. 125.** NRS 92A.170 is hereby amended to read as follows:
24 92A.170 After a merger , *conversion* or exchange is approved, and at
25 any time before the articles of merger , *conversion* or exchange are filed,
26 the planned merger , *conversion* or exchange may be abandoned, subject to
27 any contractual rights, without further action, in accordance with the
28 procedure set forth in the plan of merger , *conversion* or exchange or, if
29 none is set forth, in the case of:

30 1. A domestic corporation, whether or not for profit, by the board of
31 directors;

32 2. A domestic limited partnership, unless otherwise provided in the
33 partnership agreement or certificate of limited partnership, by all general
34 partners;

35 3. A domestic limited-liability company, unless otherwise provided in
36 the articles of organization or an operating agreement, by members who
37 own a majority in interest *in the current profits* of the company then
38 owned by all of the members or, if the company has more than one class of
39 members, by members who own a majority in interest *in the current*
40 *profits* of the company then owned by the members in each class; ~~and~~

41 4. A domestic business trust, unless otherwise provided in the
42 certificate of trust or governing instrument, by all the trustees ~~1-1~~ ; and

43 **5.** *A domestic general partnership, unless otherwise provided in the*
44 *partnership agreement, by all the partners.*

45 **Sec. 126.** NRS 92A.175 is hereby amended to read as follows:
46 92A.175 After a merger , *conversion* or exchange is approved, at any
47 time after the articles of merger , *conversion* or exchange are filed but
48 before an effective date specified in the articles which is later than the date
49 of filing the articles, the planned merger , *conversion* or exchange may be



1 terminated in accordance with a procedure set forth in the plan of merger ,
2 *conversion* or exchange by filing articles of termination pursuant to the
3 provisions of NRS 92A.240.

4 **Sec. 127.** NRS 92A.180 is hereby amended to read as follows:

5 92A.180 1. A parent domestic corporation, whether or not for profit,
6 parent domestic limited-liability company , *unless otherwise provided in*
7 *the articles of organization or operating agreement*, or parent domestic
8 limited partnership owning at least 90 percent of the outstanding shares of
9 each class of a subsidiary corporation, 90 percent of the percentage or other
10 interest in the capital and profits of a subsidiary ~~limited partnership~~
11 *limited-liability company* then owned by ~~both the general and~~ each class
12 of ~~limited partners~~ *members* or 90 percent of the percentage or other
13 interest in the capital and profits of a subsidiary ~~limited liability company~~
14 ~~then owned by each class of members~~ *limited partnership then owned by*
15 *both the general partners and each class of limited partners* may merge
16 the subsidiary into itself without approval of the owners of the owner's
17 interests of the parent domestic corporation, domestic limited-liability
18 company or domestic limited partnership or the owners of the owner's
19 interests of a subsidiary domestic corporation, subsidiary domestic limited-
20 liability company or subsidiary domestic limited partnership.

21 2. *A parent domestic corporation, whether or not for profit, parent*
22 *domestic limited-liability company, unless otherwise provided in the*
23 *articles of organization, or parent domestic limited partnership owning at*
24 *least 90 percent of the outstanding shares of each class of a subsidiary*
25 *corporation, 90 percent of the percentage or other interest in the capital*
26 *and profits of a subsidiary limited-liability company then owned by each*
27 *class of members, or 90 percent of the percentage or other interest in the*
28 *capital and profits of a subsidiary limited partnership then owned by both*
29 *the general partners and each class of limited partners may merge with*
30 *and into the subsidiary without approval of the owners of the owner's*
31 *interests of the subsidiary domestic corporation, subsidiary domestic*
32 *limited-liability company or subsidiary domestic limited partnership.*

33 3. The board of directors of ~~the~~ a parent corporation, the managers of
34 a parent limited-liability company with managers unless otherwise
35 provided in the operating agreement, all ~~the~~ members of a parent limited-
36 liability company without managers unless otherwise provided in the
37 operating agreement, or all ~~the~~ general partners of ~~the~~ a parent limited
38 partnership shall adopt a plan of merger that sets forth:

39 (a) The names of the parent and subsidiary; and

40 (b) The manner and basis of converting the owner's interests of the
41 disappearing entity into the owner's interests, obligations or other
42 securities of the surviving or any other entity or into cash or other property
43 in whole or in part.

44 ~~3-~~ 4. The parent shall mail a copy or summary of the plan of merger
45 to each owner of the subsidiary who does not waive the mailing
46 requirement in writing.

47 ~~4.—The parent may not deliver articles of merger to the secretary of~~
48 ~~state for filing until at least 30 days after the date the parent mailed a copy~~



1 ~~of the plan of merger to each owner of the subsidiary who did not waive~~
2 ~~the requirement of mailing.~~

3 5. Articles of merger under this section may not contain amendments
4 to the constituent documents of the surviving entity ~~+~~ *except that the*
5 *name of the surviving entity may be changed.*

6 6. *The articles of incorporation of a domestic corporation, the*
7 *articles of organization of a domestic limited-liability company, the*
8 *certificate of limited partnership of a domestic limited partnership or the*
9 *certificate of trust of a domestic business trust may forbid that entity*
10 *from entering into a merger pursuant to this section.*

11 **Sec. 128.** NRS 92A.200 is hereby amended to read as follows:

12 92A.200 After a plan of merger or exchange is approved as required
13 by this chapter, the surviving or acquiring entity shall deliver to the
14 secretary of state for filing articles of merger or exchange setting forth:

15 1. The name and jurisdiction of organization of each constituent entity;

16 2. That a plan of merger or exchange has been adopted by each
17 constituent entity;

18 3. If approval of the owners of one or more constituent entities was not
19 required, a statement to that effect and the name of each entity;

20 4. If approval of owners of one or more constituent entities was
21 required, the name of each entity and a statement for each entity that:

22 (a) The plan was approved by the ~~unanimous~~ *required* consent of the
23 owners; or

24 (b) A plan was submitted to the owners pursuant to this chapter
25 including:

26 (1) The designation, percentage of total vote or number of votes
27 entitled to be cast by each class of owner's interests entitled to vote
28 separately on the plan; and

29 (2) Either the total number of votes or percentage of owner's interests
30 cast for and against the plan by the owners of each class of interests
31 entitled to vote separately on the plan or the total number of undisputed
32 votes or undisputed total percentage of owner's interests cast for the plan
33 separately by the owners of each class,
34 and the number of votes or percentage of owner's interests cast for the plan
35 by the owners of each class of interests was sufficient for approval by the
36 owners of that class;

37 5. In the case of a merger, the amendment, *if any*, to the articles of
38 incorporation, articles of organization, certificate of limited partnership or
39 certificate of trust of the surviving entity ~~+~~ *and* ~~+~~, *which amendment may*
40 *be set forth in the articles of merger as a specific amendment or in the*
41 *form of:*

42 (a) *Amended and restated articles of incorporation;*

43 (b) *Amended and restated articles of organization;*

44 (c) *An amended and restated certificate of limited partnership; or*

45 (d) *An amended and restated certificate of trust,*
46 *or attached in that form as an exhibit; and*

47 6. If the entire plan of merger or exchange is not set forth, a statement
48 that the complete executed plan of merger or plan of exchange is on file at
49 the registered office if a corporation, limited-liability company or business



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1 trust, or office described in paragraph (a) of subsection 1 of NRS 88.330 if
2 a limited partnership, or other place of business of the surviving entity or
3 the acquiring entity, respectively.

4 *Any of the terms of the plan of merger, conversion or exchange may be*
5 *made dependent upon facts ascertainable outside of the plan of merger,*
6 *conversion or exchange, provided that the plan of merger, conversion or*
7 *exchange clearly and expressly sets forth the manner in which such facts*
8 *shall operate upon the terms of the plan. As used in this section, the term*
9 *"facts" includes, without limitation, the occurrence of an event,*
10 *including a determination or action by a person or body, including a*
11 *constituent entity.*

12 **Sec. 129.** NRS 92A.210 is hereby amended to read as follows:

13 92A.210 ~~The~~

14 *1. Except as otherwise provided in this section, the fee for filing*
15 *articles of merger, articles of conversion, articles of exchange, articles of*
16 *domestication or articles of termination is \$125. The fee for filing the*
17 *constituent documents of a domestic resulting entity is the fee for filing*
18 *the constituent documents determined by the chapter of NRS governing*
19 *the particular domestic resulting entity.*

20 *2. The fee for filing articles of merger of two or more domestic*
21 *corporations is the difference between the fee computed at the rates*
22 *specified in NRS 78.760 upon the aggregate authorized stock of the*
23 *corporation created by the merger and the fee computed upon the*
24 *aggregate amount of the total authorized stock of the constituent*
25 *corporation.*

26 *3. The fee for filing articles of merger of one or more domestic*
27 *corporations with one or more foreign corporations is the difference*
28 *between the fee computed at the rates specified in NRS 78.760 upon the*
29 *aggregate authorized stock of the corporation created by the merger and*
30 *the fee computed upon the aggregate amount of the total authorized*
31 *stock of the constituent corporations which have paid the fees required*
32 *by NRS 78.760 and 80.050.*

33 *4. The fee for filing articles of merger of two or more domestic or*
34 *foreign corporations must not be less than \$125. The amount paid*
35 *pursuant to subsection 3 must not exceed \$25,000.*

36 **Sec. 130.** NRS 92A.220 is hereby amended to read as follows:

37 92A.220 If the entire plan of merger, *conversion* or exchange is not
38 set forth ~~in~~ *in the articles of merger, conversion or exchange*, a copy of
39 the plan of merger, *conversion* or exchange must be furnished by the
40 surviving, ~~to~~ acquiring *or resulting* entity, on request and without cost,
41 to any owner of any entity which is a party to the merger, *conversion* or
42 exchange.

43 **Sec. 131.** NRS 92A.230 is hereby amended to read as follows:

44 92A.230 1. Articles of merger, *conversion* or exchange must be
45 signed by each domestic constituent entity as follows:

46 (a) By ~~the president or a vice president~~ *an officer* of a domestic
47 corporation, whether or not for profit;

48 (b) By all the general partners of a domestic limited partnership;



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1 (c) By a manager of a domestic limited-liability company with
2 managers or by all the members of a domestic limited-liability company
3 without managers; and

4 (d) By a trustee of a domestic business trust.

5 2. ~~If the domestic entity is a corporation, the articles must also be~~
6 ~~signed by the secretary or an assistant secretary.~~

7 ~~3.~~ Articles of merger, **conversion** or exchange must be signed by each
8 foreign constituent entity in the manner provided by the law governing it.

9 ~~4.~~ 3. As used in this section, “signed” means to have executed or
10 adopted a name, word or mark, including, without limitation, a digital
11 signature as defined in NRS 720.060, with the present intention to
12 authenticate a document.

13 **Sec. 132.** NRS 92A.240 is hereby amended to read as follows:

14 92A.240 1. A merger, **conversion** or exchange takes effect upon
15 filing the articles of merger, **conversion** or exchange or upon a later date
16 as specified in the articles, which must not be more than 90 days after the
17 articles are filed.

18 2. If the filed articles of merger, **conversion** or exchange specify such
19 a later effective date, the constituent **entity or entities** may file articles of
20 termination before the effective date, setting forth:

21 (a) The name of each constituent entity ~~and~~ and, **for a conversion, the**
22 **resulting entity; and**

23 (b) That the merger, **conversion** or exchange has been terminated
24 pursuant to the plan of merger, **conversion** or exchange.

25 3. The articles of termination must be executed in the manner provided
26 in NRS 92A.230.

27 **Sec. 133.** NRS 92A.250 is hereby amended to read as follows:

28 92A.250 1. When a merger takes effect:

29 (a) Every other entity that is a constituent entity merges into the
30 surviving entity and the separate existence of every entity except the
31 surviving entity ceases;

32 (b) The title to all real estate and other property owned by each merging
33 constituent entity is vested in the surviving entity without reversion or
34 impairment;

35 (c) The surviving entity has all of the liabilities of each other constituent
36 entity;

37 (d) A proceeding pending against any constituent entity may be
38 continued as if the merger had not occurred or the surviving entity may be
39 substituted in the proceeding for the entity whose existence has ceased;

40 (e) The articles of incorporation, articles of organization, certificate of
41 limited partnership or certificate of trust of the surviving entity are
42 amended to the extent provided in the plan of merger; and

43 (f) The owner’s interests of each constituent entity that are to be
44 converted into owner’s interests, obligations or other securities of the
45 surviving or any other entity or into cash or other property are converted,
46 and the former holders of the owner’s interests are entitled only to the
47 rights provided in the articles of merger or any created pursuant to NRS
48 92A.300 to 92A.500, inclusive.



1 2. When an exchange takes effect, the owner's interests of each
2 acquired entity are exchanged as provided in the plan, and the former
3 holders of the owner's interests are entitled only to the rights provided in
4 the articles of exchange or any rights created pursuant to NRS 92A.300 to
5 92A.500, inclusive.

6 3. *When a conversion takes effect:*

7 (a) *The constituent entity is converted into the resulting entity and is*
8 *governed by and subject to the law of the jurisdiction of the resulting*
9 *entity;*

10 (b) *The conversion is a continuation of the existence of the*
11 *constituent entity;*

12 (c) *The title to all real estate and other property owned by the*
13 *constituent entity is vested in the resulting entity without reversion or*
14 *impairment;*

15 (d) *The resulting entity has all the liabilities of the constituent entity;*

16 (e) *A proceeding pending against the constituent entity may be*
17 *continued as if the conversion had not occurred or the resulting entity*
18 *may be substituted in the proceeding for the constituent entity;*

19 (f) *The owner's interests of the constituent entity that are to be*
20 *converted into the owner's interests of the resulting entity are converted;*

21 (g) *An owner of the resulting entity remains liable for all the*
22 *obligations of the constituent entity to the extent the owner was*
23 *personally liable before the conversion; and*

24 (h) *The domestic constituent entity is not required to wind up its*
25 *affairs, pay its liabilities, distribute its assets or dissolve, and the*
26 *conversion is not deemed a dissolution of the domestic constituent entity.*

27 **Sec. 134.** NRS 92A.260 is hereby amended to read as follows:

28 92A.260 An owner that is not personally liable for the debts, liabilities
29 or obligations of the entity pursuant to the laws and constituent documents
30 under which the entity was organized does not become personally liable for
31 the debts, liabilities or obligations of the surviving entity or entities of the
32 merger or exchange *or the resulting entity of the conversion* unless the
33 owner consents to becoming personally liable by action taken in
34 connection with the plan of merger, *conversion* or exchange.

35 **Sec. 135.** NRS 92A.380 is hereby amended to read as follows:

36 92A.380 1. Except as otherwise provided in NRS 92A.370 and
37 92A.390, a stockholder is entitled to dissent from, and obtain payment of
38 the fair value of his shares in the event of any of the following corporate
39 actions:

40 (a) Consummation of a plan of merger to which the domestic
41 corporation is a ~~party~~ *constituent entity*:

42 (1) If approval by the stockholders is required for the merger by NRS
43 92A.120 to 92A.160, inclusive, or the articles of incorporation ~~and he~~,
44 *regardless of whether the stockholder* is entitled to vote on the *plan of*
45 merger; or

46 (2) If the domestic corporation is a subsidiary and is merged with its
47 parent ~~under~~ *pursuant to* NRS 92A.180.

48 (b) Consummation of a plan of exchange to which the domestic
49 corporation is a ~~party~~ *constituent entity* as the corporation whose subject



1 owner's interests will be acquired, if ~~he is entitled to vote on the plan.~~ *his*
2 *shares are to be acquired in the plan of exchange.*

3 (c) Any corporate action taken pursuant to a vote of the stockholders to
4 the event that the articles of incorporation, bylaws or a resolution of the
5 board of directors provides that voting or nonvoting stockholders are
6 entitled to dissent and obtain payment for their shares.

7 2. A stockholder who is entitled to dissent and obtain payment ~~under~~
8 *pursuant to* NRS 92A.300 to 92A.500, inclusive, may not challenge the
9 corporate action creating his entitlement unless the action is unlawful or
10 fraudulent with respect to him or the domestic corporation.

11 **Sec. 136.** Chapter 225 of NRS is hereby amended by adding thereto a
12 new section to read as follows:

13 *The secretary of state and the deputies, employees and attorneys of the*
14 *secretary of state are not liable for any action or omission made in good*
15 *faith by the secretary of state, deputy, employee or attorney in the*
16 *performance of his duties or exercise of authority with respect to the*
17 *examination, acceptance or filing of any document which is received*
18 *from any person or business association pursuant to Title 7 of NRS and*
19 *which is inaccurate or defective in any way.*

20 **Sec. 137.** NRS 78.295, 78.770, 81.460, 86.021 and 86.551 are hereby
21 repealed.

LEADLINES OF REPEALED SECTIONS

78.295 Liability of directors for declaration of distributions.
78.770 Filing fees: Articles of merger; articles of exchange.
81.460 Articles of incorporation: Amendment.
86.021 "Articles of organization" defined.
86.551 Registration of foreign limited-liability company.

