

SENATE BILL No. 431—COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF THE DIVISION OF FINANCIAL INSTITUTIONS)

MARCH 29, 2005

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes to provisions governing financial institutions and related business entities. (BDR 55-361)

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

~

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

AN ACT relating to financial institutions; establishing requirements relating to applications for certain licenses; establishing additional grounds for refusing to issue or for suspending or revoking certain licenses; revising the provisions governing the use of business names by financial institutions; increasing the maximum amount of various fees and fines imposed on financial institutions; authorizing the Commissioner of Financial Institutions to establish the amount of certain fees by regulation; revising the provisions governing the licensure of agents involved in the transmission of money and financial instruments; revising the provisions governing liability for nonpayment of certain financial obligations; revising the provisions governing certain interest rates; revising the provisions governing check-cashing services and deferred deposit services; revising the provisions governing collection agencies; increasing the amount of certain required surety bonds; revising the provisions governing examination of credit unions; providing for certain administrative fines and penalties; and providing other matters properly relating thereto.



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

Section 1. Chapter 657 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 7, inclusive, of this act.

Sec. 2. *As used in sections 2 to 7, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 and 4 of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“Financial institution” means a depository institution or any other institution regulated pursuant to this title. The term includes, without limitation, a holding company, affiliate or subsidiary of such an institution.*

Sec. 4. *“License” means any license, certificate, registration, permit or similar type of authorization.*

Sec. 5. 1. *In addition to any other requirements set forth by specific statute, each person who applies for a license to operate a financial institution and each person who will serve as a director, officer, manager or member acting in a managerial capacity for such a financial institution must submit proof satisfactory to the Commissioner that the person:*

(a) Has a good reputation for honesty, trustworthiness and integrity and is competent to transact the business of the financial institution in a manner which protects the interests of the general public.

(b) Has not made a false statement of material fact on the application.

(c) Has not committed any of the acts specified in subsection 2.

(d) Has not had a license to operate a financial institution suspended or revoked within the 10 years immediately preceding the date of the application.

(e) Has not been convicted of, or entered a plea of nolo contendere to, a felony or any crime involving fraud, misrepresentation or moral turpitude.

(f) If the person is a natural person:

(1) Is at least 21 years of age; and

(2) Is a citizen of the United States or lawfully entitled to remain and work in the United States.

2. *In addition to any other lawful reasons, the Commissioner may refuse to issue a license to operate a financial institution if the person who applies for the license or any person who will serve as a director, officer, manager or member acting in a managerial capacity for the financial institution:*



1 (a) *Has committed or participated in any act which, if*
2 *committed or done by a holder of a license, would be grounds for*
3 *the suspension or revocation of the license.*

4 (b) *Has previously been refused a license to operate a financial*
5 *institution or has had such a license suspended or revoked.*

6 (c) *Has participated in any act which was a basis for the*
7 *refusal or revocation of a license to operate a financial institution.*

8 (d) *Has falsified any of the information submitted to the*
9 *Commissioner in support of the application for the license.*

10 **Sec. 6.** *In addition to any other lawful reasons, the*
11 *Commissioner may suspend or revoke a license to operate a*
12 *financial institution if the person who holds the license or any*
13 *person who serves as a director, officer, manager or member*
14 *acting in a managerial capacity for the financial institution has*
15 *engaged in any act that would be grounds for denying a license*
16 *pursuant to section 5 of this act.*

17 **Sec. 7. 1.** *A financial institution must obtain the approval*
18 *of the Commissioner before using or changing a business name.*

19 **2.** *A financial institution shall not:*

20 (a) *Use any business name which is identical or similar to a*
21 *business name used by another financial institution or which may*
22 *mislead or confuse the public.*

23 (b) *Use any printed forms which may mislead or confuse the*
24 *public.*

25 **Sec. 8.** NRS 658.096 is hereby amended to read as follows:

26 658.096 1. The Commissioner shall charge and collect the
27 following fees in connection with his official duties:

28 (a) For licensing of state banks:

29 (1) A fee of ~~[\$200]~~ *not more than \$400* for each parent bank,
30 payable on June 30 of each year.

31 (2) A fee of ~~[\$100]~~ *not more than \$200* for each branch bank
32 or trust office, payable on June 30 of each year.

33 ➤ The fees must accompany the application for renewal of the
34 license. A penalty of 10 percent of the fee must be charged for each
35 month or part of a month that the fees are not paid after June 30 of
36 each year.

37 (b) For applications for new branch banks or trust offices, a
38 nonrefundable fee of ~~[\$200]~~ *not more than \$400* for the application
39 and survey, to be paid by the applicant at the time of making the
40 application. The applicant must also pay such additional expenses
41 incurred in the process of investigation as the Commissioner deems
42 necessary. All money received by the Commissioner pursuant to this
43 paragraph must be placed in the Investigative Account for Financial
44 Institutions created by NRS 232.545.



(c) For examinations and the examination of trust departments of state banks or trust offices, a fee for conducting the examination and for preparing and typing the report of the examination at the rate established pursuant to NRS 658.101.

2. *The Commissioner shall adopt regulations establishing the amount of the fees required pursuant to this section.*

3. Except as otherwise provided in paragraph (b) of subsection 1, all money collected pursuant to this section must be deposited in the State Treasury pursuant to the provisions of NRS 658.091.

~~[3.]~~ 4. As used in this section, "trust office" has the meaning ascribed to it in subsection 4 of NRS 662.239.

Sec. 9. NRS 659.045 is hereby amended to read as follows:

659.045 1. Upon receipt of a copy of the articles of incorporation or organization or the certificate of amendment of the articles of incorporation or organization of the proposed bank, the Commissioner shall at once examine all of the facts connected with the formation of the proposed banking corporation or company, including its location and proposed stockholders or members. If it appears that the bank, if formed, will be lawfully entitled to commence the business of banking, the Commissioner shall so certify to the Secretary of State, unless upon examination and investigation he finds that:

(a) The proposed bank is formed for any other than legitimate banking business;

(b) The character, general fitness and responsibility of the persons proposed as stockholders, directors, officers, members or managers of the bank are not such as to command the confidence of the community in which the bank is proposed to be located;

(c) The probable volume of business and reasonable public demand in such community is not sufficient to assure and maintain the solvency of the new bank and of the bank or banks existing in the community at that time;

(d) The name of the proposed banking corporation or company ~~is likely to mislead the public as to its character or purpose; or~~

~~—(e) The proposed name is the same as the one already adopted or appropriated by an existing bank in this State, or so similar thereto as to be likely to mislead the public.]~~ *does not comply with the provisions of section 7 of this act.*

2. The Commissioner shall not make the certification to the Secretary of State until he has ascertained that the establishment of the bank will meet the needs and promote the convenience of the community to be served by the bank.

3. A nonrefundable fee of ~~[\$3,000]~~ *not more than \$6,000* for the application and survey must be submitted to the Commissioner upon filing the articles or certificate of amendment with the



1 Secretary of State. The proposed banking corporation or company
2 shall also pay such additional expenses incurred in the process of
3 investigation as the Commissioner deems necessary. All money
4 received by the Commissioner pursuant to this section must be
5 placed in the Investigative Account created by NRS 232.545.

6 *4. The Commissioner shall adopt regulations establishing the*
7 *amount of the application fee required pursuant to this section.*

8 **Sec. 10.** NRS 660.075 is hereby amended to read as follows:

9 660.075 *1.* An application for authority to establish and
10 operate one or more offices for mechanical tellers must be made to
11 the Commissioner on the form prescribed by him and accompanied
12 by a fee of ~~[\$100]~~ *not more than \$200* per teller. If the
13 Commissioner approves the application, the financial institution
14 must pay an annual fee of ~~[\$50]~~ *not more than \$100* for each
15 mechanical teller that it operates.

16 *2. The Commissioner shall adopt regulations establishing the*
17 *amount of the fees required pursuant to this section.*

18 **Sec. 11.** NRS 662.245 is hereby amended to read as follows:

19 662.245 *1.* An organization that does not maintain an office
20 in this State to conduct the business of a trust company may be
21 appointed to act as fiduciary by any court or by authority of any law
22 of this State if, in addition to any other requirements of law, the
23 organization:

24 (a) Associates as cofiduciary a bank authorized to do business in
25 this State or a trust company licensed pursuant to chapter 669 of
26 NRS; or

27 (b) Is a trust corporation or trust company which:

28 (1) Is organized under the laws of and has its principal place
29 of business in another state which allows trust corporations or trust
30 companies licensed pursuant to chapter 669 of NRS to act as
31 fiduciary in that state;

32 (2) Is authorized by its charter to act as fiduciary; and

33 (3) Before the appointment as fiduciary, files with the
34 Secretary of State a document, acknowledged before a notarial
35 officer, which:

36 (I) Appoints the Secretary of State as its agent upon
37 whom all process in any action or proceeding against it may be
38 served;

39 (II) Contains its agreement that the appointment continues
40 in force as long as any liability remains outstanding against it in this
41 State, and that any process against it which is served on the
42 Secretary of State is of the same legal validity as if served on it
43 personally;

44 (III) Contains an address to which the Secretary of State
45 may mail the process when received; and



(IV) Is accompanied by a fee of ~~[\$10.]~~ *not more than \$20.*

➔ A copy of the document required by this subparagraph, certified by the Secretary of State, is sufficient evidence of the appointment and agreement.

2. A court which has jurisdiction over the accounts of a fiduciary that is a trust corporation or trust company described in paragraph (b) of subsection 1 may require the fiduciary to provide a bond to ensure the performance of its duties as fiduciary, in the same manner and to the same extent as the court may require such a bond from a fiduciary that is a bank or trust company described in paragraph (a) of subsection 1.

3. Service of process authorized by subparagraph (3) of paragraph (b) of subsection 1 must be made by filing with the Secretary of State:

(a) Two copies of the legal process. The copies must include a specific citation to the provisions of this section. The Secretary of State may refuse to accept such service if the proper citation is not included in each copy.

(b) A fee of ~~[\$10.]~~ *not more than \$20.*

➔ The Secretary of State shall forthwith forward one copy of the legal process to the organization, by registered or certified mail prepaid to the address provided in the document filed pursuant to subparagraph (3) of paragraph (b) of subsection 1.

4. *The Commissioner shall adopt regulations establishing the amount of the fees required pursuant to this section.*

5. As used in this section:

(a) "Fiduciary" means an executor, commissioner, guardian of minors or estates, receiver, depository or trustee.

(b) "Notarial officer" has the meaning ascribed to it in NRS 240.005.

(c) "State" means any state or territory of the United States ~~[H]~~ or the District of Columbia.

Sec. 12. NRS 666.015 is hereby amended to read as follows:

666.015 1. With the approval of the Commissioner, a Nevada depository institution may merge or consolidate with, or transfer its assets and liabilities to, another Nevada depository institution, an out-of-state depository institution or an out-of-state holding company.

2. An application filed with the Commissioner for approval of the merger, consolidation or transfer must be on a form prescribed by the Commissioner and must include:

(a) A nonrefundable fee of ~~[\$3,000]~~ *not more than \$6,000* for the application. The depository institution must also pay such additional expenses incurred in the process of investigation as the



1 Commissioner deems necessary. All money received by the
2 Commissioner pursuant to this section must be placed in the
3 Investigative Account created by NRS 232.545.

4 (b) Certified copies of the resolutions adopted by the directors
5 and stockholders or the managers and members of the depository
6 institution or the stockholders of the holding company regarding the
7 merger, consolidation or transfer. The minutes of the proceedings
8 conducted by the stockholders or members of each depository
9 institution or the stockholders of each holding company and the
10 resolutions adopted by them, if any, must set forth that holders of at
11 least a majority of the stock or members' interests voted in the
12 affirmative on the proposition of merger, consolidation or transfer.
13 The resolutions must also contain or have attached thereto a
14 complete copy of the plan of merger.

15 (c) Information which the Commissioner requires to make the
16 findings specified in subsection 7.

17 3. When a completed application has been filed, the
18 Commissioner shall conduct an investigation of each depository
19 institution to determine:

20 (a) Whether the interests of the depositors, creditors and
21 stockholders or members of each depository institution are
22 protected.

23 (b) That the merger, consolidation or transfer is in the public
24 interest.

25 (c) That the merger, consolidation or transfer is made for
26 legitimate purposes.

27 (d) Whether each depository institution has a good record of
28 compliance with the Community Reinvestment Act of 1977, 12
29 U.S.C. §§ 2901 to 2905, inclusive.

30 4. The Commissioner's approval or rejection of the merger,
31 consolidation or transfer must be based upon his investigation. The
32 expense of the investigation must be paid by the depository
33 institutions.

34 5. Notice of the merger, consolidation or transfer must be
35 published once each week for 4 consecutive weeks, before or after
36 the merger, consolidation or transfer is effective at the discretion of
37 the Commissioner, in a newspaper published in a city, town or
38 county in which each of the depository institutions is located, and a
39 certified copy of the notice must be filed with the Commissioner.

40 6. The Commissioner shall issue his written decision within 60
41 days after receiving a completed application. The Commissioner
42 may approve the application subject to any terms and conditions
43 which he considers necessary to protect the public interest.

44 7. The Commissioner shall disapprove an application if he
45 finds that:



1 (a) The proposed transaction would be detrimental to the safety
2 and soundness of the applicant, to any institution which is a party to
3 the transaction or to a subsidiary or affiliate of any such institution;

4 (b) The applicant or its executive officers, directors, managers,
5 principal stockholders or members have not established a record of
6 sound performance, efficient management, financial responsibility
7 and integrity so that it would be against the interest of the
8 depositors, other customers, creditors, stockholders or members of
9 an institution, or the general public to authorize the proposed
10 transaction;

11 (c) The financial condition of the applicant or any other
12 institution which is a participant in the proposed transactions might
13 jeopardize the financial stability of the applicant or other institution,
14 or prejudice the interests of depositors or other customers of the
15 applicant or other institutions;

16 (d) The consummation of the proposed transaction will tend to
17 lessen competition substantially, unless the Commissioner finds that
18 the anticompetitive effects of the proposed transaction are clearly
19 outweighed by the benefit of accommodating the convenience and
20 needs of the relevant market to be served; or

21 (e) The applicant has not established a record of meeting the
22 needs for credit of the communities which it or its subsidiary
23 depository institution serves.

24 8. If a merger, consolidation or transfer is approved pursuant to
25 this section, the property and liabilities of the constituent depository
26 institutions must be treated in the manner prescribed in
27 NRS 92A.250.

28 9. A Nevada depository institution authorized pursuant to this
29 section to merge or consolidate with, or transfer its assets and
30 liabilities to, an out-of-state depository institution or an out-of-state
31 holding company shall comply with the laws of all states in which it
32 is authorized to operate.

33 *10. The Commissioner shall adopt regulations establishing*
34 *the amount of the application fee required pursuant to this*
35 *section.*

36 **Sec. 13.** NRS 666.315 is hereby amended to read as follows:

37 666.315 1. An application filed with the Commissioner for
38 approval must be on a form prescribed by the Commissioner and
39 must include:

40 (a) A nonrefundable fee of ~~[\$3,000]~~ *not more than \$6,000* for
41 the application. The depository institution or holding company must
42 also pay such additional expenses incurred in the process of
43 investigation as the Commissioner deems necessary. All money
44 received by the Commissioner pursuant to this section must be
45 placed in the Investigative Account created by NRS 232.545.



1 (b) Information which the Commissioner requires to make the
2 findings specified in subsection 4.

3 (c) Unless the applicant is a resident of Nevada, a corporation
4 organized in this State or a foreign corporation admitted to do
5 business in this State, a written consent to service of process on a
6 resident of this State in any action arising out of the applicant's
7 activities in this State.

8 2. In reviewing the application, the Commissioner shall
9 consider the applicant's record of compliance with the Community
10 Reinvestment Act of 1977, 12 U.S.C. §§ 2901 to 2905, inclusive,
11 and whether the proposed transaction will meet the needs of those
12 counties whose populations are less than 100,000 and whose
13 residents are not being adequately served by existing financial
14 institutions.

15 3. The Commissioner shall issue his written decision within 60
16 days after receiving a completed application. The Commissioner
17 may approve the application subject to any terms and conditions
18 which he considers necessary to protect the public interest.

19 4. The Commissioner shall disapprove an application if he
20 finds:

21 (a) That the proposed transaction would be detrimental to the
22 safety and soundness of the applicant, to any institution which is a
23 party to the transaction, or to a subsidiary or affiliate of that
24 institution;

25 (b) The applicant or its executive officers, directors or principal
26 stockholders have not established a record of sound performance,
27 efficient management, financial responsibility and integrity so that it
28 would be against the interest of the depositors, other customers,
29 creditors or stockholders of an institution, or the public to authorize
30 the proposed transaction;

31 (c) The financial condition of the applicant or any other
32 institution which is a participant in the proposed transaction might
33 jeopardize the financial stability of the applicant or other institution,
34 or prejudice the interests of depositors or other customers of the
35 applicant or other institutions;

36 (d) The consummation of the proposed transaction will tend to
37 lessen competition substantially, unless the Commissioner finds that
38 the anticompetitive effects of the proposed transaction are clearly
39 outweighed by the benefit of meeting the convenience and needs of
40 the relevant market to be served; or

41 (e) The applicant has not established a record of meeting the
42 needs for credit of the communities which it or its subsidiary
43 depository institution serves.

44 ***5. The Commissioner shall adopt regulations establishing the***
45 ***amount of the application fee required pursuant to this section.***



1 **Sec. 14.** NRS 666A.090 is hereby amended to read as follows:

2 666A.090 1. A foreign bank which desires to obtain a license
3 under this chapter to establish and maintain a state branch or agency
4 shall submit an application to the Commissioner pursuant to NRS
5 666.315. The application must contain:

6 (a) The same information as required by the Board of Governors
7 of the Federal Reserve System for an application to establish a
8 branch or agency, as the case may be, in the United States; and

9 (b) The information required pursuant to NRS 666.315,

10 ➔ and must be accompanied by the fee required by that section.

11 2. A foreign bank which is licensed under this chapter to
12 establish and maintain a state branch or agency may not
13 concurrently maintain a federal branch or agency in this State. A
14 foreign bank which maintains a federal branch or agency in this
15 State may not concurrently be licensed under this chapter to
16 maintain a state branch or agency.

17 3. *The Commissioner shall consider an application to be*
18 *withdrawn if the Commissioner has not received all information*
19 *and fees required to complete the application within 12 months*
20 *after the date the application is first submitted to the*
21 *Commissioner or within such later period as the Commissioner*
22 *determines in accordance with any existing policies of joint*
23 *regulatory partners. If an application is deemed to be withdrawn*
24 *pursuant to this subsection or if the applicant otherwise withdraws*
25 *the application, the Commissioner may not issue a license to the*
26 *applicant unless the applicant submits a new application and pays*
27 *any required fees.*

28 **Sec. 15.** NRS 666A.120 is hereby amended to read as follows:

29 666A.120 1. The application for a license to establish and
30 maintain a state representative office must be made in writing under
31 oath and be in such form and contain such information as the
32 Commissioner may require. The application must be accompanied
33 by a fee ~~fin the amount of \$200.]~~ *of not more than \$400.* A fee of
34 ~~[\$100]~~ *not more than \$200* must be paid annually to renew the
35 license.

36 2. The Commissioner shall require a foreign bank to include as
37 part of its application to establish and maintain a state representative
38 office an instrument irrevocably appointing the Commissioner and
39 his successors in office to be the foreign bank's agent to receive
40 service of any lawful process in any proceeding against the foreign
41 bank or any of its successors which arises out of a transaction with
42 its state representative office, with the same force and validity as if
43 served on the foreign bank or its successor, as the case may be. The
44 appointment must be in such form and contain such information as
45 the Commissioner may require.



1 3. *The Commissioner shall adopt regulations establishing the*
2 *amount of the fees required pursuant to this section.*

3 4. *The Commissioner shall consider an application to be*
4 *withdrawn if the Commissioner has not received all information*
5 *and fees required to complete the application within 12 months*
6 *after the date the application is first submitted to the*
7 *Commissioner or within such later period as the Commissioner*
8 *determines in accordance with any existing policies of joint*
9 *regulatory partners. If an application is deemed to be withdrawn*
10 *pursuant to this subsection or if the applicant otherwise withdraws*
11 *the application, the Commissioner may not issue a license to the*
12 *applicant unless the applicant submits a new application and pays*
13 *any required fees.*

14 **Sec. 16.** NRS 666A.160 is hereby amended to read as follows:

15 666A.160 1. No foreign bank which is licensed to establish
16 and maintain a state branch or agency may engage in fiduciary
17 activities at that office unless the foreign bank first obtains a
18 certificate of authority from the Commissioner to engage in
19 fiduciary activities there.

20 2. An application to obtain a certificate of authority to engage
21 in fiduciary activities must be in such form and contain such
22 information as the Commissioner may require and must be
23 accompanied by a fee ~~[in the amount of \$500.]~~ *of not more than*
24 *\$1,000.* The Commissioner shall issue a certificate of authority to
25 engage in fiduciary activities to a foreign bank making an
26 application under this section if he finds that the foreign bank will
27 exercise fiduciary powers in accordance with the laws and
28 regulations of this State.

29 3. A foreign bank which holds a certificate of authority issued
30 pursuant to this section may engage at its state branch or agency in
31 fiduciary activities to the same extent and in the same manner as if
32 the foreign bank were a Nevada bank.

33 4. A foreign bank which holds a certificate of authority issued
34 pursuant to this section shall file reports and be subject to
35 examination and supervision to the same extent and in the same
36 manner as if the foreign bank were a Nevada bank.

37 5. The Commissioner may suspend or revoke a certificate to
38 engage in fiduciary activities issued pursuant to this section if he
39 finds that:

40 (a) Conditions exist which would authorize him to revoke or
41 suspend the foreign bank's license to establish and maintain a state
42 branch or agency; or

43 (b) Any fact or condition exists which, if it had existed at the
44 time of the foreign bank's original application to obtain a certificate



of authority to engage in fiduciary activities, would have resulted in his refusing to issue the certificate of authority.

6. The Commissioner shall adopt regulations establishing the amount of the application fee required pursuant to this section.

Sec. 17. Chapter 668 of NRS is hereby amended by adding thereto a new section to read as follows:

1. In addition to any other remedy or penalty, the Commissioner may impose an administrative fine of not more than \$10,000 upon a person who:

(a) Without a license, conducts any business or activity for which a license is required pursuant to the provisions of chapters 657 to 668, inclusive, of NRS; or

(b) Violates any provision of chapters 657 to 668, inclusive, of NRS or any regulation adopted pursuant thereto.

2. As used in this section, "license" means any license, certificate, registration, permit or similar type of authorization.

Sec. 17.5. Chapter 669 of NRS is hereby amended by adding thereto the provisions set forth as sections 18 and 18.5 of this act.

Sec. 18. *1. If a trust company fails to submit any report required pursuant to this chapter or any regulation adopted pursuant thereto within the prescribed period, the Commissioner may impose and collect a fee of not more than \$10 for each day the report is overdue.*

2. The Commissioner shall adopt regulations establishing the amount of the fee that may be imposed pursuant to this section.

18.5. *In addition to any other remedy or penalty, the Commissioner may impose an administrative fine of not more than \$10,000 upon a person who:*

1. Without a license, conducts any business or activity for which a license is required pursuant to the provisions of this chapter; or

2. Violates any provision of this chapter or any regulation adopted pursuant thereto.

Sec. 19. NRS 669.150 is hereby amended to read as follows:

669.150 1. An applicant must file an application for a license to transact trust company business with the Commissioner on forms prescribed by the Commissioner, which must contain or be accompanied by such information as the Commissioner requires.

2. A nonrefundable fee of ~~[\$1,000]~~ *not more than \$2,000* must accompany the application. The applicant must also pay such reasonable additional expenses incurred in the process of investigation as the Commissioner deems necessary. In addition, a fee of not less than ~~[\$100-not]~~ *\$200 or* more than ~~[\$250,]~~ *\$500*, prorated on the basis of the licensing year as provided by the Commissioner, must be paid at the time of making the application.



3. A trust company may maintain offices in this and other states. For every branch location of a trust company organized under the laws of this State, and every branch location in this State of a foreign trust company authorized to do business in this State, a request for approval and licensing must be filed with the Commissioner on such forms as he prescribes. A nonrefundable fee of ~~[\$250]~~ **not more than \$500** must accompany each request. In addition, a fee of not more than ~~[\$100,]~~ **\$200**, prorated on the basis of the licensing year as provided by the Commissioner, must be paid at the time of making the request.

4. *The Commissioner shall adopt regulations establishing the amount of the fees required pursuant to this section.* All money received by the Commissioner pursuant to this section must be placed in the Investigative Account created by NRS 232.545.

5. *The Commissioner shall consider an application to be withdrawn if the Commissioner has not received all information and fees required to complete the application within 12 months after the date the application is first submitted to the Commissioner or within such later period as the Commissioner determines in accordance with any existing policies of joint regulatory partners. If an application is deemed to be withdrawn pursuant to this subsection or if an applicant otherwise withdraws an application, the Commissioner may not issue a license to the applicant unless the applicant submits a new application and pays any required fees.*

Sec. 20. NRS 669.160 is hereby amended to read as follows:

669.160 1. Within 60 days after the application for a license is filed, the Commissioner shall investigate the facts of the application and the other requirements of this chapter to determine:

(a) That the persons who will serve as directors or officers of the corporation, or the managers or members acting in a managerial capacity of the limited-liability company, as applicable:

(1) Have a good reputation for honesty, trustworthiness and integrity and display competence to transact the business of a trust company in a manner which safeguards the interests of the general public. The applicant must submit satisfactory proof of these qualifications to the Commissioner.

(2) Have not been convicted of, or entered a plea of nolo contendere to, a felony or any crime involving fraud, misrepresentation or moral turpitude.

(3) Have not made a false statement of material fact on the application.

(4) Have not had a license that was issued pursuant to the provisions of this chapter suspended or revoked within the 10 years immediately preceding the date of the application.



(5) Have not had a license as a trust company which was issued in any other state, district or territory of the United States or any foreign country suspended or revoked within the 10 years immediately preceding the date of the application.

(6) Have not violated any of the provisions of this chapter or any regulation adopted pursuant to the provisions of this chapter.

(b) That the financial status of the directors and officers of the corporation or the managers or members acting in a managerial capacity of the limited-liability company is consistent with their responsibilities and duties.

(c) That the name of the proposed company ~~is not deceptively similar to the name of another trust company licensed in this State or is not otherwise misleading.~~ *complies with the provisions of section 7 of this act.*

(d) That the initial stockholders' equity is not less than the required minimum.

2. Notice of the entry of an order refusing a license to a trust company must be given in writing, served personally or sent by certified mail or by telegram to the company affected. The company, upon application, is entitled to a hearing before a hearing officer appointed by the Director of the Department of Business and Industry, but if no such application is made within 30 days after the entry of an order refusing a license to any company, the Commissioner shall enter a final order.

3. If the hearing officer affirms the order of the Commissioner refusing the license, the applicant may file a petition for judicial review pursuant to NRS 233B.130.

Sec. 21. NRS 669.190 is hereby amended to read as follows:

669.190 1. The initial fee to be paid for a trust company license must be in proportion to the initial stockholders' equity of the trust company as follows:

(a) A trust company with an initial stockholders' equity of not less than \$300,000 but not more than \$500,000 must pay a license fee of ~~[\$500.]~~ *not more than \$1,000.*

(b) A trust company with an initial stockholders' equity of more than \$500,000 but not more than \$1,000,000 must pay a license fee of ~~[\$750.]~~ *not more than \$1,500.*

(c) A trust company with an initial stockholders' equity of more than \$1,000,000 must pay a license fee of ~~[\$1,000.]~~ *not more than \$2,000.*

2. In addition, every trust company must pay an initial license fee of ~~[\$100]~~ *not more than \$200* for each branch office that is authorized by the Commissioner.



3. Thereafter, every trust company must pay annually on or before April 1 of each year a license fee which must be in proportion to its existing stockholders' equity as follows:

(a) A trust company with an existing stockholders' equity of not less than \$300,000 but not more than \$500,000 must pay a license fee of ~~[\$500.]~~ *not more than \$1,000.*

(b) A trust company with an existing stockholders' equity of more than \$500,000 but not more than \$1,000,000 must pay a license fee of ~~[\$750.]~~ *not more than \$1,500.*

(c) A trust company with an existing stockholders' equity of more than \$1,000,000 must pay a license fee of ~~[\$1,000.]~~ *not more than \$2,000.*

4. *The Commissioner shall adopt regulations establishing the amount of the fees required pursuant to this section.* All money collected under the provisions of this section must be deposited in the State Treasury pursuant to the provisions of NRS 658.091.

Sec. 21.5. Chapter 670 of NRS is hereby amended by adding thereto the provisions set forth as sections 22 and 22.5 of this act.

Sec. 22. *1. If a corporation fails to submit any report required pursuant to this chapter or any regulation adopted pursuant thereto within the prescribed period, the Commissioner may impose and collect a fee of not more than \$10 for each day the report is overdue.*

2. The Commissioner shall adopt regulations establishing the amount of the fee that may be imposed pursuant to this section.

Sec. 22.5. *In addition to any other remedy or penalty, the Commissioner may impose an administrative fine of not more than \$10,000 upon a person who:*

1. Without a license, conducts any business or activity for which a license is required pursuant to the provisions of this chapter; or

2. Violates any provision of this chapter or any regulation adopted pursuant thereto.

Sec. 23. NRS 670.115 is hereby amended to read as follows:

670.115 1. A development corporation shall obtain a license from the Commissioner before conducting any business. The application for the license must be on a form prescribed by the Commissioner.

2. A nonrefundable fee of ~~[\$1,000]~~ *not more than \$2,000* for the application and survey must accompany the application. The applicant shall also pay such additional expenses incurred in the process of investigation as the Commissioner deems necessary. In addition, a fee of not less than ~~[\$100 nor]~~ *\$200 or* more than ~~[\$250,]~~ *\$500*, prorated on the basis of the licensing year as provided by the Commissioner, must be paid at the time the application is submitted.



1 3. *The Commissioner shall adopt regulations establishing the*
2 *amount of the fees required pursuant to this section.* All money
3 received by the Commissioner pursuant to this section must be
4 placed in the Investigative Account created by NRS 232.545.

5 4. *The Commissioner shall consider an application to be*
6 *withdrawn if the Commissioner has not received all information*
7 *and fees required to complete the application within 12 months*
8 *after the date the application is first submitted to the*
9 *Commissioner or within such later period as the Commissioner*
10 *determines in accordance with any existing policies of joint*
11 *regulatory partners. If an application is deemed to be withdrawn*
12 *pursuant to this subsection or if an applicant otherwise withdraws*
13 *an application, the Commissioner may not issue a license to the*
14 *applicant unless the applicant submits a new application and pays*
15 *any required fees.*

16 **Sec. 24.** NRS 670.240 is hereby amended to read as follows:

17 670.240 1. A license issued pursuant to this chapter expires
18 on December 31 of each year unless renewed by the corporation
19 through the payment, on or before that date, of an annual fee of
20 ~~[\$250.]~~ *not more than \$500.* The Commissioner may reinstate an
21 expired license upon receipt of the annual fee and a fee of ~~[\$200]~~
22 *not more than \$400* for reinstatement. *The Commissioner shall*
23 *adopt regulations establishing the amount of the fees required*
24 *pursuant to this subsection.*

25 2. The county and city wherein the corporation maintains a
26 place of business may also levy a licensing fee which does not
27 exceed \$50.

28 **Sec. 25.** NRS 670.250 is hereby amended to read as follows:

29 670.250 1. The Commissioner shall examine the corporation
30 as often as he deems necessary.

31 2. The corporation shall report upon its condition annually to
32 the Commissioner:

33 (a) Within 60 days after the close of its fiscal year, unless the
34 Commissioner determines that there is good cause to extend that
35 period; and

36 (b) At any other time ordered by the Commissioner.

37 ➤ The Commissioner may impose and collect a ~~[penalty of \$5]~~ *fee*
38 *of not more than \$10* for each day the annual report is overdue. ~~[~~
39 ~~up to a maximum of \$500.]~~ *The Commissioner shall adopt*
40 *regulations establishing the amount of the fee that may be*
41 *imposed pursuant to this subsection.* The Commissioner shall
42 furnish copies of these reports to the Commissioner of Insurance
43 and the Governor. The corporation shall also furnish any other
44 information required by the Commissioner or the Secretary of State.



1 3. The corporation shall pay a fee for conducting the
2 examination and preparing the report of the examination at the rate
3 established pursuant to NRS 658.101.

4 4. The Commissioner shall exercise the same supervisory
5 authority over corporations organized under this chapter as he
6 exercises over banks and trust companies chartered by the State.

7 **Sec. 25.5.** Chapter 670A of NRS is hereby amended by adding
8 thereto the provisions set forth as sections 26 and 26.5 of this act.

9 **Sec. 26.** *1. If a corporation fails to submit any report
10 required pursuant to this chapter or any regulation adopted
11 pursuant thereto within the prescribed period, the Commissioner
12 may impose and collect a fee of not more than \$10 for each day
13 the report is overdue.*

14 *2. The Commissioner shall adopt regulations establishing the
15 amount of the fee that may be imposed pursuant to this section.*

16 **Sec. 26.5.** *In addition to any other remedy or penalty, the
17 Commissioner may impose an administrative fine of not more
18 than \$10,000 upon a person who:*

19 *1. Without a license, conducts any business or activity for
20 which a license is required pursuant to the provisions of this
21 chapter; or*

22 *2. Violates any provision of this chapter or any regulation
23 adopted pursuant thereto.*

24 **Sec. 27.** NRS 670A.130 is hereby amended to read as follows:

25 670A.130 *1. A corporation for economic revitalization and
26 diversification shall obtain a license from the Commissioner before
27 conducting any business. The application for the license must be on
28 a form and be accompanied by a nonrefundable application fee of
29 not more than ~~[\$1,000 prescribed by the Commissioner.]~~ \$2,000.*

30 *2. The Commissioner shall adopt regulations establishing the
31 amount of the application fee required pursuant to this section.*

32 *3. The Commissioner shall consider an application to be
33 withdrawn if the Commissioner has not received all information
34 and fees required to complete the application within 12 months
35 after the date the application is first submitted to the
36 Commissioner or within such later period as the Commissioner
37 determines in accordance with any existing policies of joint
38 regulatory partners. If an application is deemed to be withdrawn
39 pursuant to this subsection or if an applicant otherwise withdraws
40 an application, the Commissioner may not issue a license to the
41 applicant unless the applicant submits a new application and pays
42 any required fees.*

43 **Sec. 28.** NRS 670A.250 is hereby amended to read as follows:

44 670A.250 *1. Every corporation organized and engaged in
45 business under the provisions of this chapter shall pay an annual*



1 state license fee of ~~[\$100.]~~ *not more than \$200. The Commissioner*
2 *shall adopt regulations establishing the amount of the fee required*
3 *pursuant to this subsection.*

4 2. The county and city in which the corporation maintains a
5 place of business may also levy a license fee which does not exceed
6 \$50.

7 **Sec. 28.5.** Chapter 671 of NRS is hereby amended by adding
8 thereto the provisions set forth as sections 29 and 29.5 of this act.

9 **Sec. 29. 1.** *If a licensee fails to submit any report required*
10 *pursuant to this chapter or any regulation adopted pursuant*
11 *thereto within the prescribed period, the Commissioner may*
12 *impose and collect a fee of not more than \$10 for each day the*
13 *report is overdue.*

14 2. *The Commissioner shall adopt regulations establishing the*
15 *amount of the fee that may be imposed pursuant to this section.*

16 **Sec. 29.5.** *In addition to any other remedy or penalty, the*
17 *Commissioner may impose an administrative fine of not more*
18 *than \$10,000 upon a person who:*

19 1. *Without a license, conducts any business or activity for*
20 *which a license is required pursuant to the provisions of this*
21 *chapter; or*

22 2. *Violates any provision of this chapter or any regulation*
23 *adopted pursuant thereto.*

24 **Sec. 30.** NRS 671.050 is hereby amended to read as follows:

25 671.050 1. Every application for a license required pursuant
26 to this chapter must be in writing, signed by the applicant, and in the
27 form prescribed by the Commissioner.

28 2. The application must contain:

29 (a) The name and principal business address of the applicant
30 and, if incorporated, the date and place of its incorporation;

31 (b) The name and address of each of the applicant's branch
32 offices, subsidiaries or affiliates, if any, which will be operated
33 under the license;

34 (c) The name and addresses, business and residential, of the
35 proprietor or partners of the applicant or, if the applicant is a
36 corporation or association, of each of the directors, trustees and
37 principal officers, and of any stockholder who owns 20 percent or
38 more of the applicant's stock; and

39 (d) Such other pertinent information as the Commissioner
40 requires.

41 3. The application must be accompanied by:

42 (a) A surety bond or securities as required by this chapter.

43 (b) A certified financial statement, satisfactory to the
44 Commissioner, showing that the applicant's net worth exceeds
45 \$100,000, unless the applicant's surety bond or the securities



1 deposited pursuant to NRS 671.110 are in at least twice the
2 minimum principal sum required by NRS 671.100.

3 (c) A nonrefundable fee of ~~[\$250]~~ *not more than \$500* for the
4 application and survey. The applicant shall also pay such additional
5 expenses incurred in the process of investigation as the
6 Commissioner deems necessary.

7 (d) A fee of not less than ~~[\$100 nor]~~ *\$200 or* more than ~~[\$200,]~~
8 *\$400*, prorated on the basis of the licensing year as provided by the
9 Commissioner.

10 4. *The Commissioner shall adopt regulations establishing the*
11 *amount of the fees required pursuant to this section.* All money
12 received by the Commissioner pursuant to this section must be
13 placed in the Investigative Account created by NRS 232.545.

14 5. *The Commissioner shall consider an application to be*
15 *withdrawn if the Commissioner has not received all information*
16 *and fees required to complete the application within 6 months*
17 *after the date the application is first submitted to the*
18 *Commissioner or within such later period as the Commissioner*
19 *determines in accordance with any existing policies of joint*
20 *regulatory partners. If an application is deemed to be withdrawn*
21 *pursuant to this subsection or if an applicant otherwise withdraws*
22 *an application, the Commissioner may not issue a license to the*
23 *applicant unless the applicant submits a new application and pays*
24 *any required fees.*

25 **Sec. 31.** NRS 671.070 is hereby amended to read as follows:

26 671.070 1. A license issued pursuant to this chapter expires
27 on June 30 of the year following its issuance and thereafter expires
28 on June 30 of each year, unless it is earlier surrendered, suspended
29 or revoked.

30 2. The license may be renewed from year to year upon the
31 approval of the Commissioner if the licensee files an application
32 conforming to the requirements for an initial application at least 60
33 days before the expiration of his current license.

34 3. An application for the renewal of the license must be
35 accompanied by a fee of ~~[\$200,]~~ *not more than \$400*. No
36 investigation fee may be charged for the renewal of the license. If
37 the application or fee for renewal is not filed within the required
38 time, the Commissioner may renew the expired license upon receipt
39 of the application and fee for renewal, and a fee of ~~[\$200]~~ *not more*
40 *than \$400* for late renewal.

41 4. *The Commissioner shall adopt regulations establishing the*
42 *amount of the fees required pursuant to this section.* All fees
43 collected pursuant to this section must be deposited in the State
44 Treasury pursuant to the provisions of NRS 658.091.



1 **Sec. 32.** NRS 671.090 is hereby amended to read as follows:

2 671.090 **1.** A separate license is not required for an agent of a
3 licensee unless the agent directly sells or delivers the licensee's
4 checks over the counter to the public and, in the ordinary course of
5 such business, receives or has access to:

6 ~~(1)~~ **(a)** The licensee's checks which, after payment, are
7 returned through banking channels or otherwise for verification,
8 reconciliation or accounting with respect thereto; or

9 ~~(2)~~ **(b)** Bank statements relating to checks so returned.

10 **2.** *Each agent of a licensee who must be licensed pursuant to*
11 *subsection 1 must:*

12 **(a)** *Submit an application to the Commissioner which is in*
13 *writing, signed by the applicant and on a form prescribed by the*
14 *Commissioner;*

15 **(b)** *Pay an application fee of not less than \$200 and not more*
16 *than \$500; and*

17 **(c)** *Pay a license fee of not less than \$200 and not more than*
18 *\$500.*

19 **3.** *The Commissioner shall adopt regulations establishing the*
20 *amount of the fees required pursuant to this section.*

21 **4.** *The Commissioner shall consider an application to be*
22 *withdrawn if the Commissioner has not received all information*
23 *and fees required to complete the application within 6 months*
24 *after the date the application is first submitted to the*
25 *Commissioner or within such later period as the Commissioner*
26 *determines in accordance with any existing policies of joint*
27 *regulatory partners. If an application is deemed to be withdrawn*
28 *pursuant to this subsection or if an applicant otherwise withdraws*
29 *an application, the Commissioner may not issue a license to the*
30 *applicant unless the applicant submits a new application and pays*
31 *any required fees.*

32 **Sec. 33.** NRS 41.620 is hereby amended to read as follows:

33 41.620 **1.** ~~(Any)~~ **Except as otherwise provided in subsection**
34 **2, any** person who:

35 **(a)** Makes, utters, draws or delivers a check or draft for the
36 payment of money drawn upon any financial institution or other
37 person, when he has no account with the drawee of the instrument or
38 has insufficient money, property or credit with the drawee to pay; or

39 **(b)** Uses a credit card or debit card to obtain money, goods,
40 property, services or anything of value, when he knows or should
41 have known the credit card or debit card is no longer valid,

42 ➤ and who fails to pay the amount in cash to the payee, issuer or
43 other creditor within 30 days after a demand therefor in writing is
44 mailed to him by certified mail, is liable to the payee, issuer or other
45 creditor for the amount of the check, draft or extension of credit, and



1 damages equal to three times the amount of the check, draft or
2 extension of credit, but not less than \$100 nor more than \$500.

3 2. *A person who receives check-cashing services or deferred*
4 *deposit services pursuant to chapter 604 of NRS is not liable for*
5 *damages pursuant to this section unless the person acted*
6 *fraudulently.*

7 3. As used in this section, unless the context otherwise
8 requires:

9 (a) "Credit card" has the meaning ascribed to it in NRS 205.630;

10 (b) "Debit card" has the meaning ascribed to it in NRS 205.635;
11 and

12 (c) "Issuer" has the meaning ascribed to it in NRS 205.650.

13 **Sec. 34.** NRS 99.040 is hereby amended to read as follows:

14 99.040 1. When there is no express contract in writing fixing
15 a different rate of interest, interest must be allowed at a rate equal to
16 the prime rate at the largest bank in Nevada, as ascertained by the
17 Commissioner of Financial Institutions, on January 1 or July 1, as
18 the case may be, immediately preceding the date of the transaction,
19 plus 2 percent, upon all money from the time it becomes due, in the
20 following cases:

21 (a) Upon contracts, express or implied, other than book
22 accounts.

23 (b) Upon the settlement of book or store accounts from the day
24 on which the balance is ascertained.

25 (c) Upon money received to the use and benefit of another and
26 detained without his consent.

27 (d) Upon wages or salary, if it is unpaid when due, after demand
28 therefor has been made.

29 ➔ The rate must be adjusted accordingly on each January 1 and
30 July 1 thereafter until the judgment is satisfied.

31 2. The provisions of this section do not apply to money owed:

32 (a) For the construction of a work of improvement pursuant to
33 NRS 624.620; or

34 (b) By a contractor to his subcontractor pursuant to
35 NRS 624.630.

36 3. *As used in this section, "book account" means a detailed*
37 *statement which:*

38 (a) *Constitutes the principal record of one or more*
39 *transactions between a debtor and a creditor arising out of a*
40 *contract or some fiduciary relationship;*

41 (b) *Shows the debits and credits in connection with that*
42 *contract or fiduciary relationship and shows against whom and in*
43 *favor of whom entries are made;*

44 (c) *Is entered in the regular course of business as conducted*
45 *by such creditor or fiduciary; and*



(d) *Is kept in a reasonably permanent form and manner:*

(1) *In a bound book;*

(2) *On a sheet or sheets fastened in a book or to backing but detachable therefrom;*

(3) *On a card or cards of a permanent character; or*

(4) *In any other reasonably permanent form and manner.*

Sec. 35. Chapter 604 of NRS is hereby amended by adding thereto the provisions set forth as sections 36 to 40, inclusive, of this act.

Sec. 36. 1. *In addition to any other requirements set forth in this chapter, each applicant must submit proof satisfactory to the Commissioner that the applicant:*

(a) *Has a good reputation for honesty, trustworthiness and integrity and is competent to transact the business for which the applicant seeks to be licensed in a manner which protects the interests of the general public.*

(b) *Has not made a false statement of material fact on the application for the license.*

(c) *Has not committed any of the acts specified in subsection 2.*

(d) *Has not had a license issued pursuant to this chapter suspended or revoked within the 10 years immediately preceding the date of the application.*

(e) *Has not been convicted of, or entered a plea of nolo contendere to, a felony or any crime involving fraud, misrepresentation or moral turpitude.*

(f) *If the applicant is a natural person:*

(1) *Is at least 21 years of age; and*

(2) *Is a citizen of the United States or lawfully entitled to remain and work in the United States.*

2. *In addition to any other lawful reasons, the Commissioner may refuse to issue a license to an applicant if the applicant:*

(a) *Has committed or participated in any act which, if committed or done by a holder of a license, would be grounds for the suspension or revocation of the license.*

(b) *Has previously been refused a license pursuant to this chapter or has had such a license suspended or revoked.*

(c) *Has participated in any act which was a basis for the refusal or revocation of a license pursuant to this chapter.*

(d) *Has falsified any of the information submitted to the Commissioner in support of the application for the license.*

Sec. 37. *In addition to any other lawful reasons, the Commissioner may suspend or revoke a license if the licensee has engaged in any act that would be grounds for denying a license pursuant this chapter.*



1 **Sec. 37.1. 1.** *For the purpose of discovering violations of*
2 *this chapter or of securing information lawfully required under*
3 *this chapter, the Commissioner or his duly authorized*
4 *representatives may at any time investigate the business and*
5 *examine the books, accounts, papers and records used therein of:*

6 *(a) Any licensee;*

7 *(b) Any other person engaged in the business described in*
8 *subsection 1 of NRS 604.090 or participating in such business as*
9 *principal, agent, broker or otherwise; and*

10 *(c) Any person who the Commissioner has reasonable cause to*
11 *believe is violating or is about to violate any provision of this*
12 *chapter, whether or not the person claims to be within the*
13 *authority or beyond the scope of this chapter.*

14 **2.** *For the purpose of examination, the Commissioner or his*
15 *authorized representatives shall have and be given free access to*
16 *the offices and places of business, files, safes and vaults of such*
17 *persons.*

18 **3.** *For the purposes of this section, any person who advertises*
19 *for, solicits or holds himself out as willing to offer or provide a*
20 *check-cashing or deferred deposit service or a check-cashing*
21 *machine or kiosk is presumed to be engaged in the business*
22 *described in subsection 1 of NRS 604.090.*

23 **Sec. 37.2. 1.** *The Commissioner may require the*
24 *attendance of any person and examine him under oath regarding:*

25 *(a) Any loan, transaction or business regulated pursuant to the*
26 *provisions of this chapter; or*

27 *(b) The subject matter of any audit, examination, investigation*
28 *or hearing.*

29 **2.** *The Commissioner may require the production of books,*
30 *accounts, papers and records for any audit, examination,*
31 *investigation or hearing.*

32 **Sec. 37.3.** *If the Commissioner finds that probable cause for*
33 *revocation of any license exists and that enforcement of the*
34 *provisions of this chapter requires immediate suspension of a*
35 *license pending investigation, he may, upon 5 days' written notice*
36 *and a hearing, enter an order suspending a license for a period*
37 *not exceeding 20 days, pending a hearing upon the revocation.*

38 **Sec. 37.4.** *A licensee may surrender any license issued*
39 *pursuant to the provisions of this chapter by delivering it to the*
40 *Commissioner with written notice of its surrender, but a surrender*
41 *does not affect his civil or criminal liability for acts committed*
42 *prior thereto.*

43 **Sec. 37.5. 1.** *Whenever the Commissioner has reasonable*
44 *cause to believe that any person is violating or is threatening to or*
45 *intends to violate any provision of this chapter, he may, in addition*



1 *to all actions provided for in this chapter and without prejudice*
2 *thereto, enter an order requiring the person to desist or to refrain*
3 *from such violation.*

4 2. *The Attorney General or the Commissioner may bring an*
5 *action to enjoin a person from engaging in or continuing a*
6 *violation or from doing any act or acts in furtherance thereof. In*
7 *any such action, an order or judgment may be entered awarding a*
8 *preliminary or final injunction as may be deemed proper.*

9 3. *In addition to all other means provided by law for the*
10 *enforcement of a restraining order or injunction, the court in*
11 *which an action is brought may impound, and appoint a receiver*
12 *for, the property and business of the defendant, including books,*
13 *papers, documents and records pertaining thereto, or so much*
14 *thereof as the court may deem reasonably necessary to prevent*
15 *violations of this chapter through or by means of the use of*
16 *property and business. A receiver, when appointed and qualified,*
17 *has such powers and duties as to custody, collection,*
18 *administration, winding up and liquidation of such property and*
19 *business as may from time to time be conferred upon him by the*
20 *court.*

21 **Sec. 37.6.** 1. *If the Commissioner has reason to believe that*
22 *grounds for revocation or suspension of a license exist, he shall*
23 *give 20 days' written notice to the licensee stating the*
24 *contemplated action and, in general, the grounds therefor and set*
25 *a date for a hearing.*

26 2. *At the conclusion of a hearing, the Commissioner shall:*

27 (a) *Enter a written order either dismissing the charges,*
28 *revoking the license, or suspending the license for a period of not*
29 *more than 60 days, which period must include any prior*
30 *temporary suspension. The Commissioner shall send a copy of the*
31 *order to the licensee by registered or certified mail.*

32 (b) *Impose upon the licensee a fine of \$10,000 for each*
33 *violation by the licensee of any provision of this chapter or any*
34 *regulation adopted pursuant thereto.*

35 (c) *If a fine is imposed pursuant to this section, enter such*
36 *order as is necessary to recover the costs of the proceeding,*
37 *including his investigative costs and attorney's fees.*

38 3. *The grounds for revocation or suspension of a license are*
39 *that:*

40 (a) *The licensee has failed to pay the annual license fee;*

41 (b) *The licensee, either knowingly or without any exercise of*
42 *due care to prevent it, has violated any provision of this chapter or*
43 *any lawful regulation adopted pursuant thereto;*

44 (c) *The licensee has failed to pay a tax as required pursuant to*
45 *the provisions of chapter 363A of NRS;*



1 (d) Any fact or condition exists which would have justified the
2 Commissioner in denying the licensee's original application for a
3 license pursuant to the provisions of this chapter; or

4 (e) The licensee failed to open an office for the conduct of the
5 business authorized by his license within 120 days after the date
6 his license was issued, or has failed to remain open for the
7 conduct of the business for a period of 120 days without good
8 cause therefor.

9 4. Any revocation or suspension applies only to the license
10 granted to a person for the particular office for which grounds for
11 revocation or suspension exist.

12 5. An order suspending or revoking a license becomes
13 effective 5 days after being entered unless the order specifies
14 otherwise or a stay is granted.

15 **Sec. 37.7.** A revocation, suspension, expiration or surrender
16 of any license does not impair or affect the obligation of any
17 preexisting lawful loan agreement between the licensee and any
18 customer. Such a loan agreement and all lawful charges thereon
19 may be collected by the licensee, its successors or assigns.

20 **Sec. 37.8.** Any person and the several members, officers,
21 directors, agents and employees thereof who violate or participate
22 in the violation of any provision of subsection 1 of NRS 604.090
23 are guilty of a misdemeanor.

24 **Sec. 38.** 1. A licensee must obtain the approval of the
25 Commissioner before using or changing a business name.

26 2. A licensee shall not:

27 (a) Use any business name which is identical or similar to a
28 business name used by another licensee under this chapter or
29 which may mislead or confuse the public.

30 (b) Use any printed forms which may mislead or confuse the
31 public.

32 **Sec. 39.** 1. If a licensee fails to submit any report required
33 pursuant to this chapter or any regulation adopted pursuant
34 thereto within the prescribed period, the Commissioner may
35 impose and collect a fee of not more than \$10 for each day the
36 report is overdue.

37 2. The Commissioner shall adopt regulations establishing the
38 amount of the fee that may be imposed pursuant to this section.

39 **Sec. 40.** In addition to any other remedy or penalty, the
40 Commissioner may impose an administrative fine of not more
41 than \$10,000 upon a person who, without a license, conducts any
42 business or activity for which a license is required pursuant to the
43 provisions of this chapter.



1 **Sec. 41.** NRS 604.080 is hereby amended to read as follows:
2 604.080 ~~["Registrant"]~~ **"Licensee"** means a person who has
3 been issued a ~~[certificate of registration]~~ **license** to operate a check-
4 cashing or deferred deposit service pursuant to this chapter.

5 **Sec. 42.** NRS 604.090 is hereby amended to read as follows:
6 604.090 1. Except as otherwise provided in subsection 2, it is
7 unlawful to operate a check-cashing or deferred deposit service **or a**
8 **check-cashing machine or kiosk** without being ~~[registered with]~~
9 **licensed by** the Commissioner.

10 2. The provisions of this chapter do not apply to:

11 (a) A person doing business pursuant to the authority of any law
12 of this State or of the United States relating to banks, savings banks,
13 trust companies, savings and loan associations, credit unions,
14 development corporations, mortgage brokers, mortgage bankers,
15 thrift companies, pawnbrokers or insurance companies.

16 (b) A person ~~[licensed to make installment loans pursuant to~~
17 ~~chapter 675 of NRS.~~

18 ~~—(c) A person]~~ who is primarily engaged in the retail sale of
19 goods or services who:

20 (1) As an incident to or independently of a retail sale or
21 service from time to time cashes checks for a fee or other
22 consideration of not more than \$2; and

23 (2) Does not hold himself out as a check-cashing service.

24 ~~[(d)]~~ (c) A person while performing any act authorized by a
25 license issued pursuant to chapter 671 of NRS.

26 ~~[(e)]~~ (d) A person who holds a nonrestricted gaming license
27 issued pursuant to chapter 463 of NRS while performing any act in
28 the course of that licensed operation.

29 ~~[(f)]~~ (e) A person who is exclusively engaged in a check-cashing
30 service relating to out-of-state checks.

31 ~~[(g)]~~ (f) A corporation organized pursuant to the laws of this
32 State that has been continuously and exclusively engaged in a
33 check-cashing service in this State since July 1, 1973.

34 **Sec. 43.** NRS 604.100 is hereby amended to read as follows:

35 604.100 1. An application for ~~[registration]~~ **a license**
36 pursuant to this chapter must be made in writing, under oath and on
37 a form prescribed by the Commissioner. The application must
38 include:

39 (a) If the applicant is a natural person, the name and address of
40 the applicant.

41 (b) If the applicant is a business entity, the name and address of
42 each:

- 43 (1) Partner;
44 (2) Officer;
45 (3) Director;



(4) Manager or member who acts in a managerial capacity;
and

(5) Registered agent,
↳ of the business entity.

(c) Such other information concerning the financial responsibility, background, experience and activities of the applicant and its:

(1) Partners;

(2) Officers;

(3) Directors; and

(4) Managers or members who act in a managerial capacity,
↳ as the Commissioner determines is necessary.

(d) The address of each location at which the applicant proposes to do business.

(e) If the applicant intends to provide deferred deposit services in addition to check-cashing services, a statement of that intent.

2. Each application for ~~registration~~ *a license* must be accompanied by a nonrefundable ~~registration~~ *licensing* fee of ~~[\$250.]~~ *not more than \$500.*

3. *The Commissioner shall adopt regulations establishing the amount of the fees required pursuant to this section.*

4. *The Commissioner shall consider an application to be withdrawn if the Commissioner has not received all information and fees required to complete the application within 6 months after the date the application is first submitted to the Commissioner or within such later period as the Commissioner determines in accordance with any existing policies of joint regulatory partners. If an application is deemed to be withdrawn pursuant to this subsection or if an applicant otherwise withdraws an application, the Commissioner may not issue a license to the applicant unless the applicant submits a new application and pays any required fees.*

Sec. 44. NRS 604.110 is hereby amended to read as follows:

604.110 1. Except as otherwise provided in NRS 604.120, ~~each application for registration must be accompanied by~~ *before an applicant may be issued a license, the applicant shall deposit a* surety bond payable to the State of Nevada in the amount of \$50,000 *plus an additional \$5,000 for each branch location at which the applicant proposes to do business. Each licensee shall maintain the surety bond so that the amount of the surety bond is \$50,000 plus an additional \$5,000 for each branch location at which the licensee does business. The surety bond required by this section is* for the use and benefit of any customer receiving the ~~registrant's~~ *licensee's* check-cashing or deferred deposit service ~~[-~~ *2. The] at any location at which the licensee does business.*



1 **2. Each** bond must be in a form satisfactory to the
2 Commissioner, issued by a bonding company authorized to do
3 business in this State and must secure the faithful performance of
4 the obligations of the ~~registrant~~ **licensee** respecting the provision
5 of the check-cashing or deferred deposit service.

6 3. A ~~registrant~~ **licensee** shall, within 10 days after the
7 commencement of any action or notice of entry of any judgment
8 against him by any creditor or claimant arising out of business
9 regulated by this chapter, give notice thereof to the Commissioner
10 by certified mail with details sufficient to identify the action or
11 judgment. The surety shall, within 10 days after it pays any claim or
12 judgment to a creditor or claimant, give notice thereof to the
13 Commissioner by certified mail with details sufficient to identify the
14 creditor or claimant and the claim or judgment so paid.

15 4. Whenever the principal sum of ~~the~~ **any** bond is reduced by
16 recoveries or payments thereon, the ~~registrant~~ **licensee** shall
17 furnish:

18 (a) A new or additional bond so that the total or aggregate
19 principal sum of the bonds equals the sum required pursuant to
20 subsection 1; or

21 (b) An endorsement, duly executed by the surety, reinstating the
22 bond to the required principal sum.

23 5. The liability of the surety on ~~the~~ **a** bond to a creditor or
24 claimant is not affected by any misrepresentation, breach of
25 warranty, failure to pay a premium or other act or omission of the
26 ~~registrant,~~ **licensee**, or by any insolvency or bankruptcy of the
27 ~~registrant.~~ **licensee**.

28 6. The liability of the surety continues as to all transactions
29 entered into in good faith by the creditors and claimants with the
30 ~~registrant's~~ **licensee's** agents within 30 days after:

31 (a) The ~~registrant's~~ **licensee's** death or the dissolution or
32 liquidation of his business; or

33 (b) The termination of the bond,
34 ➔ whichever event occurs first.

35 7. A ~~registrant~~ **licensee** or his surety shall not cancel or alter a
36 bond except after notice to the Commissioner by certified mail. The
37 cancellation or alteration is not effective until 10 days after receipt
38 of the notice by the Commissioner. A cancellation or alteration does
39 not affect any liability incurred or accrued on the bond before the
40 expiration of the 30-day period designated in subsection 6.

41 **Sec. 45.** NRS 604.120 is hereby amended to read as follows:

42 604.120 1. In lieu of any surety bond, or any portion of the
43 principal sum thereof as required by this chapter, a ~~registrant~~
44 **licensee** may deposit with the State Treasurer or with any bank,
45 credit union or trust company authorized to do business in this State



1 as the ~~[registrant]~~ *licensee* may select, with the approval of the
2 Commissioner:

3 (a) Interest-bearing stocks;

4 (b) Bills, bonds, notes, debentures or other obligations of the
5 United States or any agency or instrumentality thereof, or
6 guaranteed by the United States; or

7 (c) Any obligation of this State or any city, county, town,
8 township, school district or other instrumentality of this State or
9 guaranteed by this State,

10 ➤ in an aggregate amount of, based upon principal amount or
11 market value, whichever is lower, of not less than the amount of
12 ~~[the]~~ *any* required surety bond or portion thereof.

13 2. The securities must be held to secure the same obligation as
14 would ~~[the]~~ *any* surety bond, but the depositor may receive any
15 interest or dividends and, with the approval of the Commissioner,
16 substitute other suitable securities for those deposited.

17 **Sec. 46.** NRS 604.130 is hereby amended to read as follows:

18 604.130 1. The Commissioner shall issue to each ~~[registrant-a~~
19 ~~certificate-of-registration]~~ *licensee a license* in such form and size as
20 is prescribed by the Commissioner for each location at which the
21 ~~[registrant]~~ *licensee* proposes to do business. Each ~~[certificate-of~~
22 ~~registration]~~ *license* must show the name and address of the
23 ~~[registrant]~~.

24 ~~—2.— Each registrant] licensee.~~

25 **2. Each licensee** shall prominently display his ~~[certificate-of~~
26 ~~registration]~~ *license* at the location where he does business.

27 **Sec. 47.** NRS 604.140 is hereby amended to read as follows:

28 604.140 1. A ~~[certificate-of-registration]~~ *license* issued
29 pursuant to this chapter expires annually on the anniversary of the
30 issuance of the ~~[certificate. A registrant]~~ *license. A licensee* must
31 renew his ~~[certificate-of-registration]~~ *license* on or before the date on
32 which the ~~[certificate]~~ *license* expires by paying a renewal fee of
33 ~~[\$250]~~ *not more than \$500* and an additional fee of ~~[\$50]~~ *not more*
34 *than \$100* for each branch location at which the ~~[registrant]~~ *licensee*
35 is authorized to operate under the ~~[certificate-of-registration.]~~
36 *license.*

37 2. For the purposes of NRS 604.090, a ~~[registrant]~~ *licensee*
38 who fails to renew his ~~[certificate-of-registration]~~ *license* within the
39 time required by this section is not ~~[registered]~~ *licensed* pursuant to
40 this chapter.

41 **3. The Commissioner shall adopt regulations establishing the**
42 *amount of the fees required pursuant to this section.*



Sec. 48. NRS 604.150 is hereby amended to read as follows:

604.150 1. A ~~{registrant}~~ *licensee* shall immediately notify the Commissioner of any change of control of the ~~{registrant}~~ *licensee*.

2. A person who acquires stock, partnership or member interests resulting in a change of control of the ~~{registrant}~~ *licensee* shall apply to the Commissioner for approval of the transfer. The application must contain information which shows that the requirements of this chapter for obtaining a ~~{certificate of registration}~~ *license* will be satisfied after the change of control. If the Commissioner determines that those requirements will not be satisfied, he may deny the application and forbid the applicant from participating in the business of the ~~{registrant}~~ *licensee*.

3. As used in this section, "change of control" means:

(a) A transfer of voting stock, partnership or member interests which results in giving a person, directly or indirectly, the power to direct the management and policy of a ~~{registrant}~~ *licensee*; or

(b) A transfer of at least 25 percent of the outstanding voting stock, partnership or member interests of the licensee.

Sec. 49. NRS 604.160 is hereby amended to read as follows:

604.160 A ~~{registrant}~~ *licensee* shall:

1. Post in a conspicuous place in every location at which he conducts business under his ~~{certificate of registration}~~ *license* a notice that states the fees charged for cashing checks or entering into a deferred deposit transaction.

2. Give written notice to each customer of the fees charged for cashing checks. The notice must be signed by the customer before the service is provided.

Sec. 50. NRS 604.162 is hereby amended to read as follows:

604.162 If a check is not paid upon presentment because of insufficient funds, the ~~{registrant}~~ *licensee* may collect a fee of not more than \$25. Only two such fees may be charged regardless of the number of times the check is presented for payment.

Sec. 51. NRS 604.164 is hereby amended to read as follows:

604.164 A ~~{registrant}~~ *licensee*, before deferring a deposit, shall provide each borrower with a written agreement, approved by the Commissioner, which the borrower may keep and which contains the following information, in English:

1. The identity of the ~~{registrant}~~ *licensee* deferring the deposit and the name of the ~~{registrant}~~ *licensee* and the name and title of the employee who signs the agreement;

2. An itemization of the fees and interest to be paid by the borrower;

3. Disclosures required for a similar transaction by the federal Truth in Lending Act;



4. Disclosures required under any applicable state statute or regulation; and

5. A clear description of the borrower's obligations under the deferred deposit.

Sec. 52. NRS 604.166 is hereby amended to read as follows:

604.166 If the borrower defaults on the original loan made in the form of a deferred deposit, or on any extension thereof, whichever is later, the ~~registrant~~ licensee may immediately pursue any available collection proceedings on the amount of the loan made in the form of a deferred deposit and all accrued charges and interest that are then due. The interest charged from the date of the default on the loan made in the form of a deferred deposit, or on any extension thereof, must not exceed a rate equal to or less than the prime rate at the largest bank in the State of Nevada, as ascertained by the Commissioner on January 1 or July 1, as the case may be, immediately preceding the date of default, plus 10 percent.

Sec. 52.5. NRS 604.170 is hereby amended to read as follows:

604.170 1. The Commissioner may establish by regulation ~~the~~ (a) The fees that may be imposed by a check-cashing service for cashing checks. ~~the~~ and

~~(b) The penalties that may be imposed by the Commissioner for a violation of the provisions of this chapter or the regulations adopted pursuant thereto.]~~

2. The Commissioner shall adopt such other regulations as are necessary to carry out the provisions of this chapter.

Sec. 53. NRS 604.180 is hereby amended to read as follows:

604.180 It is unlawful for a ~~registrant~~ licensee to:

1. Use or threaten to use the criminal process in this or any other state, or any civil process not available to creditors generally, to collect on a deferred deposit.

2. Make a loan made in the form of a deferred deposit that exceeds one-third of the borrower's expected monthly net income during the term of the deferred deposit unless justified by particular circumstances. A ~~registrant~~ licensee is not in violation of the provisions of this subsection if the borrower presents evidence of monthly net income to the ~~registrant~~ licensee and represents to the ~~registrant~~ licensee in writing that the deferred deposit does not exceed one-third of the borrower's expected monthly net income during the term of the deferred deposit.

3. Charge to cash a check representing the proceeds of a deferred deposit.

4. Make more than one loan in the form of a deferred deposit to the same borrower at one time unless the borrower is seeking multiple loans in the form of a deferred deposit that do not exceed the limit set forth in subsection 2.



5. Establish or extend the period for the repayment, renewal, refinancing or consolidation of an outstanding loan made in the form of a deferred deposit to the same borrower beyond 10 weeks after the expiration of the initial loan period.

6. Accept any collateral for a loan made in the form of a deferred deposit.

7. Include in the written agreement required by NRS 604.164 for a loan made in the form of a deferred deposit:

(a) A promise by the borrower to hold the lender harmless;

(b) A confession of judgment by the borrower;

(c) An assignment or order for payment of wages or other compensation due the borrower; or

(d) A waiver of any claim or defense arising out of the agreement or a waiver of any provision of this chapter.

Sec. 54. NRS 604.190 is hereby amended to read as follows:

604.190 1. The Commissioner shall charge and collect from each ~~registrant~~ licensee a fee of ~~[\$40]~~ *not more than \$80* per hour for any supervision, examination, audit, investigation or hearing conducted pursuant to this chapter or any regulations adopted pursuant to this chapter.

2. The Commissioner shall bill each ~~registrant~~ licensee upon the completion of the activity for the fee ~~established~~ *required* pursuant to subsection 1. The fee must be paid within 30 days after the date the bill is received. Except as otherwise provided in this subsection, any payment received after the date due must include a penalty of 10 percent of the fee plus an additional 1 percent of the fee for each month, or portion of a month, that the fee is not paid. The Commissioner may waive the penalty for good cause.

3. The failure of a ~~registrant~~ licensee to pay the fee required pursuant to subsection 1 as provided in this section constitutes grounds for revocation of the ~~certificate of registration~~ *license* of the ~~registrant~~ licensee.

4. The Commissioner shall adopt regulations establishing the amount of the fee required pursuant to this section.

Sec. 55. Chapter 649 of NRS is hereby amended by adding thereto the provisions set forth as sections 56 to 58, inclusive, of this act.

Sec. 56. 1. *The Commissioner may adopt regulations requiring each holder of a license or manager's certificate to complete a course of continuing education as a condition for the renewal of the license or certificate.*

2. The regulations must include, without limitation:

(a) The number of hours of continuing education that the holder of the license or manager's certificate must complete to renew his license or certificate;



1 (b) *The requirements for submission of proof of attendance at*
2 *a course of continuing education; and*

3 (c) *The payment of any necessary fees for approval of or*
4 *attendance at a course of continuing education.*

5 **Sec. 56.5.** 1. *A person who is not licensed in this State as a*
6 *collection agency may apply to the Commissioner for a certificate*
7 *of registration as a foreign collection agency.*

8 2. *To be issued and to hold a certificate of registration as a*
9 *foreign collection agency, a person:*

10 (a) *Must hold a license or permit to do business as a collection*
11 *agency in another state;*

12 (b) *Must meet the qualifications to do business as a collection*
13 *agency in this State;*

14 (c) *Must not have any employees or agents present in this State*
15 *who engage in the collection of claims and must not maintain any*
16 *business locations in this State as a collection agency;*

17 (d) *Must submit proof to the Commissioner, upon application*
18 *and upon each annual renewal of the certification of registration,*
19 *that the person and his employees and agents will not, in this*
20 *State:*

21 (1) *Engage in the business of soliciting the right to collect*
22 *or receive payment for another of any claim; or*

23 (2) *Advertise or solicit, either in print, by letter, in person or*
24 *otherwise, the right to collect or receive payment for another of*
25 *any claim;*

26 (e) *When collecting claims against debtors who are present in*
27 *this State, must:*

28 (1) *Limit his activities and those of his employees and*
29 *agents to interstate communications by telephone, mail or*
30 *facsimile; and*

31 (2) *Comply with the requirements of NRS 649.305 to*
32 *649.375, inclusive, with regard to his activities and those of his*
33 *employees and agents;*

34 (f) *Must pay:*

35 (1) *A fee to apply for a certificate of registration of not less*
36 *than \$200 and not more than \$600, prorated on the basis of the*
37 *registration year as determined by the Commissioner; and*

38 (2) *An annual renewal fee of not more than \$200;*

39 (g) *Must deposit and maintain a bond or an appropriate*
40 *substitute for the bond in the same manner as an applicant or*
41 *licensee pursuant to NRS 649.105, 649.115 and 649.119;*

42 (h) *Must maintain his accounts, books and records in*
43 *accordance with generally accepted accounting principles and in*
44 *accordance with the requirements of subsection 1 of NRS 649.335;*
45 *and*



1 (i) *Must pay any fees related to any examination of his*
2 *accounts, books and records conducted by the Commissioner*
3 *pursuant to subsection 3.*

4 3. *The Commissioner may conduct an annual examination*
5 *and any additional examinations pursuant to NRS 649.335 of the*
6 *accounts, books and records of each person who holds a*
7 *certificate of registration as a foreign collection agency.*

8 4. *The Commissioner may take disciplinary action pursuant*
9 *to NRS 649.385, 649.390 and 649.395 against a person who holds*
10 *a certificate of registration as a foreign collection agency for any*
11 *act or omission that would be grounds for taking such disciplinary*
12 *action under those sections.*

13 5. *The Commissioner shall adopt:*

14 (a) *Regulations establishing the amount of the fees required*
15 *pursuant to this section; and*

16 (b) *Any other regulations as may be necessary to carry out the*
17 *provisions of this section.*

18 **Sec. 57.** 1. *If a holder of a license or manager's certificate*
19 *fails to submit any report required pursuant to this chapter or any*
20 *regulation adopted pursuant thereto within the prescribed period,*
21 *the Commissioner may impose and collect a fee of not more than*
22 *\$10 for each day the report is overdue.*

23 2. *The Commissioner shall adopt regulations establishing the*
24 *amount of the fee that may be imposed pursuant to this section.*

25 **Sec. 58.** *In addition to any other remedy or penalty, the*
26 *Commissioner may impose an administrative fine of not more*
27 *than \$10,000 upon a person who:*

28 1. *Without a license or certificate, conducts any business or*
29 *activity for which a license or certificate is required pursuant to*
30 *the provisions of this chapter; or*

31 2. *Violates any provision of this chapter or any regulation*
32 *adopted pursuant thereto.*

33 **Sec. 59.** NRS 649.020 is hereby amended to read as follows:

34 649.020 1. "Collection agency" means and includes all
35 persons engaging, directly or indirectly, and as a primary or a
36 secondary object, business or pursuit, in the collection of or in
37 soliciting or obtaining in any manner the payment of a claim owed
38 or due or asserted to be owed or due to another.

39 2. "Collection agency" does not include any of the following
40 unless they are conducting collection agencies:

41 (a) Individuals regularly employed on a regular wage or salary,
42 in the capacity of credit men or in other similar capacity upon the
43 staff of employees of any person not engaged in the business of a
44 collection agency or making or attempting to make collections as an



1 incident to the usual practices of their primary business or
2 profession.

3 (b) Banks.

4 (c) Nonprofit cooperative associations.

5 (d) Abstract companies doing an escrow business.

6 (e) Duly licensed real estate ~~agents~~ **brokers**.

7 (f) Attorneys and counselors at law licensed to practice in this
8 State, so long as they are retained by their clients to collect or to
9 solicit or obtain payment of such clients' claims in the usual course
10 of the practice of their profession ~~and~~ **and the collection, solicitation**
11 **or obtaining is incidental to the usual course of the practice of**
12 **their profession.**

13 **Sec. 59.5.** NRS 649.075 is hereby amended to read as follows:

14 649.075 1. Except as otherwise provided in ~~subsection 2,~~
15 **this section**, a person shall not conduct within this State a collection
16 agency or engage within this State in the business of collecting
17 claims for others, or of soliciting the right to collect or receive
18 payment for another of any claim, or advertise, or solicit, either in
19 print, by letter, in person or otherwise, the right to collect or receive
20 payment for another of any claim, or seek to make collection or
21 obtain payment of any claim on behalf of another without having
22 first applied for and obtained a license from the Commissioner.

23 2. A person is not required to obtain a license if:

24 (a) The collection agency he works for is located outside of this
25 State;

26 (b) His activities in this State are limited to the collection of
27 claims from residents of this State on behalf of residents of another
28 state; and

29 (c) His contact with persons in this State is limited to interstate
30 communications by telephone, mail or facsimile.

31 **3. A person is not required to obtain a license if the person**
32 **holds a certificate of registration as a foreign collection agency**
33 **issued by the Commissioner pursuant to section 56.5 of this act.**

34 **Sec. 60.** NRS 649.095 is hereby amended to read as follows:

35 649.095 1. An application for a license must be in writing
36 and filed with the Commissioner on a form provided for that
37 purpose.

38 2. The application must state:

39 (a) The name of the applicant and the name under which the
40 applicant does business or expects to do business.

41 (b) The address of the applicant's business and residence,
42 including street and number.

43 (c) The character of the business sought to be carried on.

44 (d) The locations by street and number where the business will
45 be transacted.



(e) If the applicant is a natural person, the social security number of the applicant.

(f) In the case of a firm or partnership, the full names and residential addresses of all members or partners and the name and residential address of the manager.

(g) In the case of a corporation or voluntary association, the name and residential address of each of the directors and officers and the name and residential address of the manager.

(h) Any other information reasonably related to the applicant's qualifications for the license which the Commissioner determines to be necessary.

3. The application must be subscribed by the applicant and acknowledged.

4. Every applicant may be examined concerning his competency, experience, character and qualifications by the Commissioner or his authorized agent, and if the examination reveals that the applicant lacks any of the required qualifications, issuance of the license must be denied. Every application must have attached to it a financial statement showing the assets, liabilities and net worth of the applicant.

5. The Commissioner shall consider an application to be withdrawn if the Commissioner has not received all information and fees required to complete the application within 6 months after the date the application is first submitted to the Commissioner or within such later period as the Commissioner determines in accordance with any existing policies of joint regulatory partners. If an application is deemed to be withdrawn pursuant to this subsection or if an applicant otherwise withdraws an application, the Commissioner may not issue a license to the applicant unless the applicant submits a new application and pays any required fees.

Sec. 61. NRS 649.095 is hereby amended to read as follows:

649.095 1. An application for a license must be in writing and filed with the Commissioner on a form provided for that purpose.

2. The application must state:

(a) The name of the applicant and the name under which the applicant does business or expects to do business.

(b) The address of the applicant's business and residence, including street and number.

(c) The character of the business sought to be carried on.

(d) The locations by street and number where the business will be transacted.



(e) In the case of a firm or partnership, the full names and residential addresses of all members or partners and the name and residential address of the manager.

(f) In the case of a corporation or voluntary association, the name and residential address of each of the directors and officers and the name and residential address of the manager.

(g) Any other information reasonably related to the applicant's qualifications for the license which the Commissioner determines to be necessary.

3. The application must be subscribed by the applicant and acknowledged.

4. Every applicant may be examined concerning his competency, experience, character and qualifications by the Commissioner or his authorized agent, and if the examination reveals that the applicant lacks any of the required qualifications, issuance of the license must be denied. Every application must have attached to it a financial statement showing the assets, liabilities and net worth of the applicant.

5. The Commissioner shall consider an application to be withdrawn if the Commissioner has not received all information and fees required to complete the application within 6 months after the date the application is first submitted to the Commissioner or within such later period as the Commissioner determines in accordance with any existing policies of joint regulatory partners. If an application is deemed to be withdrawn pursuant to this subsection or if an applicant otherwise withdraws an application, the Commissioner may not issue a license to the applicant unless the applicant submits a new application and pays any required fees.

Sec. 62. NRS 649.105 is hereby amended to read as follows:

649.105 1. An applicant for a license must file with the Commissioner, concurrently with the application, a bond in the sum of ~~[\$25,000,]~~ **\$35,000**, or an appropriate substitute pursuant to NRS 649.119, which must run to the State of Nevada. The bond must be made and executed by the principal and a surety company authorized to write bonds in the State of Nevada.

2. The bonds must be conditioned:

(a) That the principal, who must be the applicant, must, upon demand in writing, pay any customer from whom any claim for collection is received, the proceeds of the collection, in accordance with the terms of the agreement made between the principal and the customer; and

(b) That the principal must comply with all requirements of this or any other statute with respect to the duties, obligations and liabilities of collection agencies.



3. Not later than 3 months after the issuance of the license and semiannually thereafter, the Commissioner shall determine the appropriate amount of bond or appropriate substitute which must be maintained by the licensee in accordance with the licensee's average monthly balance in the trust account maintained pursuant to NRS 649.355:

	AMOUNT OF
AVERAGE MONTHLY BALANCE.....	BOND REQUIRED
Less than \$100,000.....	[\$25,000] \$35,000
\$100,000 or more but less than \$150,000	[\$30,000] 40,000
\$150,000 or more but less than \$200,000	[\$40,000] 50,000
\$200,000 or more	[\$50,000] 60,000

Sec. 63. NRS 649.119 is hereby amended to read as follows:

649.119 1. An applicant for a license may deposit with any bank or trust company authorized to do business in this State, with the permission of the Commissioner, as a substitute for the surety bond required by NRS 649.105:

(a) An obligation of a bank, savings and loan association, thrift company or credit union licensed to do business in this State;

(b) Bills, bonds, notes, debentures or other obligations of the United States or any agency or instrumentality thereof, or guaranteed by the United States; or

(c) Any obligation of this State or any city, county, town, school district or other instrumentality of this State or guaranteed by this State, in an aggregate amount, based upon principal amount or market value, whichever is lower.

➔ The deposit must be in a form approved by the Commissioner.

2. The obligations of a bank, savings and loan association, thrift company or credit union must be held to secure the same obligation as would the surety bond. With the approval of the Commissioner, the depositor may substitute other suitable obligations for those deposited which must be assigned to the State of Nevada and are negotiable only upon approval by the Commissioner.

3. Any interest or dividends earned on the deposit accrue to the account of the depositor.

4. The deposit must be an amount at least equal to the required surety bond and must state that the amount may not be withdrawn except by direct and sole order of the Commissioner.

5. An applicant is not relieved of the obligation to file the required surety bond until the Commissioner has had a reasonable amount of time to verify whether a deposit made pursuant to this section qualifies as a substitute for the required surety bond.



Sec. 64. NRS 649.196 is hereby amended to read as follows:

649.196 1. Each applicant for a manager's certificate must submit proof satisfactory to the Commissioner that he:

(a) Is a citizen of the United States or lawfully entitled to remain and work in the United States.

(b) Is at least 21 years of age.

(c) Has a good reputation for honesty, trustworthiness and integrity and is competent to transact the business of a collection agency in a manner which protects the interests of the general public.

(d) Has not committed any of the acts specified in NRS 649.215.

(e) Has not had a collection agency license or manager's certificate suspended or revoked within the 10 years immediately preceding the date of filing the application.

(f) Has not been convicted of, or entered a plea of nolo contendere to, a felony or any crime involving fraud, misrepresentation or moral turpitude.

(g) Has had not less than 2 years' full-time experience with a collection agency in the collection of accounts assigned by creditors who were not affiliated with the collection agency except as assignors of accounts. At least 1 year of the 2 years of experience must have been within the 18-month period preceding the date of filing the application.

2. Each applicant must:

(a) Pass the examination *or reexamination* provided for in NRS 649.205.

(b) Pay the required fees.

(c) Submit, in such form as the Commissioner prescribes:

(1) Three recent photographs; and

(2) Three complete sets of his fingerprints which the Commissioner may forward to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.

(d) Submit such other information reasonably related to his qualifications for the manager's certificate as the Commissioner determines to be necessary.

3. The Commissioner may refuse to issue a manager's certificate if the applicant does not meet the requirements of subsections 1 and 2.

4. If the Commissioner refuses to issue a manager's certificate pursuant to this section, he shall notify the applicant in writing by certified mail stating the reasons for the refusal. The applicant may submit a written request for a hearing within 20 days after he receives the notice. If the applicant fails to submit a written request



1 within the prescribed period, the Commissioner shall enter a final
2 order.

3 *5. The Commissioner shall consider an application to be*
4 *withdrawn if the Commissioner has not received all information*
5 *and fees required to complete the application within 6 months*
6 *after the date the application is first submitted to the*
7 *Commissioner or within such later period as the Commissioner*
8 *determines in accordance with any existing policies of joint*
9 *regulatory partners. If an application is deemed to be withdrawn*
10 *pursuant to this subsection or if an applicant otherwise withdraws*
11 *an application, the Commissioner may not issue a license to the*
12 *applicant unless the applicant submits a new application and pays*
13 *any required fees.*

14 **Sec. 65.** NRS 649.205 is hereby amended to read as follows:

15 649.205 1. The Commissioner shall provide for managers'
16 examinations at such times and places as he may direct, at least
17 twice each year.

18 2. The examinations must be of a length, scope and character
19 which the Commissioner deems reasonably necessary to determine
20 the fitness of the applicants to act as managers of collection
21 agencies.

22 3. *If an applicant does not pass the examination, the*
23 *applicant must reapply to take the examination and pay a*
24 *reexamination fee of not more than \$100 for each subsequent*
25 *examination. The Commissioner shall adopt regulations*
26 *establishing the amount of the reexamination fee required*
27 *pursuant to this subsection.*

28 4. The Commissioner may make such rules and regulations as
29 may be necessary to carry out the purposes of this section.

30 **Sec. 66.** NRS 649.295 is hereby amended to read as follows:

31 649.295 1. A nonrefundable fee of ~~[\$250]~~ *not more than*
32 *\$500* for the application and survey must accompany each new
33 application for a license as a collection agency. ~~[The]~~ *Each*
34 applicant shall also pay ~~[such]~~ *any* additional expenses incurred in
35 the process of investigation . ~~[as the Commissioner deems~~
36 ~~necessary.]~~ All money received by the Commissioner pursuant to
37 this subsection must be placed in the Investigative Account created
38 by NRS 232.545.

39 2. A fee of not less than ~~[\$100 nor]~~ *\$200 or* more than ~~[\$300,]~~
40 *\$600*, prorated on the basis of the licensing year as provided by the
41 Commissioner, must be charged for each original license issued. A
42 fee of ~~[\$200]~~ *not more than \$500* must be charged for each annual
43 renewal of a license.

44 3. A fee of ~~[\$10]~~ *not more than \$20* must be charged for each
45 duplicate license or license for a transfer of location issued.



4. A nonrefundable *application fee of not more than \$500 and a nonrefundable* investigation fee of ~~[\$75]~~ *not more than \$150* must accompany each application for a manager's certificate . ~~[unless the applicant is the holder of or an applicant for a license as a collection agency.]~~

5. A fee of ~~[\$20]~~ *not more than \$40* must be charged for each manager's certificate issued and for each annual renewal of such a certificate.

6. A fee of ~~[\$30]~~ *not more than \$60* must be charged for the reinstatement of a manager's certificate.

7. A fee of ~~[\$5]~~ *not more than \$10* must be charged for each day an application for the renewal of a license or certificate, or a required report, is filed late, unless the fee or portion thereof is excused by the Commissioner for good cause shown.

8. A nonrefundable fee of ~~[\$125]~~ *not more than \$250* for the application and an examination must accompany each application for a permit to operate a branch office of a licensed collection agency. A fee of ~~[\$100]~~ *not more than \$500* must be charged for each annual renewal of such a permit.

9. For each examination the Commissioner shall charge and collect from the licensee a fee for conducting the examination and preparing and typing the report of the examination at the rate established pursuant to NRS 658.101. Failure to pay the fee within 30 days after receipt of the bill is a ground for revoking the collection agency's license.

10. *The Commissioner shall adopt regulations establishing the amount of the fees required pursuant to this section.*

11. Except as otherwise provided in subsection 1, all money received by the Commissioner pursuant to this chapter must be deposited in the State Treasury pursuant to the provisions of NRS 658.091.

Sec. 67. NRS 649.365 is hereby amended to read as follows:

649.365 *1. A collection agency licensed under this chapter must obtain the approval of the Commissioner before using or changing a business name.*

2. A collection agency licensed under this chapter shall not:

~~1. Operate under a]~~

(a) Use any business name which is identical or similar to ~~that of~~ a business name used by another collection agency licensed under this chapter ~~[-~~

~~2.] or which may mislead or confuse the public.~~

(b) Use any ~~[name or]~~ printed forms which may mislead or confuse the public.

~~3.] (c) Use the term "credit bureau" in its name unless it operates a bona fide credit bureau in conjunction with its collection~~



1 agency business. For purposes of this ~~{subsection}~~ *paragraph*,
2 “credit bureau” means any person engaged in gathering, recording
3 and disseminating information relative to the creditworthiness,
4 financial responsibility, paying habits or character of persons being
5 considered for credit extension ~~[.]~~ for prospective creditors.

6 **Sec. 68.** Chapter 673 of NRS is hereby amended by adding
7 thereto the provisions set forth as sections 69, 70 and 71 of this act.

8 **Sec. 69. 1.** *In addition to any other requirements set forth*
9 *in this chapter, each applicant must submit proof satisfactory to*
10 *the Commissioner that the applicant:*

11 (a) *Has a good reputation for honesty, trustworthiness and*
12 *integrity and is competent to transact the business for which the*
13 *applicant seeks to be licensed in a manner which protects the*
14 *interests of the general public.*

15 (b) *Has not made a false statement of material fact on the*
16 *application for the license.*

17 (c) *Has not committed any of the acts specified in subsection 2.*

18 (d) *Has not had a license issued pursuant to this chapter*
19 *suspended or revoked within the 10 years immediately preceding*
20 *the date of the application.*

21 (e) *Has not been convicted of, or entered a plea of nolo*
22 *contendere to, a felony or any crime involving fraud,*
23 *misrepresentation or moral turpitude.*

24 (f) *If the applicant is a natural person:*

25 (1) *Is at least 21 years of age; and*

26 (2) *Is a citizen of the United States or lawfully entitled to*
27 *remain and work in the United States.*

28 **2.** *In addition to any other lawful reasons, the Commissioner*
29 *may refuse to issue a license to an applicant if the applicant:*

30 (a) *Has committed or participated in any act which, if*
31 *committed or done by a holder of a license, would be grounds for*
32 *the suspension or revocation of the license.*

33 (b) *Has previously been refused a license pursuant to this*
34 *chapter or has had such a license suspended or revoked.*

35 (c) *Has participated in any act which was a basis for the*
36 *refusal or revocation of a license pursuant to this chapter.*

37 (d) *Has falsified any of the information submitted to the*
38 *Commissioner in support of the application for the license.*

39 **Sec. 70.** *In addition to any other lawful reasons, the*
40 *Commissioner may suspend or revoke a license if the licensee has*
41 *engaged in any act that would be grounds for denying a license*
42 *pursuant this chapter.*

43 **Sec. 71. 1.** *A licensee must obtain the approval of the*
44 *Commissioner before using or changing a business name.*

45 **2.** *A licensee shall not:*



1 (a) *Use any business name which is identical or similar to a*
2 *business name used by another licensee under this chapter or*
3 *which may mislead or confuse the public.*

4 (b) *Use any printed forms which may mislead or confuse the*
5 *public.*

6 **Sec. 72.** NRS 673.080 is hereby amended to read as follows:

7 673.080 1. The Secretary of State shall not issue any
8 certificate to an association or company authorizing it to do business
9 until the articles of association, agreement or incorporation are
10 approved by the Commissioner.

11 2. No amendment to the articles of the organization may be
12 filed by the Secretary of State without the written approval of the
13 articles by the Commissioner.

14 3. No association may sell, offer for sale, negotiate for the sale
15 of, take subscriptions for, or issue any of its common or preferred
16 stock until it has first applied for and secured from the
17 Commissioner approval of an application for permission to organize
18 as provided for in this section.

19 4. Persons who desire to organize an association in accordance
20 with this chapter shall first execute in triplicate an application, in the
21 form prescribed by the Commissioner, for permission to organize an
22 association before taking any other action in connection with the
23 organization. Upon execution of an application for permission to
24 organize by seven responsible citizens, referred to in this section as
25 “applicants,” the original and two copies of the application must be
26 submitted to the Commissioner. The applicants shall submit with
27 their application the names and addresses of the applicants, the
28 location of the proposed office, an itemized account of the financial
29 condition of the proposed association and of the applicants, the
30 amount and character of the proposed stock, statements, exhibits,
31 maps and such additional information as the Commissioner requires,
32 together with an affidavit that the representations made thereby are
33 consistent with the facts to the best of the applicants’ information
34 and belief. This data must be sufficiently detailed and
35 comprehensive to enable the Commissioner to pass upon the
36 application as to:

37 (a) The character and responsibility of the applicants;

38 (b) The need for the association in the community to be served;

39 (c) The reasonable probability of its usefulness and success; and

40 (d) Whether such an association can be established without
41 undue injury to any properly conducted existing savings and loan
42 institutions.

43 5. If the Commissioner approves the application he shall,
44 within 30 days, notify all associations within 100 miles of the
45 community where the applicant intends to establish an association.



1 Any association so notified may, within 20 days, protest in writing
2 the granting of the application. Within 30 days after receipt by the
3 Commissioner of a written protest, the Commissioner shall fix a
4 date for a hearing upon the protest, and the hearing must be held not
5 earlier than 30 days nor more than 60 days after the date of receipt
6 of written notice by registered or certified mail by the parties. The
7 Commissioner shall approve or deny the application within 90 days
8 after the date of the conclusion of the hearing and give all parties
9 written notice of his decision on or before that date.

10 6. If the Commissioner approves the application, he shall
11 establish as conditions to be met before the issuance of a charter
12 requirements as to:

13 (a) The minimum number of shares of common or preferred
14 stock to be subscribed to the association's permanent capital;

15 (b) The minimum amount of paid-in surplus;

16 (c) The minimum amount of investment certificates to be paid
17 into the association's savings accounts upon issuance of a charter to
18 it; and

19 (d) Such other requirements as he deems necessary or desirable.

20 ➤ At least 75 percent of the capital must be subscribed by bona fide
21 residents of this State or a depository institution or holding company
22 qualified pursuant to the provisions of chapter 666 of NRS or NRS
23 666A.010 to 666A.400, inclusive. Approval of an application for
24 permission to organize an association does not in any manner
25 obligate the Commissioner to issue a charter, except that when all
26 requirements of this chapter and of the Commissioner have been
27 fulfilled, he shall issue a charter.

28 7. The charter expires 180 days after issuance, unless, within
29 that time, the association has obtained insurance of accounts from
30 the Federal Deposit Insurance Corporation. The Commissioner may,
31 for good cause, extend the time of the conditional expiration of the
32 charter for an additional period or periods not exceeding 360 days in
33 the aggregate.

34 8. An association shall not sell or issue any of its permanent
35 stock until it has first applied for and secured from the
36 Commissioner a license authorizing it to operate as a savings and
37 loan association pursuant to the laws of this State and until it has
38 applied for and secured insurance of accounts in accordance with
39 the regulations of the Federal Deposit Insurance Corporation. This
40 insurance of accounts must be maintained at all times.

41 9. The Commissioner may extend the time for any hearing
42 provided for in this section, to the time agreed upon by the parties.

43 10. The filing fees are:

44 (a) For filing an original application, ~~[\$2,000]~~ *not more than*
45 *\$4,000* for the principal office. The applicant shall also pay such



1 additional expenses incurred in the process of investigation as
2 the Commissioner deems necessary. All money received by the
3 Commissioner pursuant to this paragraph must be placed in the
4 Investigative Account created by NRS 232.545.

5 (b) If the license is approved for issuance, ~~[\$1,000]~~ *not more*
6 *than \$2,000* for the principal office before issuance.

7 11. The Commissioner may impose conditions requiring the
8 impoundment of proceeds from the sale of any stock, limiting the
9 expense in connection with the sale of stock, and such other
10 conditions as are reasonable and necessary or advisable to insure the
11 disposition of the proceeds from the sale of the stock in the manner
12 and for the purposes provided in the permission to organize.

13 12. Every permission to organize issued by the Commissioner
14 must recite in bold type that its issuance is permissive only and does
15 not constitute a recommendation or endorsement of the organization
16 or of the stock permitted to be issued.

17 13. Any corporation applying pursuant to this section or
18 authorized to organize or authorized to establish a savings and loan
19 association shall provide for a minimum par value of its permanent
20 capital stock of at least \$1 in its articles of incorporation. Par value
21 of permanent capital stock may not be reduced below \$1 without
22 written permission of the Commissioner.

23 14. The removal of the home office or of any branch office of
24 an association to any other location from its then existing location
25 requires prior approval of the Commissioner. An application seeking
26 approval must be delivered to the Commissioner, together with a fee
27 to cover expenses attendant upon the investigation required for the
28 approval, which must be ~~[in an amount,]~~ not less than ~~[\$100, to be~~
29 ~~determined by the Commissioner.]~~ *\$200*. All money received by the
30 Commissioner pursuant to this subsection must be placed in the
31 Investigative Account created by NRS 232.545.

32 15. An association shall not pay any commissions or other
33 compensation for the subscription to or sale of the original issue of
34 its stock.

35 *16. The Commissioner shall adopt regulations establishing*
36 *the amount of the fees required pursuant to this section.*

37 *17. The Commissioner shall consider an application to be*
38 *withdrawn if the Commissioner has not received all information*
39 *and fees required to complete the application within 12 months*
40 *after the date the application is first submitted to the*
41 *Commissioner or within such later period as the Commissioner*
42 *determines in accordance with any existing policies of joint*
43 *regulatory partners. If an application is deemed to be withdrawn*
44 *pursuant to this subsection or if the applicant otherwise withdraws*
45 *the application, the Commissioner may not issue a license to the*



applicant unless the applicant submits a new application and pays any required fees.

Sec. 73. NRS 673.112 is hereby amended to read as follows:

673.112 1. A branch office is a legally established place of business of an association, other than the home office, which is authorized by the board of directors and approved by the Commissioner and at which any of the association's business may be conducted.

2. All branch offices are subject to direction from the home office.

3. No association may establish or maintain a branch office without prior written approval of the Commissioner. Each application for approval of the establishment and maintenance of a branch office must:

(a) State the proposed location thereof, the need therefor, the functions to be performed therein, the estimated annual expense thereof and the mode of payment therefor.

(b) Be accompanied by a budget of the association for the current semiannual period and for the next succeeding semiannual period, which reflects the estimated additional expense of the maintenance of the branch office.

4. After receipt of an application the Commissioner shall determine:

(a) Whether the establishment and maintenance of the branch office will unduly injure any properly conducted existing association in the community where the branch office is proposed to be established or in any neighboring community; and

(b) Whether or not the establishment and maintenance of the branch office will serve the public interest.

5. Before issuance of a charter for a branch office, the Commissioner shall notify all associations doing business within a radius of 100 miles of the principal place of business of the applicant, and within a radius of 100 miles of the proposed branch office. Any association so notified may, within 20 days, protest in writing the granting of the application. Within 30 days after receipt by the Commissioner of a written protest, the Commissioner shall fix a date for a hearing upon the protest. The hearing must be held not earlier than 60 days nor more than 90 days after the date of receipt of written notice by registered or certified mail by the parties.

6. If the Commissioner finds that no undue injury is likely to result, that the establishment and maintenance of the branch office is advisable and will serve the public interest, he may approve the application.



1 7. Approval of an association's application for a branch office
2 charter permits the association to establish an operating office in a
3 temporary or a permanent building, if the building is placed on or
4 erected at the approved location within 12 months after the
5 approval.

6 8. For good cause and after notice to the association, the
7 Commissioner may revoke his approval for the maintenance of a
8 branch office. Failure to establish a branch office in the manner and
9 within the time permitted under this section constitutes a good cause
10 for revocation, unless a prior, written request for a waiver of the
11 time limitation is sought by the association and an extension, in
12 writing, is granted by the Commissioner.

13 9. An association which maintains one or more branch offices
14 shall give each branch office a specific designation by name and
15 include in the designation the word "branch" and shall prominently
16 display the designation at the place of business of the branch. When
17 an association is operating a branch office, all advertising of or by
18 the branch office must state clearly the location of the principal
19 office of the association.

20 10. The filing fees are:

21 (a) For filing an original application, ~~[\$200]~~ *not more than \$400*
22 for each branch office. The applicant shall also pay such additional
23 expenses incurred in the process of investigation as
24 the Commissioner deems necessary. All money received by the
25 Commissioner pursuant to this subsection must be placed in the
26 Investigative Account created by NRS 232.545.

27 (b) If the license is approved for issuance, ~~[\$100]~~ *not more than*
28 *\$200* for each branch office before issuance.

29 ***11. The Commissioner shall adopt regulations establishing***
30 ***the amount of the filing fees required pursuant to this section.***

31 **Sec. 74.** NRS 673.260 is hereby amended to read as follows:

32 673.260 1. The license ~~mentioned~~ *specified* in NRS
33 673.250 authorizes the company, association or corporation to
34 whom it is issued to sell its approved securities and contracts within
35 this State for the remainder of the fiscal year ending on June 30 next
36 succeeding. Each license is renewable, under like restrictions,
37 annually thereafter.

38 2. For the issuing of any license provided for in NRS 673.250
39 and for any renewal thereof, the fee of the Commissioner is:

40 (a) For each home office, ~~[\$200.]~~ *not more than \$400; and*

41 (b) For each branch office, ~~[\$100.]~~ *not more than \$200.*

42 3. The fees must accompany the license renewal application. A
43 penalty of 10 percent of the fee payable must be charged for each
44 month or part thereof that the fees are not paid after June 30 of each
45 year.



1 4. *The Commissioner shall adopt regulations establishing the*
2 *amount of the fees required pursuant to this section.* All sums ~~{so}~~
3 received by the Commissioner *pursuant to this section* must be
4 deposited in the State Treasury pursuant to the provisions of
5 NRS 658.091.

6 **Sec. 75.** NRS 673.270 is hereby amended to read as follows:

7 673.270 1. No person may, as a soliciting agent, soliciting
8 representative or employee of any foreign or domestic company,
9 association or corporation, or in any other capacity, sell or solicit
10 sales for any securities such as investment certificates or savings
11 accounts or contract for the sale of securities until he is first licensed
12 as a salesman or solicitor for sales of those securities by the
13 Commissioner.

14 2. No person may be licensed for a period of more than 1 year,
15 and he may not be licensed until he has ~~{first}~~ satisfied the
16 ~~{Commissioner as to his personal integrity.}~~ *requirements set forth*
17 *in section 69 of this act.*

18 3. For the issuing of any license provided for in this section
19 and for any renewal thereof, the fee of the Commissioner ~~{is \$5.}~~
20 *must not be more than \$10.*

21 4. *The Commissioner shall adopt regulations establishing the*
22 *amount of the fees required pursuant to this section.* All sums ~~{so}~~
23 received by the Commissioner *pursuant to this section* must be
24 deposited in the State Treasury pursuant to the provisions of
25 NRS 658.091.

26 ~~{4.}~~ 5. Tellers or other employees of an insured savings and
27 loan association are exempt from the licensing requirements unless
28 their employment entails soliciting sales outside their respective
29 offices as commission salesmen.

30 6. *The Commissioner shall consider an application to be*
31 *withdrawn if the Commissioner has not received all information*
32 *and fees required to complete the application within 12 months*
33 *after the date the application is first submitted to the*
34 *Commissioner or within such later period as the Commissioner*
35 *determines in accordance with any existing policies of joint*
36 *regulatory partners. If an application is deemed to be withdrawn*
37 *pursuant to this subsection or if the applicant otherwise withdraws*
38 *the application, the Commissioner may not issue a license to the*
39 *applicant unless the applicant submits a new application and pays*
40 *any required fees.*

41 **Sec. 76.** NRS 673.430 is hereby amended to read as follows:

42 673.430 1. Each association doing business in this State shall
43 file annually with the Commissioner on or before March 1, a sworn
44 statement in two sections.



2. One section of the annual report must contain, in such form and detail as the Commissioner may prescribe, the following:

(a) The amount of authorized capital by classes and the par value of each class of stock.

(b) A statement of its assets, liabilities and capital accounts as of the immediately preceding December 31.

(c) Any other facts which the Commissioner requires.

➔ This section must be furnished in duplicate, one certified copy to be returned for publication at least two times in a newspaper having a general circulation in each county in which the association maintains an office. Publication must be completed on or before May 1, and proof of publication must be filed in the Office of the Commissioner.

3. One section of the annual report must contain such other information as the Commissioner may require to be furnished. This section need not be published and must be treated as confidential by the Commissioner.

4. The Commissioner may impose and collect a ~~[penalty of \$5]~~ *fee of not more than \$10* for each day the annual report is overdue . ~~[, up to a maximum of \$500.]~~ *The Commissioner shall adopt regulations establishing the amount of the fee that may be imposed pursuant to this subsection.* Every association shall pay to the Commissioner for supervision and examination a fee based on the rate established pursuant to NRS 658.101.

5. All sums ~~[so]~~ received by the Commissioner *pursuant to this section* must be deposited in the State Treasury pursuant to the provisions of NRS 658.091.

Sec. 77. NRS 673.460 is hereby amended to read as follows:

673.460 1. Whenever in connection with an examination it is necessary or expedient that the Commissioner or his deputy, or both, leave this State, there must be assessed against the organization under examination a fee of ~~[\$25]~~ *not more than \$50* per day for each person while without the State in connection with an examination, together with all actual and necessary expenses.

2. The fee charged must be remitted to the Commissioner, who shall deposit the fees in the State Treasury pursuant to the provisions of NRS 658.091.

3. The Commissioner shall adopt regulations establishing the amount of the fee required pursuant to this section.

Sec. 78. NRS 673.4845 is hereby amended to read as follows:

673.4845 1. An association may reorganize, merge or consolidate with another state or federal association, if the reorganization, merger or consolidation is based upon a plan which has been adopted by the board of directors and approved at a regular or special stockholders' meeting which has been called to consider



1 the action. The approval must rest on a favorable vote of a majority
2 of the voting power of the association as established by its articles.

3 2. Any such plan for reorganization, merger or consolidation
4 must be approved by the Commissioner, who shall satisfy himself
5 that the plan, if approved, would be equitable for the stockholders of
6 the affected association or associations and would not impair the
7 usefulness or success of other properly conducted associations in the
8 community. In submitting an application for approval of any such
9 plan, each association proposing to reorganize, merge or consolidate
10 must provide a comprehensive review of its present financial
11 statement and a projected view of the financial statement of the
12 reorganized, merged or consolidated association.

13 3. Unless its action is specifically authorized by or taken in
14 conformity with this chapter, no association may, directly or
15 indirectly:

16 (a) Reorganize, merge or consolidate.

17 (b) Assume liability to pay savings accounts or other liabilities
18 of any financial institution or any other organization, person or
19 entity.

20 (c) Transfer assets to any financial institution or any other
21 organization, person or entity in consideration of the transferee's
22 assumption of liability for any portion of the transferor's savings
23 accounts, deposits or other liability.

24 (d) Acquire the assets of any financial institution or any other
25 organization, person or entity.

26 4. Each application which is made under this section must be
27 accompanied by a fee payment of ~~[\$150.]~~ *not more than \$300*. The
28 responsibility for payment of the fee must be shared equally by the
29 associations participating in each proposed plan.

30 *5. The Commissioner shall adopt regulations establishing the*
31 *amount of the fee required pursuant to this section.*

32 **Sec. 79.** NRS 673.630 is hereby amended to read as follows:

33 673.630 1. After the holding of the meeting of stockholders,
34 the state company, association or corporation shall take such action,
35 in the manner prescribed or authorized by the laws of the United
36 States or the rules and regulations promulgated pursuant thereto, as
37 shall make it a federal savings and loan association, and there shall
38 thereupon be filed in the Office of the Commissioner a copy of the
39 charter of authorization issued to the association by the ~~[Federal~~
40 ~~Home Loan Bank Board]~~ *supervising federal regulatory body* or a
41 certificate showing the organization of the association as a federal
42 savings and loan association, certified by the ~~[Federal Home Loan~~
43 ~~Bank Board.]~~ *supervising federal regulatory body*. Upon filing with
44 the Commissioner, the association ceases to be a state savings and



1 loan association, but retains all rights, privileges and exemptions of
2 a domestic association of the same kind and character.

3 2. A fee of ~~[\$20]~~ *not more than \$40* must accompany the copy
4 of the charter of authorization.

5 3. Federal associations so converted and their members are
6 subject to the same form of taxation and on the same basis as state
7 associations and their stockholders.

8 *4. The Commissioner shall adopt regulations establishing the*
9 *amount of the fee required pursuant to this section.*

10 **Sec. 80.** NRS 673.820 is hereby amended to read as follows:

11 673.820 *In addition to any other remedy or penalty:*

12 *1. Any association which violates any provisions of this*
13 *chapter or fraudulently misrepresents the terms of any contract or of*
14 *any securities, and thereby secures a sale therefor, shall be punished*
15 *by ~~[a]~~ an administrative fine of not ~~[exceeding \$1,000]~~ more than*
16 *\$10,000 and forfeiture and revocation of all licenses issued to it*
17 *under the provisions of this chapter.*

18 *2. The Commissioner may impose an administrative fine of*
19 *not more than \$10,000 upon a person who:*

20 *(a) Without a license, conducts any business or activity for*
21 *which a license is required pursuant to the provisions of this*
22 *chapter; or*

23 *(b) Violates any provision of this chapter or any regulation*
24 *adopted pursuant thereto.*

25 **Sec. 81.** Chapter 675 of NRS is hereby amended by adding
26 thereto the provisions set forth as sections 82 to 85, inclusive, of this
27 act.

28 **Sec. 82. 1.** *In addition to any other requirements set forth*
29 *in this chapter, each applicant must submit proof satisfactory to*
30 *the Commissioner that the applicant:*

31 *(a) Has a good reputation for honesty, trustworthiness and*
32 *integrity and is competent to transact the business for which the*
33 *applicant seeks to be licensed in a manner which protects the*
34 *interests of the general public.*

35 *(b) Has not made a false statement of material fact on the*
36 *application for the license.*

37 *(c) Has not committed any of the acts specified in subsection 2.*

38 *(d) Has not had a license issued pursuant to this chapter*
39 *suspended or revoked within the 10 years immediately preceding*
40 *the date of the application.*

41 *(e) Has not been convicted of, or entered a plea of nolo*
42 *contendere to, a felony or any crime involving fraud,*
43 *misrepresentation or moral turpitude.*

44 *(f) If the applicant is a natural person:*

45 *(1) Is at least 21 years of age; and*



1 (2) *Is a citizen of the United States or lawfully entitled to*
2 *remain and work in the United States.*

3 2. *In addition to any other lawful reasons, the Commissioner*
4 *may refuse to issue a license to an applicant if the applicant:*

5 (a) *Has committed or participated in any act which, if*
6 *committed or done by a holder of a license, would be grounds for*
7 *the suspension or revocation of the license.*

8 (b) *Has previously been refused a license pursuant to this*
9 *chapter or has had such a license suspended or revoked.*

10 (c) *Has participated in any act which was a basis for the*
11 *refusal or revocation of a license pursuant to this chapter.*

12 (d) *Has falsified any of the information submitted to the*
13 *Commissioner in support of the application for the license.*

14 **Sec. 83.** *In addition to any other lawful reasons, the*
15 *Commissioner may suspend or revoke a license if the licensee has*
16 *engaged in any act that would be grounds for denying a license*
17 *pursuant this chapter.*

18 **Sec. 84.** 1. *A licensee must obtain the approval of the*
19 *Commissioner before using or changing a business name.*

20 2. *A licensee shall not:*

21 (a) *Use any business name which is identical or similar to a*
22 *business name used by another licensee under this chapter or*
23 *which may mislead or confuse the public.*

24 (b) *Use any printed forms which may mislead or confuse the*
25 *public.*

26 **Sec. 85.** *In addition to any other remedy or penalty, the*
27 *Commissioner may impose an administrative fine of not more*
28 *than \$10,000 upon a person who, without a license, conducts any*
29 *business or activity for which a license is required pursuant to the*
30 *provisions of this chapter.*

31 **Sec. 86.** NRS 675.090 is hereby amended to read as follows:

32 675.090 1. Application for a license must be in writing, under
33 oath, and in the form prescribed by the Commissioner.

34 2. The application must:

35 (a) Provide the address of the office or other place of business
36 for which the application is submitted.

37 (b) Contain such further relevant information as the
38 Commissioner may require, including the names and addresses of
39 the partners, officers, directors or trustees, and of such of the
40 principal owners or members as will provide the basis for the
41 investigations and findings contemplated by NRS 675.110 and
42 675.120.

43 3. A person may apply for a license for an office or other place
44 of business located outside this State from which the applicant will
45 conduct business in this State if the applicant or a subsidiary or



1 affiliate of the applicant has a license issued pursuant to this chapter
2 for an office or other place of business located in this State and if
3 the applicant submits with the application for a license a statement
4 signed by the applicant which states that the applicant agrees to:

5 (a) Make available at a location within this State the books,
6 accounts, papers, records and files of the office or place of business
7 located outside this State to the Commissioner or a representative of
8 the Commissioner; or

9 (b) Pay the reasonable expenses for travel, meals and lodging of
10 the Commissioner or a representative of the Commissioner incurred
11 during any investigation or examination made at the office or place
12 of business located outside this State.

13 ➔ The person must be allowed to choose between paragraph (a) or
14 (b) in complying with the provisions of this subsection.

15 *4. The Commissioner shall consider an application to be*
16 *withdrawn if the Commissioner has not received all information*
17 *and fees required to complete the application within 6 months*
18 *after the date the application is first submitted to the*
19 *Commissioner or within such later period as the Commissioner*
20 *determines in accordance with any existing policies of joint*
21 *regulatory partners. If an application is deemed to be withdrawn*
22 *pursuant to this subsection or if an applicant otherwise withdraws*
23 *an application, the Commissioner may not issue a license to the*
24 *applicant unless the applicant submits a new application and pays*
25 *any required fees.*

26 **Sec. 87.** NRS 675.100 is hereby amended to read as follows:

27 675.100 1. At the time of making the application, the
28 applicant shall pay to the Commissioner ~~fe~~:

29 (a) A nonrefundable fee of ~~[\$500]~~ *not more than \$1,000* for the
30 application and survey ~~[. The applicant shall also pay such]~~;

31 (b) *Any* additional expenses incurred in the process of
32 investigation as the Commissioner deems necessary ~~[. In addition, a]~~
33 ~~; and~~

34 (c) A fee of not less than ~~[\$100 nor]~~ *\$200 or* more than ~~[\$500.]~~
35 *\$1,000*, prorated on the basis of the licensing year as provided by
36 the Commissioner . ~~[, must be paid at the time of making the~~
37 ~~application.]~~

38 2. *The Commissioner shall adopt regulations establishing the*
39 *amount of the fees required pursuant to this section.* All money
40 received by the Commissioner pursuant to this section must be
41 placed in the Investigative Account created by NRS 232.545.

42 **Sec. 88.** NRS 675.140 is hereby amended to read as follows:

43 675.140 1. A license expires on December 31 of each year
44 unless renewed by the licensee through the payment, on or before
45 that date, of an annual fee of ~~[\$500]~~ *not more than \$1,000* for each



1 license held by him. The Commissioner may reinstate an expired
2 license upon receipt of the annual fee and a fee of ~~[\$200]~~ *not more*
3 *than \$400* for reinstatement.

4 *2. The Commissioner shall adopt regulations establishing the*
5 *amount of the fees required pursuant to this section.*

6 **Sec. 89.** NRS 675.440 is hereby amended to read as follows:

7 675.440 1. If the Commissioner has reason to believe that
8 grounds for revocation or suspension of a license exist, he shall give
9 20 days' written notice to the licensee stating the contemplated
10 action and, in general, the grounds therefor and set a date for a
11 hearing.

12 2. At the conclusion of a hearing, the Commissioner shall:

13 (a) Enter a written order either dismissing the charges, revoking
14 the license, or suspending the license for a period of not more than
15 60 days, which period must include any prior temporary suspension.
16 A copy of the order must be sent by registered or certified mail to
17 the licensee.

18 (b) Impose upon the licensee ~~[\$]~~ *an administrative* fine of
19 ~~[\$500]~~ *not more than \$10,000* for each violation by the licensee of
20 any provision of this chapter or any lawful regulation adopted under
21 it.

22 (c) If a fine is imposed pursuant to this section, enter such order
23 as is necessary to recover the costs of the proceeding, including his
24 investigative costs and attorney's fees.

25 3. The grounds for revocation or suspension of a license are
26 that:

27 (a) The licensee has failed to pay the annual license fee;

28 (b) The licensee, either knowingly or without any exercise of
29 due care to prevent it, has violated any provision of this chapter or
30 any lawful regulation adopted under it;

31 (c) The licensee has failed to pay a tax as required pursuant to
32 the provisions of chapter 363A of NRS;

33 (d) Any fact or condition exists which would have justified the
34 Commissioner in denying the licensee's original application for a
35 license hereunder; or

36 (e) The applicant failed to open an office for the conduct of the
37 business authorized under this chapter within 120 days ~~[from]~~ *after*
38 the date the license was issued, or has failed to remain open for the
39 conduct of the business for a period of 120 days without good cause
40 therefor.

41 4. Any revocation or suspension applies only to the license
42 granted to a person for the particular office for which grounds for
43 revocation or suspension exist.



5. An order suspending or revoking a license becomes effective 5 days after being entered unless the order specifies otherwise or a stay is granted.

Sec. 90. Chapter 676 of NRS is hereby amended by adding thereto the provisions set forth as sections 91 to 94, inclusive, of this act.

Sec. 91. 1. *In addition to any other requirements set forth in this chapter, each applicant must submit proof satisfactory to the Commissioner that the applicant:*

(a) Has a good reputation for honesty, trustworthiness and integrity and is competent to transact the business for which the applicant seeks to be licensed in a manner which protects the interests of the general public.

(b) Has not made a false statement of material fact on the application for the license.

(c) Has not committed any of the acts specified in subsection 2.

(d) Has not had a license issued pursuant to this chapter suspended or revoked within the 10 years immediately preceding the date of the application.

(e) Has not been convicted of, or entered a plea of nolo contendere to, a felony or any crime involving fraud, misrepresentation or moral turpitude.

(f) If the applicant is a natural person:

(1) Is at least 21 years of age; and

(2) Is a citizen of the United States or lawfully entitled to remain and work in the United States.

2. *In addition to any other lawful reasons, the Commissioner may refuse to issue a license to an applicant if the applicant:*

(a) Has committed or participated in any act which, if committed or done by a holder of a license, would be grounds for the suspension or revocation of the license.

(b) Has previously been refused a license pursuant to this chapter or has had such a license suspended or revoked.

(c) Has participated in any act which was a basis for the refusal or revocation of a license pursuant to this chapter.

(d) Has falsified any of the information submitted to the Commissioner in support of the application for the license.

Sec. 92. *In addition to any other lawful reasons, the Commissioner may suspend or revoke a license if the licensee has engaged in any act that would be grounds for denying a license pursuant this chapter.*

Sec. 93. 1. *A licensee must obtain the approval of the Commissioner before using or changing a business name.*

2. *A licensee shall not:*



1 (a) *Use any business name which is identical or similar to a*
2 *business name used by another licensee under this chapter or*
3 *which may mislead or confuse the public.*

4 (b) *Use any printed forms which may mislead or confuse the*
5 *public.*

6 **Sec. 94.** *In addition to any other remedy or penalty, the*
7 *Commissioner may impose an administrative fine of not more*
8 *than \$10,000 upon a person who, without a license, conducts any*
9 *business or activity for which a license is required pursuant to the*
10 *provisions of this chapter.*

11 **Sec. 95.** NRS 676.120 is hereby amended to read as follows:

12 676.120 1. ~~[Application]~~ *An application* for a license must
13 be in writing, under oath and in the form prescribed by the
14 Commissioner.

15 2. The application ~~[shall:]~~ *must:*

16 (a) Give the business name, location of the office, names and
17 addresses of all officers and directors, if a corporation or
18 association, and names and addresses of partners, if a copartnership.

19 (b) Be accompanied by a copy of the fictitious name certificate
20 or the articles of incorporation, where applicable.

21 (c) Contain such further relevant information as the
22 Commissioner may require.

23 3. *The Commissioner shall consider an application to be*
24 *withdrawn if the Commissioner has not received all information*
25 *and fees required to complete the application within 6 months*
26 *after the date the application is first submitted to the*
27 *Commissioner or within such later period as the Commissioner*
28 *determines in accordance with any existing policies of joint*
29 *regulatory partners. If an application is deemed to be withdrawn*
30 *pursuant to this subsection or if an applicant otherwise withdraws*
31 *an application, the Commissioner may not issue a license to the*
32 *applicant unless the applicant submits a new application and pays*
33 *any required fees.*

34 **Sec. 96.** NRS 676.130 is hereby amended to read as follows:

35 676.130 1. At the time of making the application, the
36 applicant shall:

37 (a) Pay to the Commissioner a nonrefundable fee of ~~[\$250]~~ *not*
38 *more than \$500* for the application and survey. The applicant shall
39 also pay such additional expenses incurred in the process of
40 investigation as the Commissioner deems necessary. In addition, a
41 fee of not less than ~~[\$100 nor]~~ *\$200 or* more than ~~[\$200,]~~ *\$400,*
42 prorated on the basis of the licensing year as provided by the
43 Commissioner, must be paid at the time of making the application.
44 *The Commissioner shall adopt regulations establishing the*
45 *amount of the fees required pursuant to this paragraph.* All money



received by the Commissioner pursuant to this subsection must be placed in the Investigative Account created by NRS 232.545.

(b) Furnish a satisfactory bond to the State of Nevada, executed by an admitted surety company approved by the Commissioner, in the amount of \$10,000, or an appropriate substitute pursuant to NRS 676.135, conditioned upon the faithful accounting of all money collected upon accounts and entrusted to the licensee, or its employees or agents.

(c) Provide a blank copy of the debt-adjustment contract which will be used by the licensee in its business.

2. Not later than 3 months after the issuance of the license and thereafter semiannually the Commissioner shall determine the appropriate amount of bond or appropriate substitute which must be maintained by the licensee in accordance with the licensee's average monthly balance in the trust account maintained pursuant to NRS 676.220:

	AMOUNT OF
AVERAGE MONTHLY BALANCE	BOND REQUIRED
Less than \$50,000.....	\$10,000
\$50,000 or more but less than \$100,000	25,000
\$100,000 or more but less than \$150,000	30,000
\$150,000 or more but less than \$200,000	40,000
\$200,000 or more	50,000

Sec. 97. NRS 676.160 is hereby amended to read as follows:

676.160 1. A license expires on December 31 of each year. On or before that date, each licensee may apply to the Commissioner for a renewal of ~~his~~ *his* license.

2. The application must be on the form prescribed by the Commissioner and must be accompanied by a fee of ~~[\$200]~~ *not less than \$400* and a bond, as in the case of the original application.

3. If the application, fee for renewal or bond is filed after December 31, the Commissioner may renew the expired license upon receipt of the application, fee for renewal and bond, and a fee of ~~[\$200]~~ *not more than \$400* for reinstatement.

4. Each license, as renewed, remains in force until surrendered, suspended or revoked as provided in this chapter.

5. The Commissioner shall adopt regulations establishing the amount of the fees required pursuant to this section.

Sec. 98. NRS 676.290 is hereby amended to read as follows:

676.290 1. The Commissioner may, pursuant to the procedure provided in this chapter, deny, suspend or revoke any license for which application has been made or which has been issued under the provisions of this chapter if he finds, as to the licensee, its associates, directors or officers, grounds for action.



2. Any one of the following grounds may provide the requisite grounds for denial, suspension or revocation:

(a) Conviction of a felony relating to the practice of debt adjusters or of a misdemeanor involving moral turpitude.

(b) Violation of any of the provisions of this chapter or regulations of the Commissioner.

(c) Fraud or deceit in procuring the issuance of the license.

(d) Continuous course of unfair conduct.

(e) Insolvency, filing in bankruptcy, receivership or assigning for the benefit of creditors by any licensee or applicant for a license under this chapter.

(f) Failure to pay a tax as required pursuant to the provisions of chapter 363A of NRS.

(g) Failure to pay the fee for renewal or reinstatement of a license.

3. The Commissioner shall, after notice and hearing, impose upon the licensee ~~an~~ *an administrative* fine of ~~[\$500]~~ *not more than \$10,000* for each violation by the licensee of any of the provisions of this chapter or regulations of the Commissioner. If a fine is imposed pursuant to this section, the costs of the proceeding, including investigative costs and attorney's fees, may be recovered by the Commissioner.

Sec. 99. Chapter 677 of NRS is hereby amended by adding thereto the provisions set forth as sections 100 to 103, inclusive, of this act.

Sec. 100. 1. *In addition to any other requirements set forth in this chapter, each applicant must submit proof satisfactory to the Commissioner that the applicant:*

(a) Has a good reputation for honesty, trustworthiness and integrity and is competent to transact the business for which the applicant seeks to be licensed in a manner which protects the interests of the general public.

(b) Has not made a false statement of material fact on the application for the license.

(c) Has not committed any of the acts specified in subsection 2.

(d) Has not had a license issued pursuant to this chapter suspended or revoked within the 10 years immediately preceding the date of the application.

(e) Has not been convicted of, or entered a plea of nolo contendere to, a felony or any crime involving fraud, misrepresentation or moral turpitude.

(f) If the applicant is a natural person:

(1) Is at least 21 years of age; and

(2) Is a citizen of the United States or lawfully entitled to remain and work in the United States.



1 2. *In addition to any other lawful reasons, the Commissioner*
2 *may refuse to issue a license to an applicant if the applicant:*

3 (a) *Has committed or participated in any act which, if*
4 *committed or done by a holder of a license, would be grounds for*
5 *the suspension or revocation of the license.*

6 (b) *Has previously been refused a license pursuant to this*
7 *chapter or has had such a license suspended or revoked.*

8 (c) *Has participated in any act which was a basis for the*
9 *refusal or revocation of a license pursuant to this chapter.*

10 (d) *Has falsified any of the information submitted to the*
11 *Commissioner in support of the application for the license.*

12 **Sec. 101.** *In addition to any other lawful reasons, the*
13 *Commissioner may suspend or revoke a license if the licensee has*
14 *engaged in any act that would be grounds for denying a license*
15 *pursuant this chapter.*

16 **Sec. 102.** 1. *A licensee must obtain the approval of the*
17 *Commissioner before using or changing a business name.*

18 2. *A licensee shall not:*

19 (a) *Use any business name which is identical or similar to a*
20 *business name used by another licensee under this chapter or*
21 *which may mislead or confuse the public.*

22 (b) *Use any printed forms which may mislead or confuse the*
23 *public.*

24 **Sec. 103.** *In addition to any other remedy or penalty, the*
25 *Commissioner may impose an administrative fine of not more*
26 *than \$10,000 upon a person who, without a license, conducts any*
27 *business or activity for which a license is required pursuant to the*
28 *provisions of this chapter.*

29 **Sec. 104.** NRS 677.160 is hereby amended to read as follows:

30 677.160 1. The request for authority to engage in business
31 pursuant to this chapter must be set forth in an application in such
32 form and containing such information as the Commissioner requires.

33 2. The filing fees are:

34 (a) For filing an original application, ~~[\$1,000]~~ *not more than*
35 *\$2,000* for the principal office and ~~[\$150]~~ *not more than \$300* for
36 each branch office. The applicant shall also pay such additional
37 expenses incurred in the process of investigation as the
38 Commissioner deems necessary. All money received by the
39 Commissioner pursuant to this paragraph must be placed in
40 the Investigative Account created by NRS 232.545.

41 (b) If the license is approved for issuance, ~~[\$500]~~ *not more than*
42 *\$1,000* for the principal office and ~~[\$100]~~ *not more than \$200* for
43 each branch office before issuance.

44 3. *The Commissioner shall adopt regulations establishing the*
45 *amount of the fees required pursuant to this section.*



1 **4. The Commissioner shall consider an application to be**
2 **withdrawn if the Commissioner has not received all information**
3 **and fees required to complete the application within 12 months**
4 **after the date the application is first submitted to the**
5 **Commissioner or within such later period as the Commissioner**
6 **determines in accordance with any existing policies of joint**
7 **regulatory partners. If an application is deemed to be withdrawn**
8 **pursuant to this subsection or if the applicant otherwise withdraws**
9 **the application, the Commissioner may not issue a license to the**
10 **applicant unless the applicant submits a new application and pays**
11 **any required fees.**

12 **Sec. 105.** NRS 677.360 is hereby amended to read as follows:

13 677.360 **1.** A license expires on December 31 of each year.
14 On or before that date, each licensee must pay to the Commissioner
15 ~~{the sum of \$500}~~ **a fee not more than \$1,000** for the renewal of
16 each license held by him. The Commissioner may reinstate an
17 expired license upon receipt of the fee for renewal and a fee of
18 ~~[\$200]~~ **not more than \$400** for reinstatement.

19 **2. The Commissioner shall adopt regulations establishing the**
20 **amount of the fees required pursuant to this section.**

21 **Sec. 106.** NRS 677.510 is hereby amended to read as follows:

22 677.510 **1.** If the Commissioner has reason to believe that
23 grounds for revocation or suspension of a license exist, he shall give
24 20 days' written notice to the licensee stating the contemplated
25 action and, in general, the grounds therefor and set a date for a
26 hearing.

27 **2.** At the conclusion of a hearing, the Commissioner shall:

28 (a) Enter a written order either dismissing the charges, or
29 revoking the license, or suspending the license for a period of not
30 more than 60 days, which period must include any prior temporary
31 suspension. A copy of the order must be sent by registered or
32 certified mail to the licensee.

33 (b) Impose upon the licensee ~~{a}~~ **an administrative** fine of
34 ~~[\$500]~~ **not more than \$10,000** for each violation by the licensee of
35 any provision of this chapter or any lawful regulation adopted
36 pursuant thereto.

37 (c) If a fine is imposed pursuant to this section, enter such order
38 as is necessary to recover the costs of the proceeding, including his
39 investigative costs and attorney's fees.

40 **3.** The grounds for revocation or suspension of a license are
41 that:

42 (a) The licensee has failed to pay the annual license fee;

43 (b) The licensee, either knowingly or without any exercise of
44 due care to prevent it, has violated any provision of this chapter, or
45 any lawful regulation adopted pursuant thereto;



(c) The licensee has failed to pay a tax as required pursuant to the provisions of chapter 363A of NRS;

(d) Any fact or condition exists which would have justified the Commissioner in denying the licensee's original application for a license hereunder; or

(e) The applicant failed to open an office for the conduct of the business authorized under this chapter within 120 days ~~from~~ after the date the license was issued, or has failed to remain open for the conduct of the business for a period of 120 days without good cause therefor.

4. Any revocation or suspension applies only to the license granted to a person for the particular office for which grounds for revocation or suspension exist.

5. An order suspending or revoking a license becomes effective 5 days after being entered unless the order specifies otherwise or a stay is granted.

Sec. 107. Chapter 678 of NRS is hereby amended by adding thereto the provisions set forth as sections 108 to 111, inclusive, of this act.

Sec. 108. 1. *In addition to any other requirements set forth in this chapter, each applicant must submit proof satisfactory to the Commissioner that the applicant:*

(a) Has a good reputation for honesty, trustworthiness and integrity and is competent to transact the business for which the applicant seeks to be licensed in a manner which protects the interests of the general public.

(b) Has not made a false statement of material fact on the application for the license.

(c) Has not committed any of the acts specified in subsection 2.

(d) Has not had a license issued pursuant to this chapter suspended or revoked within the 10 years immediately preceding the date of the application.

(e) Has not been convicted of, or entered a plea of nolo contendere to, a felony or any crime involving fraud, misrepresentation or moral turpitude.

(f) If the applicant is a natural person:

(1) Is at least 21 years of age; and

(2) Is a citizen of the United States or lawfully entitled to remain and work in the United States.

2. *In addition to any other lawful reasons, the Commissioner may refuse to issue a license to an applicant if the applicant:*

(a) Has committed or participated in any act which, if committed or done by a holder of a license, would be grounds for the suspension or revocation of the license.



1 ***(b) Has previously been refused a license pursuant to this***
2 ***chapter or has had such a license suspended or revoked.***

3 ***(c) Has participated in any act which was a basis for the***
4 ***refusal or revocation of a license pursuant to this chapter.***

5 ***(d) Has falsified any of the information submitted to the***
6 ***Commissioner in support of the application for the license.***

7 **Sec. 109.** *In addition to any other lawful reasons, the*
8 ***Commissioner may suspend or revoke a license if the licensee has***
9 ***engaged in any act that would be grounds for denying a license***
10 ***pursuant this chapter.***

11 **Sec. 110.** *1. A licensee must obtain the approval of the*
12 ***Commissioner before using or changing a business name.***

13 ***2. A licensee shall not:***

14 ***(a) Use any business name which is identical or similar to a***
15 ***business name used by another licensee under this chapter or***
16 ***which may mislead or confuse the public.***

17 ***(b) Use any printed forms which may mislead or confuse the***
18 ***public.***

19 **Sec. 111.** *In addition to any other remedy or penalty, the*
20 ***Commissioner may impose an administrative fine of not more***
21 ***than \$10,000 upon a person who:***

22 ***1. Without a license, conducts any business or activity for***
23 ***which a license is required pursuant to the provisions of this***
24 ***chapter; or***

25 ***2. Violates any provision of this chapter or any regulation***
26 ***adopted pursuant thereto.***

27 **Sec. 112.** *NRS 678.343 is hereby amended to read as follows:*

28 ***678.343 Each application for an initial certificate of authority***
29 ***submitted by a foreign credit union must be filed with the***
30 ***Commissioner on a form prescribed by him and must include:***

31 ***1. A copy of the instrument or authority by which the credit***
32 ***union was created and a copy of its bylaws.***

33 ***2. A statement of its membership, if not contained in its***
34 ***bylaws.***

35 ***3. A copy of the most recent report submitted by the credit***
36 ***union to the authorized officer of the state in which it was***
37 ***organized.***

38 ***4. Any other information required by the Commissioner.***

39 ***5. The Commissioner shall consider an application to be***
40 ***withdrawn if the Commissioner has not received all information***
41 ***and fees required to complete the application within 12 months***
42 ***after the date the application is first submitted to the***
43 ***Commissioner or within such later period as the Commissioner***
44 ***determines in accordance with any existing policies of joint***
45 ***regulatory partners. If an application is deemed to be withdrawn***



pursuant to this subsection or if the applicant otherwise withdraws the application, the Commissioner may not issue a license to the applicant unless the applicant submits a new application and pays any required fees.

Sec. 113. NRS 678.3435 is hereby amended to read as follows:

678.3435 *1. The Commissioner shall charge and collect a fee of ~~[\$500]~~ not more than \$1,000 for an initial investigation from each foreign credit union which applies for certification. The fee is not refundable. An annual fee of ~~[\$500]~~ not more than \$1,000 must be paid by each foreign credit union for its initial office and ~~[\$100]~~ not more than \$200 for each branch office. Costs for additional examinations and investigations must be paid by the credit union at an hourly rate deemed reasonable by the Commissioner.*

2. The Commissioner shall by regulation determine the amount of the fees required pursuant to this section.

Sec. 114. NRS 678.790 is hereby amended to read as follows:

678.790 *1. The ~~[Division shall annually conduct or cause to be conducted an]~~ Commissioner shall make a thorough examination of and into the affairs of each credit union organized under the provisions of this chapter ~~[]~~, as often as the Commissioner may deem necessary, but at least once within each 18-month period. In lieu thereof, the Commissioner may accept any or all of a report of an examination of a credit union made by a federal regulatory agency. If the Commissioner accepts any part of such a report in one 18-month period, he shall examine the credit union to which the report pertains in the succeeding 18-month period.* For the purpose of performing the examination, the ~~[personnel of the Division]~~ Commissioner may:

- (a) Subpoena witnesses and documents;
- (b) Administer oaths; and
- (c) Compel the giving of testimony.

2. The report of the examination must contain comments to the members relative to the management of the affairs of the credit union and the general condition of the assets. Within 30 days following the receipt of the report, the directors shall call a general meeting of key personnel to consider matters contained in the report.

3. The ~~[Division]~~ Commissioner shall forward a copy of the report to the chairman of each credit union within 30 days after it is completed. The board of directors shall inform the members of the credit union of its general condition at the next annual meeting.

4. For each examination the credit union shall pay a fee based on the rate established pursuant to NRS 658.101.

5. The board of directors may engage a certified public accountant to perform such an examination in lieu of the ~~[Division]~~



1 ~~staff.] Commissioner.~~ In such cases, the examination must be
2 equivalent to the type of examination made by the ~~[Division]~~
3 *Commissioner* and the expense must be borne by the credit union
4 being inspected.

5 6. The Commissioner shall determine whether an examination
6 performed by an accountant pursuant to subsection 5 is equivalent to
7 an examination conducted by the ~~[Division.]~~ *Commissioner*. The
8 Commissioner may examine any area of the operation of a credit
9 union if the Commissioner determines that the examination of that
10 area is not equivalent to an examination conducted by the
11 ~~[Division.]~~ *Commissioner*.

12 **Sec. 115.** If, on October 1, 2005, a person holds a valid
13 certificate of registration that was issued by the Commissioner of
14 Financial Institutions pursuant to chapter 604 of NRS before
15 October 1, 2005, the person's certificate of registration shall be
16 deemed to be a license issued pursuant to chapter 604 of NRS, as
17 amended by the provisions of this act, until the date of its renewal.

18 **Sec. 116.** 1. This section and sections 1 to 60, inclusive, and
19 62 to 115, inclusive, of this act become effective on October 1,
20 2005.

21 2. The provisions of section 60 of this act expire by limitation
22 on the date on which the provisions of 42 U.S.C. § 666 requiring
23 each state to establish procedures under which the state has
24 authority to withhold or suspend, or to restrict the use of
25 professional, occupational and recreational licenses of persons who:

26 (a) Have failed to comply with a subpoena or warrant relating to
27 a proceeding to determine the paternity of a child or to establish or
28 enforce an obligation for the support of a child; or

29 (b) Are in arrears in the payment for the support of one or more
30 children,

31 ➤ are repealed by the Congress of the United States.

32 3. Section 61 of this act becomes effective on the date on
33 which the provisions of 42 U.S.C. § 666 requiring each state to
34 establish procedures under which the state has authority to withhold
35 or suspend, or to restrict the use of professional, occupational and
36 recreational licenses of persons who:

37 (a) Have failed to comply with a subpoena or warrant relating to
38 a procedure to determine the paternity of a child or to establish or
39 enforce an obligation for the support of a child; or

40 (b) Are in arrears in the payment for the support of one or more
41 children,

42 ➤ are repealed by the Congress of the United States.

