

SENATE BILL NO. 405—COMMITTEE ON JUDICIARY

MARCH 28, 2011

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing business entities.
(BDR 7-528)

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

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

AN ACT relating to business entities; revising provisions governing the manner in which business entities send and receive notices and communications; providing that certain nonprofit entities are exempt from the requirement to obtain a state business license; revising provisions governing the information included in a certificate of change in the number of an authorized class or series of shares; revising provisions governing restrictions on transfers of stock; authorizing a stockholder of a corporation to designate a proxy to consent or dissent in writing to a corporate action; revising provisions governing notice of a meeting of stockholders of a corporation, certain transactions between certain domestic corporations and interested stockholders and the dissolution of a corporation; revising provisions governing indemnification and advancement of expenses by a corporation under certain circumstances; reducing the maximum amount of the fee for filing with the Secretary of State certain instruments authorizing an increase in the stock of a corporation; revising provisions governing corporate records; revising provisions governing corporations organized under the law of a different jurisdiction; revising provisions governing the rights of a judgment creditor to satisfy a judgment out of the debtor's ownership interest in certain business entities; revising provisions governing mergers, conversions and domestications of certain business entities; revising provisions related to the right of dissent to certain corporate actions; revising provisions governing the time at which certain documents filed with the Secretary of State become effective; revising provisions governing business trusts; and providing other matters properly relating thereto.



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Legislative Counsel's Digest:

Sections 1-11, 16-19, 24-26, 58, 64, 72, 78, 92-94 and 102 of this bill revise provisions governing corporate records and the manner in which business entities deliver and receive notices and communications to include proposed changes to the Model Business Corporation Act which relate to electronic records and notices.

Section 12 of this bill clarifies that a nonprofit religious, charitable, fraternal or other organization that qualifies as a tax-exempt organization under section 501(c) of the Internal Revenue Code is not required to obtain a state business license.

Existing law restricts mergers and certain other transactions between certain domestic corporations with 200 or more stockholders and any stockholder which has acquired a specified amount of stock. (NRS 78.411-78.444) Under existing law, the corporation is prohibited from engaging in such a transaction with the stockholder for 3 years after the stockholder acquired the specified amount of stock, unless certain actions are taken by the board of directors of the corporation before the stockholder acquires the stock. (NRS 78.438) After the 3-year period, any such merger or transaction between the corporation and the stockholder is prohibited unless: (1) certain actions are taken by the board of directors or other stockholders; or (2) certain requirements concerning the consideration received by the other stockholders are satisfied. (NRS 78.439-78.443) **Sections 14, 16 and 30-48** of this bill: (1) decrease the applicable period from 3 years to 2 years; (2) amend provisions governing the type of corporation to which the restrictions apply; (3) amend the requirements for the merger or other transaction between the corporation and the stockholder; (4) allow the articles of incorporation of the corporation to impose stricter requirements on such transactions; and (5) specify that the board of directors of a corporation to which the existing law is applicable may take certain actions to protect the interests of the corporation and its stockholders.

Existing law provides for an effective date of certain documents filed with the Secretary of State. (NRS 78.1955, 78.209, 78.380, 78.390, 78.403, 78.580, 78A.180, 82.346, 82.356, 82.371, 82.451, 86.201, 86.216, 86.221, 86.226, 86.541, 86.547, 87.460, 87A.240, 87A.605, 87A.630, 88.355, 88.360, 88.380, 88.595, 88A.250, 88A.420, 88A.740, 92A.240) **Sections 20, 21, 27-29, 49, 55, 59-62, 65-68, 70, 71, 73, 74, 76, 77, 79-81, 83, 87, 90, 91 and 98** of this bill provide for a time at which these documents become effective.

Existing law provides that a change in the authorized number of shares of a class or series of stock is not effective until the filing of a certificate of change in the Office of the Secretary of State. (NRS 78.209) **Section 21** of this bill provides that the information concerning the shares which is included in the certificate is information regarding the affected series or class of shares.

Section 22 of this bill revises provisions governing permissible restrictions on the transfer of stock of a corporation or on the amount of stock that may be owned by a person or group of persons by specifically authorizing certain additional restrictions on these transfers of stock.

Section 23 of this bill specifically authorizes a stockholder to designate a proxy to act for the stockholder in granting written consent or expressing written dissent to a corporate action.

Section 25 of this bill: (1) removes the requirement that the notice of a meeting of stockholders be signed by a corporate officer or certain other persons designated by the directors of the corporation; and (2) removes the requirement that notice of the annual meeting of stockholders state the purpose for which the meeting is called.

Existing law provides procedures for the dissolution of a corporation and provides that, upon dissolution, the board of directors become trustees with the power to take certain actions to wind up the business and affairs of the corporation. (NRS 78.575-78.595) **Section 49** of this bill: (1) authorizes the board of directors to condition the submission of the proposal for dissolution on any lawful basis;



and (2) revises the requirements for providing notice to stockholders of the proposed dissolution by requiring such notice to be provided to all stockholders rather than only stockholders entitled to vote on the dissolution. **Section 51** of this bill provides that, in acting as trustees to wind up the affairs of the dissolved corporation, the directors have the same duties, and are entitled to the benefit of the same presumptions regarding the performance of those duties, as directors of a corporation. **Sections 63 and 102** repeal a provision of existing law which provides that lawsuits for debts owed by dissolved corporations must be filed in the name of the trustees and that those trustees are jointly and severally responsible for satisfying such debts from the property of the corporation in their possession. **Section 15** of this bill enacts a provision based on Delaware law which governs the liability of the stockholders of a dissolved corporation.

Existing law authorizes a corporation to indemnify and advance expenses to directors, officers, employees or agents of the corporation under certain circumstances. (NRS 78.7502, 78.751) This authority to indemnify and advance expenses does not affect other rights to which a person seeking indemnification or advancement of expenses is entitled under the articles or incorporation or the bylaws. (NRS 78.751) **Section 53** of this bill enacts a provision based on Delaware law which provides that a right to indemnification or the advancement of expenses under the articles of incorporation or the bylaws may not be eliminated or impaired by an amendment to the provision after the act or omission for which indemnification or advancement of expenses is sought, unless such elimination or impairment is authorized by the provision in effect at the time of the act or omission.

Existing law provides that the amount of the fee for filing articles of incorporation with the Secretary of State is based on the dollar amount of the total number of shares provided for in the articles of incorporation. (NRS 78.760) When a corporation increases the number of authorized shares, the fee for filing that information with the Secretary of State is determined by subtracting the amount of the fee based on the increased number of shares from the amount of the fee based on the number of authorized shares excluding the increase. (NRS 78.765) The maximum amount of the fee for filing with the Secretary of State articles of incorporation or an instrument authorizing an increase in stock is: (1) \$35,000 for filing the original articles of incorporation; and (2) \$35,000 for filing an instrument authorizing an increase in stock. (NRS 78.760) **Section 54** of this bill reduces to \$34,925 the maximum amount of the fee for filing an instrument authorizing an increase in stock.

Existing law requires a corporation organized under the laws of another jurisdiction to register with the Secretary of State before commencing or doing any business in this State. (NRS 80.010) Under existing law, certain activities are defined as not doing business in this State, thus exempting corporations engaging in those activities from the requirement to register with the Secretary of State or comply with certain other laws of this State. (NRS 80.015) However, notwithstanding this provision, a person who solicits business for the activities of a mortgage broker or a mortgage banker is deemed to be doing business in this State and required to register with the Secretary of State and comply with other existing laws. **Section 56** of this bill provides that a person who engages in such activities in relation to a mortgage loan secured by commercial real property is exempt from these requirements.

Sections 52, 69, 75 and 82 of this bill revise provisions governing the satisfaction of a judgment against a stockholder, member of a limited-liability company or partner of a limited partnership from the interest of the stockholder, member or partner in the entity.

Existing law authorizes one or more persons to create a business trust by adopting a governing instrument and signing and filing a certificate of trust with the



Secretary of State. (NRS 88A.210) **Sections 84-86, 88 and 89** of this bill revise provisions relating to the status of a business trust as an entity separate from its trustees and beneficial owners, the powers of a business trust with respect to property ownership and the duties and liabilities of trustees of a business trust.

Section 96 of this bill revises provisions governing mergers for which action is not required by the stockholders of the surviving domestic corporation.

Section 97 of this bill clarifies the provisions of existing law which are applicable to conversions of domestic entities or domestic general partnerships into foreign entities and to conversions of foreign entities or foreign general partnerships into domestic entities.

Section 99 of this bill revises provisions relating to the domestication of certain business entities.

Under existing law, certain stockholders may dissent to certain corporate actions that will result in the receipt of money or scrip instead of a fraction of a share and obtain payment of the fair value of the stockholder's shares. (NRS 78.205-78.207, 92A.380) **Section 100** of this bill clarifies that the right to obtain payment of the fair value of the shares relates only to the fraction of a share rather than all of the stockholder's shares. **Section 101** of this bill clarifies the proper district court in which an action to determine the fair value of the shares must be commenced.

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

Section 1. Title 7 is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 11, inclusive, of this act.

Sec. 2. *As used in this title, unless the context otherwise requires, the words and terms defined in sections 3 to 10, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“Deliver” or “delivery” means any method of delivery used in conventional commercial practice, including, without limitation, delivery by hand, mail, commercial delivery and, if authorized in accordance with section 11 of this act, by electronic transmission.*

Sec. 4. *“Electronic” means relating to any technology, process or system having electrical, digital, magnetic, wireless, optical, electromagnetic or similar characteristics or qualities.*

Sec. 5. *“Electronic record” means information that is stored in an electronic or other medium and is retrievable in paper form through an automated process used in conventional commercial practice or, if authorized in accordance with subsection 8 of section 11 of this act, is otherwise retrievable in perceivable form.*

Sec. 6. *“Electronic transmission” or “electronically transmitted” means any form or process of communication not directly involving the physical transfer of paper or another tangible medium which:*



1 1. *Is suitable for the retention, retrieval and reproduction of*
2 *information by the recipient; and*

3 2. *Is retrievable and reproducible in paper form by the*
4 *recipient through an automated process used in conventional*
5 *commercial practice, unless otherwise authorized in accordance*
6 *with subsection 8 of section 11 of this act.*

7 **Sec. 7.** *“Record” means information that is inscribed on any*
8 *tangible medium, including, without limitation, any writing or*
9 *written instrument, or an electronic record.*

10 **Sec. 8.** *“Sign” or “signature” means with the present intent*
11 *to authenticate or adopt a record or identify oneself:*

12 1. *To execute or otherwise adopt a tangible symbol, name,*
13 *word or mark, including, without limitation, any manual,*
14 *facsimile or confirmed signature; or*

15 2. *To attach to or logically associate with an electronic*
16 *transmission an electronic sound, symbol or process, including,*
17 *without limitation, an electronic signature, in an electronic*
18 *transmission.*

19 **Sec. 9.** *“Street address” of a registered agent means the*
20 *actual physical location in this State at which a registered agent is*
21 *available for service of process. As used in this section, “registered*
22 *agent” has the meaning ascribed to it in NRS 77.230.*

23 **Sec. 10.** *“Writing” or “written” means any information in*
24 *the form of a record.*

25 **Sec. 11.** 1. *Except as otherwise provided by specific statute:*

26 (a) *Any notice or other communication described in this title*
27 *may be given or sent by any method of delivery; and*

28 (b) *An electronic transmission must be in accordance with this*
29 *section.*

30 2. *A notice or other communication given or sent pursuant to*
31 *the organic law or organic rules of an entity may be delivered by*
32 *electronic transmission if:*

33 (a) *Consented to by the recipient or authorized by subsection*
34 *9; and*

35 (b) *The electronic transmission contains or is accompanied by*
36 *information from which the recipient can determine the date of*
37 *the transmission.*

38 3. *Any consent under subsection 2 may be revoked by the*
39 *person who consented by written or electronic notice to the person*
40 *to whom the consent was delivered. Any such consent is deemed*
41 *revoked if:*

42 (a) *The person is unable to receive two consecutive electronic*
43 *transmissions given by the entity or organization in accordance*
44 *with such consent; and*



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

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

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

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

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

5. Receipt of an electronic acknowledgment from an information processing system described in paragraph (a) of subsection 4 establishes that an electronic transmission was received but, by itself, does not establish that the content sent corresponds to the content received.

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

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

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

(1) A stockholder's address as it appears upon the records of the corporation;

(2) A director's residence or usual place of business;

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

(4) If to a recipient other than a stockholder, director or corporation, such person's residence or usual place of business;

(b) If mailed by United States mail postage prepaid and correctly addressed to a stockholder, upon deposit in the United States mail;

(c) If mailed by United States mail postage prepaid and correctly addressed to a recipient other than a stockholder, the earliest of:

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

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

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

(e) If oral, when communicated.

↪ In the absence of fraud, an affidavit of the secretary of the entity or the transfer agent or any other agent of the entity that the



1 *notice has been given by a form of electronic transmission is*
2 *prima facie evidence of the facts stated in the affidavit.*

3 8. *A notice or other communication may be in the form of an*
4 *electronic transmission that cannot be directly reproduced in*
5 *paper form by the recipient through an automated process used in*
6 *conventional commercial practice only if:*

7 (a) *The electronic transmission is otherwise retrievable in*
8 *perceivable form; and*

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

11 9. *If any provision of this title prescribes requirements for*
12 *notices or other communication in particular circumstances, those*
13 *requirements govern. If the organic rules of an entity prescribe*
14 *requirements for notices or other communications, not*
15 *inconsistent with this section or other provisions of this title, those*
16 *requirements govern. The articles of incorporation or bylaws of a*
17 *corporation may authorize, require or prohibit delivery of notices*
18 *of meetings of directors by electronic transmission.*

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

25 11. *As used in this section:*

26 (a) *“Entity” has the meaning ascribed to it in NRS 77.060.*

27 (b) *“Organic law” has the meaning ascribed to it in*
28 *NRS 77.170.*

29 (c) *“Organic rules” has the meaning ascribed to it in*
30 *NRS 77.180.*

31 **Sec. 12.** NRS 76.100 is hereby amended to read as follows:

32 76.100 1. A person shall not conduct a business in this State
33 unless and until the person obtains a state business license issued by
34 the Secretary of State. If the person is:

35 (a) An entity required to file an initial or annual list with the
36 Secretary of State pursuant to this title, the person must obtain the
37 state business license at the time of filing the initial or annual list.

38 (b) Not an entity required to file an initial or annual list with the
39 Secretary of State pursuant to this title, the person must obtain the
40 state business license before conducting a business in this State.

41 2. An application for a state business license must:

42 (a) Be made upon a form prescribed by the Secretary of State;

43 (b) Set forth the name under which the applicant transacts or
44 intends to transact business, or if the applicant is an entity organized
45 pursuant to this title and on file with the Secretary of State, the exact



1 name on file with the Secretary of State, the entity number as
2 assigned by the Secretary of State, if known, and the location in this
3 State of the place or places of business;

4 (c) Be accompanied by a fee in the amount of \$100; and

5 (d) Include any other information that the Secretary of State
6 deems necessary.

7 ➔ If the applicant is an entity organized pursuant to this title and on
8 file with the Secretary of State and the applicant has no location in
9 this State of its place of business, the address of its registered agent
10 shall be deemed to be the location in this State of its place of
11 business.

12 3. The application must be signed pursuant to NRS 239.330 by:

13 (a) The owner of a business that is owned by a natural person.

14 (b) A member or partner of an association or partnership.

15 (c) A general partner of a limited partnership.

16 (d) A managing partner of a limited-liability partnership.

17 (e) A manager or managing member of a limited-liability
18 company.

19 (f) An officer of a corporation or some other person specifically
20 authorized by the corporation to sign the application.

21 4. If the application for a state business license is defective in
22 any respect or the fee required by this section is not paid, the
23 Secretary of State may return the application for correction or
24 payment.

25 5. The state business license required to be obtained pursuant
26 to this section is in addition to any license to conduct business that
27 must be obtained from the local jurisdiction in which the business is
28 being conducted.

29 6. For the purposes of this chapter, a person shall be deemed to
30 conduct a business in this State if a business for which the person is
31 responsible:

32 (a) Is organized pursuant to this title, other than a business
33 organized pursuant to ~~chapter~~ :

34 (1) *Chapter* 82 or 84 of NRS; or

35 (2) *Chapter 81 if the business is a nonprofit religious,*
36 *charitable, fraternal or other organization that qualifies as a tax-*
37 *exempt organization pursuant to 26 U.S.C. § 501(c).*

38 (b) Has an office or other base of operations in this State;

39 (c) Has a registered agent in this State; or

40 (d) Pays wages or other remuneration to a natural person who
41 performs in this State any of the duties for which he or she is paid.

42 7. As used in this section, "registered agent" has the meaning
43 ascribed to it in NRS 77.230.



1 **Sec. 13.** Chapter 78 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 14 and 15 of this act.

3 **Sec. 14.** *“Publicly traded corporation” means a domestic*
4 *corporation that has a class or series of voting shares which is:*

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

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

13 **Sec. 15.** 1. *A stockholder of a corporation dissolved*
14 *pursuant to NRS 78.580 or whose period of corporate existence*
15 *has expired, the assets of which were distributed pursuant to NRS*
16 *78.590, is not liable for any claim against the corporation in an*
17 *amount in excess of such stockholder’s pro rata share of the claim*
18 *or the amount so distributed to such stockholder, whichever is less.*

19 2. *A stockholder of a corporation dissolved pursuant to NRS*
20 *78.580 or whose period of corporate existence has expired, the*
21 *assets of which were distributed pursuant to NRS 78.590, is not*
22 *liable for any claim against the corporation on which an action,*
23 *suit or proceeding is not begun before the expiration of the period*
24 *described in NRS 78.585.*

25 3. *The aggregate liability of any stockholder of a corporation*
26 *dissolved pursuant to NRS 78.580 or whose period of corporate*
27 *existence has expired for claims against such corporation must*
28 *not exceed the amount distributed to such stockholder pursuant to*
29 *NRS 78.590.*

30 **Sec. 16.** NRS 78.010 is hereby amended to read as follows:

31 78.010 1. As used in this chapter:

32 (a) “Approval” and “vote” as describing action by the directors
33 or stockholders mean the vote of directors in person or by written
34 consent or of stockholders in person, by proxy or by written consent.

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

43 (c) “Directors” and “trustees” are synonymous terms.

44 (d) *“Entity” means a foreign or domestic:*

45 (1) *Corporation, whether or not for profit;*



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- (2) *Limited-liability company;*
- (3) *Limited partnership; or*
- (4) *Business trust.*

~~[(d)]~~ (e) "Principal office" means the office, in or out of this State, where the principal executive offices of a domestic or foreign corporation are located.

~~[(e)]~~ (f) "Receiver" includes receivers and trustees appointed by a court as provided in this chapter or in chapter 32 of NRS.

~~[(f)] "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.]~~

(g) "Registered agent" has the meaning ascribed to it in NRS 77.230.

(h) "Registered office" means the office maintained at the street address of the registered agent.

(i) ~~["Sign" means to affix a signature to a record.]~~

~~—(j) "Signature" means a name, word, symbol or mark executed or otherwise adopted, or a record encrypted or similarly processed in whole or in part, by a person with the present intent to identify himself or herself and adopt or accept a record. The term includes, without limitation, an electronic signature as defined in NRS 719.100.~~

~~—(k)]~~ "Stockholder of record" means a person whose name appears on the stock ledger of the corporation.

~~[(l) "Street address" of a registered agent means the actual physical location in this State at which a registered agent is available for service of process.]~~

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

Sec. 17. NRS 78.0297 is hereby amended to read as follows:

78.0297 1. Except as otherwise ~~provided]~~ *required* by federal or state law, any records maintained by a corporation in its regular course of business, including, without limitation, its stock ledger, *minute books*, books of account and ~~minute books,~~ *financial records*, may be kept on, *or* by means of, ~~for be in the form of,~~ any information processing system or other information storage device or medium ~~],~~ *, or in the form of an electronic record.*

2. A corporation shall convert within a reasonable time any *electronic* records ~~kept in the manner described in subsection 1]~~ into clear and legible paper form upon the request of any person entitled to inspect the records maintained by the corporation pursuant to any provision of this chapter.



3. A clear and legible paper form produced from *electronic* records ~~[kept in the manner described in subsection 1]~~ is admissible in evidence and accepted for all other purposes to the same extent as an original paper record with the same information provided that the paper form portrays the record accurately.

Sec. 18. NRS 78.0298 is hereby amended to read as follows:

78.0298 ~~[1.]~~ No record or signature maintained by a corporation is required to be created, generated, sent, communicated, received, stored or otherwise processed or used by electronic means or in electronic form.

~~[2. The corporation may refuse to accept or conduct any transaction or create, generate, send, communicate, receive, store or otherwise process, use or accept any record or signature by electronic means or in electronic form.]~~

Sec. 19. NRS 78.090 is hereby amended to read as follows:

78.090 1. Every corporation must have a registered agent who resides or is located in this State. Notwithstanding the provisions of NRS 77.300, each registered agent must have a street address for receiving service of process, which is the registered office of the corporation in this State. If the registered agent is in the business of acting as a registered agent for more than one business entity, the physical street address of the registered office must be in a location for which such use is not prohibited by any local ordinance. The registered agent may have a separate mailing address such as a post office box, which may be different from the street address.

2. If the registered agent is a bank or corporation, it may:

(a) Act as the fiscal or transfer agent of any state, municipality, body politic or corporation and in that capacity may receive and disburse money.

(b) Transfer, register and countersign certificates of stock, bonds or other evidences of indebtedness and act as agent of any corporation, foreign or domestic, for any purpose required by statute, or otherwise.

(c) Act as trustee under any mortgage or bond issued by any municipality, body politic or corporation, and accept and execute any other municipal or corporate trust not inconsistent with the laws of this State.

(d) Receive and manage any sinking fund of any corporation, upon such terms as may be agreed upon between the corporation and those dealing with it.

3. Every corporation organized pursuant to this chapter which fails or refuses to comply with the requirements of this section is subject to a fine of not less than \$100 nor more than \$500, to be recovered with costs by the State, before any court of competent



1 jurisdiction, by action at law prosecuted by the Attorney General or
2 by the district attorney of the county in which the action or
3 proceeding to recover the fine is prosecuted.

4 4. All legal process and any demand , ~~for~~ notice *or*
5 *communication* authorized by law to be served upon , *or delivered*
6 *to*, a corporation may be served upon , *or delivered to*, the registered
7 agent of the corporation in the manner provided in subsection 2 of
8 NRS 14.020. If any demand, notice , *communication* or legal
9 process, other than a summons and complaint, cannot be served
10 upon , *or delivered to*, the registered agent, it may be served *or*
11 *delivered* in the manner provided in NRS 14.030. These manners
12 and modes of service *or delivery* are in addition to any other
13 *manner and mode of* service *or delivery* authorized by law.

14 **Sec. 20.** NRS 78.1955 is hereby amended to read as follows:

15 78.1955 1. If the voting powers, designations, preferences,
16 limitations, restrictions and relative rights of any class or series of
17 stock have been established by a resolution of the board of directors
18 pursuant to a provision in the articles of incorporation, a certificate
19 of designation setting forth the resolution and stating the number of
20 shares for each designation must be signed by an officer of the
21 corporation and filed with the Secretary of State. A certificate of
22 designation signed and filed pursuant to this section must become
23 effective before the issuance of any shares of the class or series.

24 2. Unless otherwise provided in the articles of incorporation or
25 the certificate of designation being amended, if no shares of a class
26 or series of stock established by a resolution of the board of
27 directors have been issued, the designation of the class or series, the
28 number of the class or series and the voting powers, designations,
29 preferences, limitations, restrictions and relative rights of the class
30 or series may be amended by a resolution of the board of directors
31 pursuant to a certificate of amendment filed in the manner provided
32 in subsection 4.

33 3. Unless otherwise provided in the articles of incorporation or
34 the certificate of designation, if shares of a class or series of stock
35 established by a resolution of the board of directors have been
36 issued, the designation of the class or series, the number of the class
37 or series and the voting powers, designations, preferences,
38 limitations, restrictions and relative rights of the class or series may
39 be amended by a resolution of the board of directors only if the
40 amendment is approved as provided in this subsection. Unless
41 otherwise provided in the articles of incorporation or the certificate
42 of designation, the proposed amendment adopted by the board of
43 directors must be approved by the vote of stockholders holding
44 shares in the corporation entitling them to exercise a majority of the
45 voting power, or such greater proportion of the voting power as may



1 be required by the articles of incorporation or the certificate of
2 designation, of:

3 (a) The class or series of stock being amended; and

4 (b) Each class and each series of stock which, before
5 amendment, is senior to the class or series being amended as to the
6 payment of distributions upon dissolution of the corporation,
7 regardless of any limitations or restrictions on the voting power of
8 that class or series.

9 4. A certificate of amendment to a certificate of designation
10 must be signed by an officer of the corporation and filed with the
11 Secretary of State and must:

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

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

17 (c) Set forth the amendment to the class or series or set forth the
18 designation of the class or series, the number of the class or series
19 and the voting powers, designations, preferences, limitations,
20 restrictions and relative rights of the class or series, as amended.

21 5. A certificate filed pursuant to subsection 1 or 4 is effective
22 ~~upon~~ *at the time of the* filing *of* the certificate with the Secretary
23 of State or upon a later date *and time as* specified in the certificate,
24 which must not be more than 90 days after the *date on which the*
25 certificate is filed. *If a certificate filed pursuant to subsection 1 or*
26 *4 specifies a later effective date but does not specify an effective*
27 *time, the certificate is effective at 12:01 a.m. in the Pacific time*
28 *zone on the specified later date.*

29 6. If shares of a class or series of stock established by a
30 certificate of designation are not outstanding, the corporation may
31 file a certificate which states that no shares of the class or series are
32 outstanding and which contains the resolution of the board of
33 directors authorizing the withdrawal of the certificate of designation
34 establishing the class or series of stock. The certificate must identify
35 the date and certificate of designation being withdrawn and must be
36 signed by an officer of the corporation and filed with the Secretary
37 of State. Upon filing the certificate and payment of the fee required
38 pursuant to NRS 78.765, all matters contained in the certificate of
39 designation regarding the class or series of stock are eliminated
40 from the articles of incorporation.

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



Sec. 21. NRS 78.209 is hereby amended to read as follows:

78.209 1. A change pursuant to NRS 78.207 is not effective until after the filing in the Office of the Secretary of State of a certificate, signed by an officer of the corporation, setting forth:

(a) The ~~current~~ number of authorized shares and the par value, if any, of each *affected* class or *, if applicable, each affected* series ~~[, if any,]~~ of shares before the change;

(b) The number of authorized shares and the par value, if any, of each *affected* class or *, if applicable, each affected* series ~~[, if any,]~~ of shares after the change;

(c) The number of shares of each affected class or *, if applicable, each affected* series ~~[, if any,]~~ to be issued after the change in exchange for each issued share of the same class or series;

(d) The provisions, if any, for the issuance of fractional shares, or for the payment of money or the issuance of scrip to stockholders otherwise entitled to a fraction of a share and the percentage of outstanding shares affected thereby; and

(e) That any required approval of the stockholders has been obtained.

➔ The provisions in the articles of incorporation of the corporation regarding the authorized number and par value, if any, of the changed class or *, if applicable, the changed* series ~~[, if any,]~~ of shares shall be deemed amended as provided in the certificate at the effective date and time of the change.

2. Unless an increase or decrease of the number of authorized shares pursuant to NRS 78.207 is accomplished by an action that otherwise requires an amendment to the articles of incorporation of the corporation, such an amendment is not required by that section.

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

4. If a certificate filed pursuant to subsection 1 specifies ~~an~~ *a later* effective date, the board of directors may terminate the effectiveness of the certificate by resolution. A certificate of termination must:

(a) Be filed with the Secretary of State before the effective date specified in the certificate filed pursuant to subsection 1;

(b) Identify the certificate being terminated;

(c) State that the effectiveness of the certificate has been terminated;



(d) Be signed by an officer of the corporation; and

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

Sec. 22. NRS 78.242 is hereby amended to read as follows:

78.242 1. Subject to the limitation imposed by NRS 104.8204, a written restriction on the transfer or registration of transfer of the stock of a corporation, if permitted by this section, may be enforced against the holder of the restricted stock or any successor or transferee of the holder, including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder.

2. A restriction on the transfer or registration of transfer of the stock of a corporation *, or on the amount of a corporation's stock that may be owned by a person or group of persons,* may be imposed by the articles of incorporation or by the bylaws or by an agreement among any number of stockholders or between *or among* one or more stockholders and the corporation. No restriction so imposed is binding *upon any stockholder* with respect to ~~stocks issued before the adoption of the restriction unless the stockholders are parties to an~~ *the shares of stock owned by such stockholder at the time the restriction is adopted, regardless of any later effective time of such restriction, unless such stockholder is a party to the* agreement or voted in favor of the restriction.

3. A restriction on the transfer or the registration of transfer of shares is valid and enforceable against the transferee of the stockholder if the restriction is not prohibited by other law and its existence is noted conspicuously on the front or back of the stock certificate or is contained in the statement of information required by NRS 78.235. Unless so noted, a restriction is not enforceable against a person without knowledge of the restriction.

4. A restriction on the transfer or registration of transfer of *the* stock of a corporation *or on the amount of such stock that may be owned by any person or group of persons* is permitted, without limitation by this enumeration, if it:

(a) Obligates the stockholder first to offer to the corporation or to any other stockholder or stockholders of the corporation or to any other person or persons or to any combination of the foregoing a prior opportunity, to be exercised within a reasonable time, to acquire the stock;

(b) Obligates the corporation or any ~~holder of stock~~ *stockholder* of the corporation or any other person or any combination of the foregoing to purchase stock which is the subject of an agreement respecting the purchase and sale of the stock;

(c) Requires the corporation or any stockholder or stockholders to ~~consent~~:



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(1) *Consent* to any proposed transfer of the stock ~~for to~~
~~approve~~;

(2) *Approve* the proposed transferee of stock ~~for~~; or

(3) *Approve the amount of stock of the corporation*
proposed to be acquired by any person or group of persons;

(d) Prohibits *or restricts* the transfer of the stock to , *or the*
ownership of stock by, designated persons or classes of persons, and
such designation is not manifestly unreasonable; or

(e) Prohibits *or restricts* the transfer *or registration of transfer*
of ~~the~~ stock ~~for~~ *or the amount of stock of a corporation that may be*
owned by a person or group of persons, for any of the following
purposes:

(1) To maintain the corporation's status when it is dependent
on the number or identity of its stockholders ~~for~~, *including, without*
limitation, the corporation's status as an electing small business
corporation under subchapter S of chapter 1 of subtitle A of the
United States Internal Revenue Code, 26 U.S.C. § 1371 et seq., as
amended, or any successor provision;

(2) To *maintain or* preserve *the corporation's status or*
exemptions under federal or state laws governing taxes or securities,
including, without limitation, the qualification of the corporation as
a real estate investment trust pursuant to 26 U.S.C. §§ 856 et seq., as
amended, or any successor provision, and any regulations adopted
pursuant thereto; ~~for~~

(3) *To maintain or preserve any other local, state, federal*
or foreign tax advantage to, or attribute of, the corporation or its
stockholders, including, without limitation, net operating losses;

(4) *To maintain any statutory or regulatory advantage or to*
comply with any statutory or regulatory requirements under
applicable local, state, federal or foreign law; or

(5) For any other reasonable purpose.

5. For the purposes of this section, "stock" includes a security
convertible into or carrying ~~for~~ *an option or other* right to subscribe
for or to acquire stock.

Sec. 23. NRS 78.355 is hereby amended to read as follows:

78.355 1. ~~[At any meeting of the stockholders of any~~
~~corporation any]~~ *Each* stockholder *entitled to vote at a meeting of*
stockholders or to express consent or dissent to corporate action in
writing without a meeting may ~~[designate]~~ *authorize* another
person or persons to act ~~[as a]~~ *for such stockholder by* proxy . ~~[or~~
~~proxies.]~~ If any stockholder designates two or more persons to act as
proxies, a majority of those persons present at the meeting ~~for~~ *or a*
majority of those persons granting consent or exercising a right of
dissenting in writing, or, if only one is present ~~for~~ *or consenting or*
dissenting in writing, then that one has and may exercise all of the



1 powers conferred by the stockholder upon all of the persons so
2 designated unless the stockholder provides otherwise. *The proxy*
3 *may be limited to action on designated matters.*

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

8 —(a) ~~A]~~ *a* stockholder may sign a writing authorizing another
9 person or persons to act for him or her as proxy. ~~[The proxy may be~~
10 ~~limited to action on designated matters.~~

11 —(b) ~~A stockholder may authorize another person or persons to~~
12 ~~act for him or her as proxy by transmitting or authorizing the~~
13 ~~transmission of an electronic record to the person who will be the~~
14 ~~holder of the proxy or to a firm which solicits proxies or like agent~~
15 ~~who is authorized by the person who will be the holder of the proxy~~
16 ~~to receive the transmission. Any such electronic record must either~~
17 ~~set forth or be submitted with information from which it can be~~
18 ~~determined that the electronic record was authorized by the~~
19 ~~stockholder. If it is determined that the electronic record is valid, the~~
20 ~~persons appointed by the corporation to count the votes of~~
21 ~~stockholders and determine the validity of proxies and ballots or~~
22 ~~other persons making those determinations must specify the~~
23 ~~information upon which they relied.]~~

24 3. Any copy, communication by electronic transmission or
25 other reliable reproduction of the ~~[record]~~ *writing* created pursuant
26 to subsection 2 may be substituted for the original ~~[record]~~ *writing*
27 for any purpose for which the original ~~[record]~~ *writing* could be
28 used, if the copy, communication by electronic transmission or other
29 reproduction is a complete reproduction of the entire original
30 ~~[record.]~~ *writing.*

31 4. Except as otherwise provided in subsection 5, no such proxy
32 is valid after the expiration of 6 months from the date of its creation
33 unless the stockholder specifies in it the length of time for which it
34 is to continue in force, which may not exceed 7 years from the date
35 of its creation. Subject to these restrictions, any proxy properly
36 created is not revoked and continues in full force and effect until:

37 (a) Another instrument or transmission revoking it or a properly
38 created proxy bearing a later date is filed with or transmitted to the
39 secretary of the corporation or another person or persons appointed
40 by the corporation to count the votes of stockholders and determine
41 the validity of proxies and ballots; or

42 (b) ~~[The]~~ *In the case of a meeting of stockholders, the*
43 stockholder revokes the proxy by attending the meeting and voting
44 the stockholder's shares in person, in which case, any vote cast by
45 the person or persons designated by the stockholder to act as a proxy



1 or proxies must be disregarded by the corporation when the votes
2 are counted.

3 5. A proxy shall be deemed irrevocable if the written
4 authorization states that the proxy is irrevocable, but is irrevocable
5 only for as long as it is coupled with an interest sufficient in law to
6 support an irrevocable power, including, without limitation, the
7 appointment as proxy of a pledgee, a person who purchased or
8 agreed to purchase the shares, a creditor of the corporation who
9 extended its credit under terms requiring the appointment, an
10 employee of the corporation whose employment contract requires
11 the appointment or a party to a voting agreement created pursuant to
12 subsection 3 of NRS 78.365. Unless otherwise provided in the
13 proxy, a proxy made irrevocable pursuant to this subsection is
14 revoked when the interest with which it is coupled is extinguished,
15 but the corporation may honor the proxy until notice of the
16 extinguishment of the proxy is received by the corporation. A
17 transferee for value of shares subject to an irrevocable proxy may
18 revoke the proxy if the transferee did not know of its existence when
19 the transferee acquired the shares and the existence of the
20 irrevocable appointment was not noted conspicuously on the
21 certificate representing the shares or on the information statement
22 for shares without certificates.

23 6. If any stockholder subject to a properly created irrevocable
24 proxy attends any meeting of the stockholders *or attempts to grant*
25 *a consent or exercise a right of dissent* for which the authorization
26 grants authority to act on the stockholder's behalf at the meeting, *or*
27 *in granting a consent or exercising a right of dissent, as*
28 *applicable*, to a proxy or proxies, unless expressly otherwise
29 provided in the written authorization or electronic record:

30 (a) Only the proxy or proxies may have and exercise all the
31 powers of the stockholder at the meeting ~~or~~ *or in granting a*
32 *consent or exercising a right of dissent, as applicable*; and

33 (b) Only a vote, *consent or dissent, as applicable*, of the proxy
34 or proxies may be regarded *as valid* by the corporation. ~~[when the~~
35 ~~votes are counted.]~~

36 **Sec. 24.** NRS 78.360 is hereby amended to read as follows:

37 78.360 1. The articles of incorporation of any corporation
38 may provide that at all elections of directors of the corporation each
39 holder of stock possessing voting power is entitled to as many votes
40 as equal the number of his or her shares of stock multiplied by the
41 number of directors to be elected, and that the holder of stock may
42 cast all of his or her votes for a single director or may distribute
43 them among the number to be voted for or any two or more of them,
44 as the holder of stock may see fit. To exercise the right of
45 cumulative voting, one or more of the stockholders requesting



1 cumulative voting must give written notice to the president or
2 secretary of the corporation that the stockholder desires that the
3 voting for the election of directors be cumulative.

4 2. The notice must be ~~[given]~~ *delivered* not less than 48 hours
5 before the time fixed for holding the meeting, if notice of the
6 meeting has been ~~[given]~~ *delivered* at least 10 days before the date
7 of the meeting, and otherwise not less than 24 hours before the
8 meeting. At the meeting, before the commencement of voting for
9 the election of directors, an announcement of the ~~[giving]~~ *delivery*
10 of the notice must be made by the chairman or the secretary of the
11 meeting or by or on behalf of the stockholder ~~[giving]~~ *delivering* the
12 notice. Notice to stockholders of the requirement of this subsection
13 must be contained in the notice calling the meeting or in the proxy
14 material accompanying the notice.

15 **Sec. 25.** NRS 78.370 is hereby amended to read as follows:

16 78.370 1. If under the provisions of this chapter stockholders
17 are required or authorized to take any action at a meeting, the notice
18 of the meeting must be in writing . ~~[and signed by the president or a~~
19 ~~vice president, or the secretary or an assistant secretary, or by such~~
20 ~~other natural person or persons as the bylaws may prescribe or~~
21 ~~permit or the directors may designate.]~~

22 2. ~~[The]~~ *Except in the case of the annual meeting, the* notice
23 must state the purpose or purposes for which the meeting is called .
24 ~~[.]~~ *In all instances, the notice must state* the time when, and the
25 place, which may be within or without this State, where ~~[it]~~ *the*
26 *meeting* is to be held, and the means of electronic communications,
27 if any, by which stockholders and proxies shall be deemed to be
28 present in person and vote.

29 3. A copy of the notice must be delivered personally, mailed
30 postage prepaid or ~~[given]~~ *delivered* as provided in ~~[subsection 8]~~
31 *section 11 of this act* to each stockholder of record entitled to vote
32 at the meeting not less than 10 nor more than 60 days before the
33 meeting. If mailed, it must be directed to the stockholder at his or
34 her address as it appears upon the records of the corporation . ~~[and~~
35 ~~upon the mailing of any such notice the service thereof is complete,~~
36 ~~and the time of the notice begins to run from the date upon which~~
37 ~~the notice is deposited in the mail for transmission to the~~
38 ~~stockholder.]~~ Personal delivery of any such notice to any officer of a
39 corporation or association, to any member of a limited-liability
40 company managed by its members, to any manager of a limited-
41 liability company managed by managers, to any general partner of a
42 partnership or to any trustee of a trust constitutes delivery of the
43 notice to the corporation, association, limited-liability company,
44 partnership or trust.



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

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

6. Unless otherwise provided in the articles of incorporation or the bylaws, if notice is required to be ~~{given,}~~ *delivered*, under any provision of this chapter or the articles of incorporation or bylaws of any corporation, to any stockholder to whom:

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

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

➡ have been mailed addressed to the stockholder at his or her address as shown on the records of the corporation and have been returned undeliverable, the ~~{giving}~~ *delivery* of further notices to the stockholder is not required. Any action or meeting taken or held without notice to such a stockholder has the same effect as if the notice had been ~~{given,}~~ *delivered*. If any such stockholder delivers to the corporation a written notice setting forth his or her current address, the requirement that notice be ~~{given}~~ *delivered* to the stockholder is reinstated. If the action taken by the corporation is such as to require the filing of a certificate under any of the other sections of this chapter, the certificate need not state that notice was not ~~{given}~~ *delivered* to persons to whom notice was not required to be ~~{given}~~ *delivered* pursuant to this subsection. The ~~{giving}~~ *delivery* of further notices to a stockholder is still required for any notice returned as undeliverable if the notice was ~~{given}~~ *delivered* by electronic transmission.

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

~~{8. Any notice to stockholders given by the corporation pursuant to any provision of this chapter, chapter 92A of NRS, the~~



articles of incorporation or the bylaws is effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. The consent is revocable by the stockholder by written notice to the corporation. The consent is revoked if:

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

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

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

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

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

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

—(1) Such posting; and

—(2) The giving of the separate notice; and

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

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

10. As used in this section, “electronic transmission” means any form of communication not directly involving the physical transmission of paper that:

—(a) Creates a record that may be retained, retrieved and reviewed by a recipient of the communication; and

—(b) May be directly reproduced in paper form by the recipient through an automated process.]

Sec. 26. NRS 78.375 is hereby amended to read as follows:

78.375 Whenever any notice ~~[whatever]~~ **or other communication** is required to be ~~[given]~~ **delivered** under the provisions of this chapter, a waiver thereof in a signed writing ~~[or by transmission of an electronic record]~~ by the person or persons entitled to the notice ~~[,]~~ **or communication**, whether before or after the time stated therein, shall be deemed equivalent thereto.



Sec. 27. NRS 78.380 is hereby amended to read as follows:

78.380 1. At least two-thirds of the incorporators or of the board of directors of any corporation, if no voting stock of the corporation has been issued, may amend the articles of incorporation of the corporation by signing and filing with the Secretary of State a certificate amending, modifying, changing or altering the articles, in whole or in part. The certificate must state that:

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

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

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

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

(a) Identifies the certificate being terminated;

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

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

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

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

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

Sec. 28. NRS 78.390 is hereby amended to read as follows:

78.390 1. Except as otherwise provided in NRS 77.340, every amendment to the articles of incorporation must be made in the following manner:

(a) The board of directors must adopt a resolution setting forth the amendment proposed and either call a special meeting of the stockholders entitled to vote on the amendment or direct that the proposed amendment be considered at the next annual meeting of the stockholders entitled to vote on the amendment.



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

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

2. Except as otherwise provided in this subsection, if any proposed amendment would adversely alter or change any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series adversely affected by the amendment regardless of limitations or restrictions on the voting power thereof. The amendment does not have to be approved by the vote of the holders of shares representing a majority of the voting power of each class or series whose preference or rights are adversely affected by the amendment if the articles of incorporation specifically deny the right to vote on such an amendment.

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

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

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

6. A certificate filed pursuant to subsection 1 is effective ~~upon~~ *at the time of the* filing *of* the certificate with the Secretary



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

7 7. If a certificate filed pursuant to subsection 1 specifies an
8 effective date and if the resolution of the stockholders approving the
9 proposed amendment provides that the board of directors may
10 abandon the proposed amendment pursuant to subsection 5, the
11 board of directors may terminate the effectiveness of the certificate
12 by resolution and by filing a certificate of termination with the
13 Secretary of State that:

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

16 (b) Identifies the certificate being terminated;

17 (c) States that, pursuant to the resolution of the stockholders, the
18 board of directors is authorized to terminate the effectiveness of the
19 certificate;

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

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

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

24 **Sec. 29.** NRS 78.403 is hereby amended to read as follows:

25 78.403 1. A corporation may restate, or amend and restate, in
26 a single certificate the entire text of its articles of incorporation as
27 amended by filing with the Secretary of State a certificate in the
28 manner provided in this section. If the certificate alters or amends
29 the articles in any manner, it must comply with the provisions of
30 NRS 78.380, 78.385 and 78.390, as applicable.

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

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

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

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

42 (c) The information required pursuant to NRS 77.310.

43 4. Whenever a corporation is required to file a certified copy of
44 its articles, in lieu thereof it may file a certified copy of the most
45 recent certificate restating its articles as amended, subject to the



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provisions of subsection 2, together with certified copies of all certificates of amendment filed subsequent to the restated articles and certified copies of all certificates supplementary to the original articles.

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

Sec. 30. NRS 78.411 is hereby amended to read as follows:

78.411 As used in NRS 78.411 to 78.444, inclusive, *and section 14 of this act*, unless the context otherwise requires, the words and terms defined in NRS 78.412 to 78.432, inclusive, *and section 14 of this act* have the meanings ascribed to them in those sections.

Sec. 31. NRS 78.413 is hereby amended to read as follows:

78.413 "Associate," when used to indicate a relationship with any person, means:

1. Any corporation or organization of which that person is an officer or partner or is, directly or indirectly, the beneficial owner of 10 percent or more of any class of voting shares;

2. Any trust or other estate in which that person has a substantial beneficial interest or as to which that person serves as trustee or in a similar fiduciary capacity; and

3. Any relative or spouse of that person, or any relative of the spouse, who has ~~[the same home as]~~ *a common principal residence with* that person.

Sec. 32. NRS 78.414 is hereby amended to read as follows:

78.414 "Beneficial owner," when used with respect to any shares, means a person that:

1. Individually or with or through any of its affiliates or associates, ~~[beneficially owns the shares, directly or indirectly;]~~ *possesses:*

(a) Voting power over the shares, including, without limitation, the power to vote, or to direct the voting of, the shares; or

(b) Investment power over the shares, including, without limitation, the power to dispose, or to direct the disposition, of the shares,

under any agreement, arrangement or understanding, whether or not in writing, but a person is not considered the beneficial owner of any shares under this subsection if the power to vote, or



1 *to direct the voting of, the shares arises solely from a revocable*
2 *proxy or consent given in response to a solicitation made in*
3 *accordance with the applicable regulations under the Securities*
4 *Exchange Act and is not then reportable on a Schedule 13D under*
5 *the Securities Exchange Act or any comparable or successor*
6 *report;*

7 2. Individually or with or through any of its affiliates or
8 associates, has ~~[-~~

9 ~~—(a) The]~~ *the* right to acquire the shares, whether the right is
10 exercisable immediately or only after the passage of time, under any
11 agreement, arrangement or understanding, whether or not in writing,
12 or upon the exercise of rights to convert or exchange, warrants or
13 options, or otherwise, but a person is not considered the beneficial
14 owner of shares tendered under an offer for a tender or exchange
15 made by the person or any of ~~[his or her]~~ *the person's* affiliates or
16 associates until the tendered shares are accepted for purchase or
17 exchange; or

18 ~~[(b) The right to vote the shares under any agreement,~~
19 ~~arrangement or understanding, whether or not in writing, but a~~
20 ~~person is not considered the beneficial owner of any shares under~~
21 ~~this paragraph if the agreement, arrangement or understanding to~~
22 ~~vote the shares arises solely from a revocable proxy or consent~~
23 ~~given in response to a solicitation made in accordance with the~~
24 ~~applicable regulations under the Securities Exchange Act and is not~~
25 ~~then reportable on a Schedule 13D under the Securities Exchange~~
26 ~~Act, or any comparable or successor report; or]~~

27 3. Has any agreement, arrangement or understanding, whether
28 or not in writing, for the purpose of acquiring, holding, voting,
29 except voting under a revocable proxy or consent as described in
30 ~~[paragraph (b) of]~~ subsection ~~[2,]~~ *1*, or disposing of the shares with
31 any other person who beneficially owns, or whose affiliates or
32 associates beneficially own, directly or indirectly, the shares.

33 **Sec. 33.** NRS 78.416 is hereby amended to read as follows:

34 78.416 “Combination,” when used in reference to any resident
35 domestic corporation and any interested stockholder of the resident
36 domestic corporation, means any of the following:

37 1. Any merger or consolidation of the resident domestic
38 corporation or any subsidiary of the resident domestic corporation
39 with:

40 (a) The interested stockholder; or

41 (b) Any other ~~[corporation,]~~ *entity*, whether or not itself an
42 interested stockholder of the resident domestic corporation, which
43 is, or after *and as a result of* the merger or consolidation would be,
44 an affiliate or associate of the interested stockholder.



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

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

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

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

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

4. The adoption of any plan or proposal for the liquidation or dissolution of the resident domestic corporation ~~proposed by, or~~ under any agreement, arrangement or understanding, whether or not in writing, with the interested stockholder or any affiliate or associate of the interested stockholder.

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

(a) Reclassification of securities, including, without limitation, any splitting of shares, *share* dividend, ~~distributed in shares,~~ or other distribution of shares with respect to other shares, or any issuance of new shares in exchange for a proportionately greater number of old shares;

(b) Recapitalization of the resident domestic corporation;

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

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



1 ➔ ~~[proposed by, or]~~ under any agreement, arrangement or
2 understanding, whether or not in writing, with the interested
3 stockholder or any affiliate or associate of the interested
4 stockholder, which has the *immediate and proximate* effect ~~[~~
5 ~~directly or indirectly,~~] of increasing the proportionate share of the
6 outstanding shares of any class or series of voting shares or
7 securities convertible into voting shares of the resident domestic
8 corporation or any subsidiary of the resident domestic corporation
9 which is ~~[directly or indirectly]~~ *beneficially* owned by the interested
10 stockholder or any affiliate or associate of the interested
11 stockholder, except as a result of immaterial changes because of
12 adjustments of fractional shares.

13 6. Any receipt by the interested stockholder or any affiliate or
14 associate of the interested stockholder of the benefit, directly or
15 indirectly, except proportionately as a stockholder of the resident
16 domestic corporation, of any loan, advance, guarantee, pledge or
17 other financial assistance or any tax credit or other tax advantage
18 provided by or through the resident domestic corporation.

19 **Sec. 34.** NRS 78.418 is hereby amended to read as follows:

20 78.418 1. Except as otherwise provided in subsection 2:

21 (a) "Control," used alone or in the terms "controlling,"
22 "controlled by" and "under common control with," means the
23 possession, directly or indirectly, of the power to direct or cause the
24 direction of the management and policies of a person, whether
25 through the ownership of voting securities, by contract or otherwise.

26 (b) A person's beneficial ownership of 10 percent or more of the
27 voting power of a corporation's outstanding voting shares creates a
28 presumption that the person has control of the corporation ~~[]~~:

29 *(1) In the absence of proof by a preponderance of the*
30 *evidence to the contrary; or*

31 *(2) Unless any other stockholder of the corporation, other*
32 *than an affiliate or associate of the person, is the beneficial owner*
33 *of an equal or greater percentage of the voting power of the*
34 *corporation's outstanding voting shares.*

35 2. A person is not considered to have control of a corporation if
36 the person holds voting power, in good faith and not for the purpose
37 of circumventing the provisions of this chapter, as an agent, bank,
38 broker, nominee, custodian or trustee for one or more beneficial
39 owners who do not individually or as a group have control of the
40 corporation.

41 **Sec. 35.** NRS 78.423 is hereby amended to read as follows:

42 78.423 1. "Interested stockholder," when used in reference to
43 any resident domestic corporation, means any person, other than the
44 resident domestic corporation or any subsidiary of the resident
45 domestic corporation, who is:



1 (a) The beneficial owner, directly or indirectly, of 10 percent or
2 more of the voting power of the outstanding voting shares of the
3 resident domestic corporation; or

4 (b) An affiliate or associate of the resident domestic corporation
5 and at any time within ~~[3]~~ 2 years immediately before the date in
6 question was the beneficial owner, directly or indirectly, of 10
7 percent or more of the voting power of the then outstanding shares
8 of the resident domestic corporation.

9 2. To determine whether a person is an interested stockholder,
10 the number of voting shares of the resident domestic corporation
11 considered to be outstanding includes shares considered to be
12 beneficially owned by that person through the application of NRS
13 78.414, but does not include any other unissued shares of a class of
14 voting shares of the resident domestic corporation which may be
15 issuable *to any person, other than the interested stockholder and*
16 *its affiliates and associates*, under any agreement, arrangement or
17 understanding, or upon exercise of rights to convert, warrants or
18 options, or otherwise.

19 **Sec. 36.** NRS 78.424 is hereby amended to read as follows:

20 78.424 "Market value," when used in reference to the shares or
21 property of any resident domestic corporation, means:

22 1. In the case of shares, the highest closing sale price of a share
23 during the 30 *calendar* days immediately preceding the date in
24 question ~~[on the composite tape for shares listed on the New York~~
25 ~~Stock Exchange, or, if the shares are not quoted on the composite~~
26 ~~tape or not listed on the New York Stock Exchange,]~~ on the
27 principal United States securities exchange registered under
28 the Securities Exchange Act on which the shares are listed, or, if the
29 shares are not listed on any such exchange, the fair market value on
30 the date in question of a share as determined by the board of
31 directors of the resident domestic corporation in good faith.

32 2. In the case of property other than cash or shares, the fair
33 market value of the property on the date in question as determined
34 by the board of directors of the resident domestic corporation in
35 good faith.

36 **Sec. 37.** NRS 78.426 is hereby amended to read as follows:

37 78.426 "Preferred shares" means any class or series of shares
38 of a resident domestic corporation that under the ~~[bylaws or]~~ articles
39 of incorporation of the resident domestic corporation:

40 1. Is entitled to receive payment of dividends before any
41 payment of dividends on some other class or series of shares; or

42 2. Is entitled in the event of any voluntary liquidation,
43 dissolution or winding up of the corporation to receive payment or
44 distribution of a preferential amount before any payments or
45 distributions are received by some other class or series of shares.



1 **Sec. 38.** NRS 78.429 is hereby amended to read as follows:
2 78.429 “Share” means:

3 1. Any share *of stock* or similar security, any certificate of
4 interest, any participation in any profit-sharing agreement, any
5 voting-trust certificate, or any certificate of deposit for a share ~~{};~~,
6 *in each case representing, directly or indirectly, equity ownership;*
7 and

8 2. Any security convertible, with or without consideration, into
9 shares, or any warrant, call or other option or privilege of buying
10 shares without being bound to do so, or any other security carrying
11 any right to acquire, subscribe to, or purchase shares.

12 **Sec. 39.** NRS 78.431 is hereby amended to read as follows:

13 78.431 “Subsidiary” of any resident domestic corporation
14 means any other ~~{} corporation~~ *entity* of which a majority of the
15 ~~{} outstanding voting shares whose votes are entitled to be cast are~~
16 ~~{} owned, {}~~ *voting power is held*, directly or indirectly, by the resident
17 domestic corporation.

18 **Sec. 40.** NRS 78.433 is hereby amended to read as follows:

19 78.433 *1.* NRS 78.411 to 78.444, inclusive, *and section 14 of*
20 *this act* do not apply to any combination of a resident domestic
21 corporation:

22 ~~{} 1.~~ *(a)* Which ~~{} does~~ *was* not, as of the date that the person first
23 becomes an interested stockholder, ~~{} have a class of voting shares~~
24 ~~{} registered with the Securities and Exchange Commission under~~
25 ~~{} section 12 of the Securities Exchange Act, {}~~ *a publicly traded*
26 *corporation*, unless the corporation’s articles of incorporation
27 provide otherwise.

28 ~~{} 2.~~ *(b)* Whose articles of incorporation have been amended to
29 provide that the resident domestic corporation is subject to NRS
30 78.411 to 78.444, inclusive, *and section 14 of this act* and which
31 ~~{} did~~ *was* not ~~{} have a class of voting shares registered with the~~
32 ~~{} Securities and Exchange Commission under section 12 of the~~
33 ~~{} Securities Exchange Act {}~~ *a publicly traded corporation* on the
34 effective date of the amendment, if the combination is with a person
35 who first became an interested stockholder before the effective date
36 of the amendment.

37 *2. The articles of incorporation of a resident domestic*
38 *corporation may impose on combinations of the resident domestic*
39 *corporation stricter requirements than the requirements of NRS*
40 *78.411 to 78.444, inclusive, and section 14 of this act.*

41 *3. The provisions of NRS 78.411 to 78.444, inclusive, and*
42 *section 14 of this act do not restrict the directors of a resident*
43 *domestic corporation from taking action to protect the interests of*
44 *the corporation and its stockholders, including, without limitation,*
45 *adopting or signing plans, arrangements or instruments that grant*



1 *or deny rights, privileges, power or authority to a holder or holders*
2 *of a specified number of shares or percentage of share ownership*
3 *or voting power.*

4 **Sec. 41.** NRS 78.434 is hereby amended to read as follows:

5 78.434 NRS 78.411 to 78.444, inclusive, *and section 14 of this*
6 *act* do not apply to any combination of a resident domestic
7 corporation:

8 1. Whose original articles of incorporation contain a provision
9 expressly electing not to be governed by NRS 78.411 to 78.444,
10 inclusive, *and section 14 of this act*, unless the articles of
11 incorporation are subsequently amended to provide that the
12 corporation is subject to NRS 78.411 to 78.444, inclusive ~~[-]~~, *and*
13 *section 14 of this act*;

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

18 3. Which, within 30 days after October 1, 1991, adopts an
19 amendment to its bylaws expressly electing not to be governed by
20 NRS 78.411 to 78.444, inclusive, *and section 14 of this act*, which
21 may be rescinded by subsequent amendment of the bylaws;

22 4. Which adopts an amendment to its articles of incorporation,
23 approved by the affirmative vote of the holders ~~[-, other than~~
24 ~~interested stockholders and their affiliates and associates,]~~ of *stock*
25 *representing* a majority of the outstanding voting power of the
26 resident domestic corporation ~~[-, excluding the voting shares of]~~ *not*
27 *beneficially owned by* interested stockholders ~~[and]~~ *or* their
28 affiliates and associates, expressly electing not to be governed by
29 NRS 78.411 to 78.444, inclusive, *and section 14 of this act*, but the
30 amendment to the articles of incorporation is not effective until 18
31 months after the vote of the resident domestic corporation's
32 stockholders and does not apply to any combination of the resident
33 domestic corporation with a person who first became an interested
34 stockholder on or before the effective date of the amendment; or

35 5. Whose articles of incorporation were amended to contain a
36 provision expressly electing not to be governed by NRS 78.411 to
37 78.444, inclusive, *and section 14 of this act*, before the date the
38 corporation first became a resident domestic corporation.

39 **Sec. 42.** NRS 78.436 is hereby amended to read as follows:

40 78.436 NRS 78.411 to 78.444, inclusive, *and section 14 of this*
41 *act* do not apply to any combination of a resident domestic
42 corporation with an interested stockholder of the resident domestic
43 corporation who became an interested stockholder inadvertently, if
44 the interested stockholder:



1 1. As soon as practicable ~~[]~~ *and before the date of*
2 *consummation with respect to the combination*, divests ~~[himself or~~
3 ~~herself of]~~ a sufficient amount of the voting power of the
4 corporation so that ~~[he or she]~~ *the interested stockholder* no longer
5 is the beneficial owner, directly or indirectly, of 10 percent or more
6 of the outstanding voting power of the resident domestic
7 corporation; and

8 2. Would not at any time within ~~[3 years]~~ *12 months* preceding
9 the date of announcement with respect to the combination have been
10 an interested stockholder but for the inadvertent acquisition.

11 **Sec. 43.** NRS 78.438 is hereby amended to read as follows:

12 78.438 1. Except as otherwise provided in NRS 78.433 to
13 78.437, inclusive, a resident domestic corporation may not engage
14 in any combination with any interested stockholder of the resident
15 domestic corporation for ~~[3]~~ *2* years after the date that the person
16 first became an interested stockholder unless ~~[the]~~ :

17 (a) *The combination or the transaction by which the person first*
18 *became an interested stockholder is approved by the board of*
19 *directors of the resident domestic corporation before the person first*
20 *became an interested stockholder* ~~[]~~ ; or

21 (b) *The combination is approved by the board of directors of*
22 *the resident domestic corporation and, at or after that time, the*
23 *combination is approved at an annual or special meeting of the*
24 *stockholders of the resident domestic corporation, and not by*
25 *written consent, by the affirmative vote of the holders of stock*
26 *representing at least 60 percent of the outstanding voting power of*
27 *the resident domestic corporation not beneficially owned by the*
28 *interested stockholder or the affiliates or associates of the*
29 *interested stockholder.*

30 2. If a proposal in good faith regarding a combination is made
31 in writing to the board of directors of the resident domestic
32 corporation, the board of directors shall respond, in writing, within
33 30 days or such shorter period, if any, as may be required by the
34 Securities Exchange Act, setting forth its reasons for its decision
35 regarding the proposal.

36 3. If a proposal in good faith to enter into a transaction by
37 which the person will become an interested stockholder is made in
38 writing to the board of directors of the resident domestic
39 corporation, the board of directors, unless it responds affirmatively
40 in writing within 30 days or such shorter period, if any, as may be
41 required by the Securities Exchange Act, is considered to have
42 disapproved the transaction.

43 **Sec. 44.** NRS 78.439 is hereby amended to read as follows:

44 78.439 A resident domestic corporation may not engage in any
45 combination with an interested stockholder of the resident domestic



corporation after the expiration of ~~[3]~~ 2 years after the person first became an interested stockholder other than a combination meeting all of the requirements of the articles of incorporation of the resident domestic corporation and either the requirements specified in subsection 1, 2 or 3 or all of the requirements specified in NRS 78.441 to 78.444, inclusive ~~[]~~, and *section 14 of this act*:

1. ~~[A]~~ *The* combination *was* approved by the board of directors of the resident domestic corporation before ~~[the date that the]~~ *such* person first became an interested stockholder.

2. ~~[A combination with an interested stockholder if the]~~ *The* transaction by which the person *first* became an interested stockholder was approved by the board of directors of the resident domestic corporation before the person *first* became an interested stockholder.

3. ~~[A]~~ *The* combination approved *is at an annual or special meeting of the stockholders of the resident domestic corporation held no earlier than 2 years after the date that the person first became an interested stockholder, and not by written consent*, by the affirmative vote of the holders of stock representing a majority of the outstanding voting power *of the resident domestic corporation* not beneficially owned by the interested stockholder ~~[proposing the combination,]~~ or any affiliate or associate of the interested stockholder . ~~[proposing the combination, at a meeting called for that purpose no earlier than 3 years after the date that the person first became an interested stockholder.]~~

Sec. 45. NRS 78.441 is hereby amended to read as follows:

78.441 ~~[A]~~ *As an alternative to a* combination ~~[engaged in]~~ *satisfying the requirements of subsection 1, 2 or 3 of NRS 78.439, a combination* with an interested stockholder of the resident domestic corporation *engaged in* more than ~~[3]~~ 2 years after the date that the person first became an interested stockholder ~~[may be]~~ *is* permissible if *the requirements of NRS 78.442, 78.443 and 78.444 are satisfied and* the aggregate amount of the cash and the market value, as of the date of consummation, of consideration other than cash to be received per share by all of the holders of outstanding common shares of the resident domestic corporation not beneficially owned by ~~[the]~~ *such* interested stockholder immediately before that date is at least equal to the higher of the following:

1. The highest price per share paid by the interested stockholder, at a time when ~~[he or she]~~ *the interested stockholder* was the beneficial owner, directly or indirectly, of 5 percent or more of the outstanding voting shares of the corporation, for any common shares of the same class or series acquired by the interested stockholder within ~~[3]~~ 2 years immediately before the date of announcement with respect to the combination or within ~~[3]~~ 2 years



1 immediately before, or in, the transaction in which ~~he or she~~ *the*
2 *person* became an interested stockholder, whichever is higher, plus,
3 in either case, interest compounded annually from the earliest date
4 on which the highest price per share was paid through the date of
5 consummation at the rate for one-year obligations of the United
6 States Treasury ~~[from time to time]~~ in effect ~~[.]~~ *on that earliest date,*
7 less the aggregate amount of any dividends paid in cash and the
8 market value of any dividends paid other than in cash, per common
9 share since ~~[the] that~~ earliest date . ~~[, but no more may be subtracted~~
10 ~~than the amount of the interest.]~~

11 2. The market value per common share on the date of
12 announcement with respect to the combination or on the date that
13 the person first became an interested stockholder, whichever is
14 higher, plus interest compounded annually from that date through
15 the date of consummation at the rate for one-year obligations of the
16 United States Treasury ~~[from time to time]~~ in effect ~~[.]~~ *on that date,*
17 less the aggregate amount of any dividends paid in cash and the
18 market value of any dividends paid other than in cash, per common
19 share since that date . ~~[, but no more may be subtracted than the~~
20 ~~amount of the interest.]~~

21 **Sec. 46.** NRS 78.442 is hereby amended to read as follows:

22 78.442 ~~[A]~~ *As an alternative to a* combination ~~[engaged in]~~
23 *satisfying the requirements of subsection 1, 2 or 3 of NRS 78.439,*
24 *a combination* with an interested stockholder of the resident
25 domestic corporation *engaged in* more than ~~[3]~~ 2 years after the date
26 that the person first became an interested stockholder ~~[may be]~~ *is*
27 permissible if *the requirements of NRS 78.441, 78.443 and 78.444*
28 *are satisfied and* the aggregate amount of the cash and the market
29 value, as of the date of consummation, of consideration other than
30 cash to be received per share by all of the holders of outstanding
31 shares of any class or series of shares, other than common shares, of
32 the resident domestic corporation not beneficially owned by the
33 interested stockholder immediately before that date is at least equal
34 to the highest of the following, whether or not the interested
35 stockholder has previously acquired any shares of the class or series
36 of shares:

37 1. The highest price per share paid by the interested
38 stockholder, at a time when ~~he or she~~ *the interested stockholder*
39 was the beneficial owner, directly or indirectly, of 5 percent or more
40 of the outstanding voting shares of the corporation, for any shares of
41 that class or series of shares acquired by the interested stockholder
42 within ~~[3]~~ 2 years immediately before the date of announcement
43 with respect to the combination or within ~~[3]~~ 2 years immediately
44 before, or in, the transaction in which ~~he or she~~ *the person* became
45 an interested stockholder, whichever is higher, plus, in either case,



1 interest compounded annually from the earliest date on which the
2 highest price per share was paid through the date of consummation
3 at the rate for one-year obligations of the United States Treasury
4 ~~{from time to time}~~ in effect ~~{,}~~ *on that earliest date*, less the
5 aggregate amount of any dividends paid in cash and the market
6 value of any dividends paid other than in cash, per share of the class
7 or series of shares since ~~{the}~~ *that* earliest date . ~~{, but no more may~~
8 ~~be subtracted than the amount of the interest.}~~

9 2. The *amount specified in the articles of incorporation of the*
10 *resident domestic corporation, including in any certificate of*
11 *designation for the class or series, to which the holders of shares*
12 *of the class or series of shares are entitled upon the consummation*
13 *of a transaction of a type encompassing the combination,*
14 *determined as if the transaction had been consummated on the*
15 *date of consummation with respect to the combination or on the*
16 *date that the interested stockholder first became an interested*
17 *stockholder, whichever is higher or, if the articles of*
18 *incorporation, including any certificate of designation, do not so*
19 *provide, the* highest preferential amount per share to which the
20 holders of shares of the class or series of shares are entitled in the
21 event of any voluntary liquidation, dissolution or winding up of
22 the resident domestic corporation, plus the aggregate amount of any
23 dividends declared or due to which the holders are entitled before
24 payment of the dividends on some other class or series of shares,
25 unless the aggregate amount of the dividends is included in the
26 preferential amount.

27 3. The market value per share of the class or series of shares on
28 the date of announcement with respect to the combination or on the
29 date that the person first became an interested stockholder,
30 whichever is higher, plus interest compounded annually from that
31 date through the date of consummation at the rate for one-year
32 obligations of the United States Treasury ~~{from time to time}~~ in
33 effect ~~{,}~~ *on that date*, less the aggregate amount of any dividends
34 paid in cash and the market value of any dividends paid other than
35 in cash, per share of the class or series of shares since that date . ~~{,~~
36 ~~but no more may be subtracted than the amount of the interest.}~~

37 **Sec. 47.** NRS 78.443 is hereby amended to read as follows:

38 78.443 The consideration to be received by holders of a
39 particular class or series of outstanding shares, including common
40 shares, of the resident domestic corporation in ~~{the}~~ *a* combination
41 pursuant to NRS 78.441 and 78.442 ~~{,}~~ must be in cash or in the
42 same form as the interested stockholder has used to acquire the
43 largest number of shares of the class or series of shares previously
44 acquired by ~~{it,}~~ *the interested stockholder*, and the consideration
45 must be distributed promptly.



1 **Sec. 48.** NRS 78.444 is hereby amended to read as follows:

2 78.444 ~~[A combination may be]~~ *As an alternative to a*
3 *combination satisfying the requirements of subsection 1, 2 or 3 of*
4 *NRS 78.439, a combination with an interested stockholder of the*
5 *resident domestic corporation engaged in more than 2 years after*
6 *the date that the person first became an interested stockholder is*
7 permissible if *the requirements of NRS 78.441, 78.442 and 78.443*
8 *are satisfied and*, after the date that ~~[the]~~ *such* person first became
9 an interested stockholder and before the date of consummation with
10 respect to the combination, the interested stockholder has not
11 become the beneficial owner of any additional voting shares of the
12 resident domestic corporation except:

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

15 2. By virtue of ~~[proportionate splitting of shares, dividends~~
16 ~~distributed in shares, or other distributions of shares in respect of~~
17 ~~shares]~~ *any transaction or series of transactions* not constituting a
18 combination;

19 3. Through a combination meeting ~~[all of]~~ the ~~[conditions]~~
20 *requirements* of NRS 78.439; or

21 4. Through a purchase at any price that, if the price had been
22 paid in an otherwise permissible combination whose date of
23 announcement and date of consummation were the date of the
24 purchase, would have satisfied the requirements of NRS 78.441,
25 78.442 and 78.443.

26 **Sec. 49.** NRS 78.580 is hereby amended to read as follows:

27 78.580 1. If the board of directors of any corporation
28 organized under this chapter ~~[, after the issuance of stock or the~~
29 ~~beginning of business,]~~ decides that the corporation should be
30 dissolved, the board may adopt a resolution to that effect.

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

33 3. If the corporation has issued stock, the directors must
34 recommend the dissolution to the stockholders. *The board of*
35 *directors may condition its submission of the proposal for*
36 *dissolution on any lawful basis.* The corporation shall notify each
37 stockholder , *whether or not* entitled to vote on dissolution, *of the*
38 *proposed dissolution* and the stockholders entitled to vote must
39 approve the dissolution.

40 ~~[2.]~~ 4. If the dissolution is approved by the directors or both
41 the directors and stockholders, as respectively provided in
42 ~~[subsection 1.]~~ *subsections 2 and 3*, the corporation shall file with
43 the Office of the Secretary of State a certificate signed by an officer
44 of the corporation setting forth that the dissolution has been
45 approved by the directors, or by the directors and the stockholders,



1 and a list of the names and addresses, either residence or business,
2 of the corporation's president, secretary and treasurer, or the
3 equivalent thereof, and all of its directors.

4 ~~[3-]~~ 5. The dissolution takes effect ~~[upon]~~ *at the time of the*
5 filing of the certificate of dissolution *with the Office of the*
6 *Secretary of State* or upon a later date *and time as* specified in the
7 certificate, which *date* must be not more than 90 days after the date
8 on which the certificate is filed. *If a certificate of dissolution*
9 *specifies a later effective date but does not specify an effective*
10 *time, the certificate is effective at 12:01 a.m. in the Pacific time*
11 *zone on the specified later date.*

12 **Sec. 50.** NRS 78.585 is hereby amended to read as follows:

13 78.585 The dissolution of a corporation does not impair any
14 remedy or cause of action available to or against it or its directors,
15 officers or shareholders arising before its dissolution and
16 commenced within 2 years after the date of the dissolution. ~~[H]~~ *The*
17 *corporation* continues as a body corporate for the purpose of
18 prosecuting and defending suits, actions, proceedings and claims of
19 any kind or character by or against it and of enabling it gradually to
20 settle and close its business, *to collect its assets,* to collect and
21 discharge its obligations, to dispose of and convey its property,
22 ~~[and]~~ to distribute its ~~[assets,]~~ *money and other property among the*
23 *stockholders, after paying or adequately providing for the payment*
24 *of its liabilities and obligations, and to do every other act to wind*
25 *up and liquidate its business and affairs,* but not for the purpose of
26 continuing the business for which it was established.

27 **Sec. 51.** NRS 78.590 is hereby amended to read as follows:

28 78.590 1. Upon the dissolution of any corporation under the
29 provisions of NRS 78.580, or upon the expiration of the period of its
30 corporate existence, limited by its articles of incorporation, the
31 directors become trustees thereof, with full power to ~~[settle the~~
32 ~~affairs, collect the outstanding debts, sell and convey the property,~~
33 ~~real and personal, and divide the]~~ *prosecute and defend suits,*
34 *actions, proceedings and claims of any kind or character by or*
35 *against the corporation and of enabling the corporation gradually*
36 *to settle and close its business, to collect its assets, to collect and*
37 *discharge its obligations, to dispose of and convey its property, and*
38 *to distribute its* money and other property among the stockholders,
39 after paying or adequately providing for the payment of its liabilities
40 and obligations ~~[H]~~ *, and to do every other act to wind up and*
41 *liquidate its business and affairs, but not for the purpose of*
42 *continuing the business for which the corporation was established.*

43 2. After paying or adequately providing for the liabilities and
44 obligations of the corporation, the trustees, with the written consent
45 of stockholders holding stock in the corporation entitling them to



1 exercise at least a majority of the voting power, may sell the
2 remaining assets or any part thereof to a corporation organized
3 under the laws of this or any other state, and take in payment
4 therefor the stock or bonds, or both, of that corporation and
5 distribute them among the stockholders of the liquidated
6 corporation, in proportion to their interest therein. No such sale is
7 valid as against any stockholder who, within 30 days after the
8 mailing of notice to the stockholder of the sale, applies to the district
9 court for an appraisal of the value of his or her interest in the assets
10 so sold, and unless within 30 days after the appraisal is confirmed
11 by the court the stockholders consenting to the sale, or some of
12 them, pay to the objecting stockholder or deposit for the objecting
13 stockholder's account, in the manner directed by the court, the
14 amount of the appraisal. Upon the payment or deposit the interest of
15 the objecting stockholder vests in the person or persons making the
16 payment or deposit.

17 ***3. In winding up and liquidating the business and affairs of***
18 ***the corporation, the trustees have:***

19 ***(a) The duties imposed upon them by subsection 1 of NRS***
20 ***78.138; and***

21 ***(b) The benefit of the presumptions established by subsection 3***
22 ***of NRS 78.138.***

23 **Sec. 52.** NRS 78.746 is hereby amended to read as follows:

24 78.746 1. On application to a court of competent jurisdiction
25 by ~~the~~ **any** judgment creditor of a stockholder, the court may charge
26 the stockholder's stock with payment of the unsatisfied amount of
27 the judgment with interest. To the extent so charged, the judgment
28 creditor has only the rights of an assignee of the stockholder's stock.

29 2. This section:

30 (a) ***Provides the exclusive remedy by which a judgment***
31 ***creditor of a stockholder or an assignee of a stockholder may***
32 ***satisfy a judgment out of the stock of the judgment debtor. No***
33 ***other remedy, including, without limitation, foreclosure on the***
34 ***stockholder's stock or a court order for directions, accounts and***
35 ***inquiries that the debtor or stockholder might have made, is***
36 ***available to the judgment creditor attempting to satisfy the***
37 ***judgment out of the judgment debtor's interest in the corporation,***
38 ***and no other remedy may be ordered by a court.***

39 (b) ***Does not deprive any stockholder of the benefit of any***
40 ***exemption applicable to the stockholder's stock.***

41 (c) Applies only to a corporation that:

42 (1) Has ~~more than 1 but~~ fewer than 100 stockholders of
43 record at any time.

44 (2) Is not a ***publicly traded corporation or a*** subsidiary of a
45 publicly traded corporation, either in whole or in part.



(3) Is not a professional corporation as defined in NRS 89.020.

~~[(b)]~~ (d) Does not apply to any liability of a stockholder that exists as the result of an action filed before July 1, 2007.

~~[(e) Provides the exclusive remedy by which a judgment creditor of a stockholder or an assignee of a stockholder may satisfy a judgment out of the stockholder's stock of the corporation.~~

~~[(d) Does not deprive any stockholder of the benefit of any exemption applicable to the stockholder's stock.]~~

(e) Does not supersede any ~~[private]~~ written agreement between a stockholder and a creditor if the ~~[private]~~ written agreement does not conflict with the corporation's articles of incorporation, bylaws or any shareholder agreement to which the stockholder is a party.

3. As used in this section, "rights of an assignee" means the rights to receive the share of the distributions or dividends paid by the corporation to which the judgment debtor would otherwise be entitled. The term does not include the rights to participate in the management of the business or affairs of the corporation or to become a director of the corporation.

Sec. 53. NRS 78.751 is hereby amended to read as follows:

78.751 1. Any discretionary indemnification pursuant to NRS 78.7502, unless ordered by a court or advanced pursuant to subsection 2, may be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances. The determination must be made:

(a) By the stockholders;

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

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

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

2. The articles of incorporation, the bylaws or an agreement made by the corporation may provide that the expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that the director or officer is not entitled to be indemnified by the corporation. The provisions of this subsection



do not affect any rights to advancement of expenses to which corporate personnel other than directors or officers may be entitled under any contract or otherwise by law.

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

(a) Does not exclude any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the articles of incorporation or any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, for either an action in the person's official capacity or an action in another capacity while holding office, except that indemnification, unless ordered by a court pursuant to NRS 78.7502 or for the advancement of expenses made pursuant to subsection 2, may not be made to or on behalf of any director or officer if a final adjudication establishes that the director's or officer's acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action. *A right to indemnification or to advancement of expenses arising under a provision of the articles of incorporation or any bylaw is not eliminated or impaired by an amendment to such provision after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.*

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

Sec. 54. NRS 78.760 is hereby amended to read as follows:

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

If the amount represented by the total number of	
shares provided for in the articles is:	
\$75,000 or less	\$75
Over \$75,000 and not over \$200,000	175
Over \$200,000 and not over \$500,000	275
Over \$500,000 and not over \$1,000,000	375
Over \$1,000,000:	
For the first \$1,000,000	375
For each additional \$500,000 or fraction thereof	275



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2. The maximum fee which may be charged pursuant to this section : ~~is \$35,000 for:~~

(a) ~~The~~ *Is \$35,000 for the* original filing of *the* articles of incorporation.

(b) ~~It~~ *Is \$34,925 for a* subsequent filing of any instrument which authorizes an increase in stock.

3. For the purposes of computing the filing fees according to the schedule in subsection 1, the amount represented by the total number of shares provided for in the articles of incorporation is:

(a) The aggregate par value of the shares, if only shares with a par value are therein provided for;

(b) The product of the number of shares multiplied by \$1, regardless of any lesser amount prescribed as the value or consideration for which shares may be issued and disposed of, if only shares without par value are therein provided for; or

(c) The aggregate par value of the shares with a par value plus the product of the number of shares without par value multiplied by \$1, regardless of any lesser amount prescribed as the value or consideration for which the shares without par value may be issued and disposed of, if shares with and without par value are therein provided for.

↳ For the purposes of this subsection, shares with no prescribed par value shall be deemed shares without par value.

4. The Secretary of State shall calculate filing fees pursuant to this section with respect to shares with a par value of less than one-tenth of a cent as if the par value were one-tenth of a cent.

Sec. 55. NRS 78A.180 is hereby amended to read as follows:

78A.180 1. A corporation may voluntarily terminate its status as a close corporation, and cease to be subject to the provisions of this chapter, by amending the certificate of incorporation to delete therefrom the additional provisions required or permitted by NRS 78A.020 to be stated in the certificate of incorporation of a close corporation. An amendment must be adopted and become effective in accordance with NRS 78.390, except that it must be approved by a vote of the holders of record of at least two-thirds of the voting shares of each class of stock of the corporation that are outstanding.

2. The certificate of incorporation of a close corporation may provide that on any amendment to terminate the status as a close corporation, a vote greater than two-thirds or a vote of all shares of any class may be required. If the certificate of incorporation contains such a provision, that provision may not be amended, repealed or modified by any vote less than that required to terminate the status of the corporation as a close corporation.

3. A certificate filed pursuant to this section is effective ~~upon~~ *at the time of the* filing of the certificate with the Secretary of State



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1 or upon a later date *and time as* specified in the certificate, which
2 *date* must not be more than 90 days after the *date on which the*
3 certificate is filed. *If the certificate specifies a later effective date*
4 *but does not specify an effective time, the certificate becomes*
5 *effective at 12:01 a.m. in the Pacific time zone on the specified*
6 *later date.*

7 **Sec. 56.** NRS 80.015 is hereby amended to read as follows:

8 80.015 1. For the purposes of this chapter, the following
9 activities do not constitute doing business in this State:

- 10 (a) Maintaining, defending or settling any proceeding;
- 11 (b) Holding meetings of the board of directors or stockholders or
- 12 carrying on other activities concerning internal corporate affairs;
- 13 (c) Maintaining accounts in banks or credit unions;
- 14 (d) Maintaining offices or agencies for the transfer, exchange
- 15 and registration of the corporation's own securities or maintaining
- 16 trustees or depositaries with respect to those securities;
- 17 (e) Making sales through independent contractors;
- 18 (f) Soliciting or receiving orders outside of this State through or
- 19 in response to letters, circulars, catalogs or other forms of
- 20 advertising, accepting those orders outside of this State and filling
- 21 them by shipping goods into this State;
- 22 (g) Creating or acquiring indebtedness, mortgages and security
- 23 interests in real or personal property;
- 24 (h) Securing or collecting debts or enforcing mortgages and
- 25 security interests in property securing the debts;
- 26 (i) Owning, without more, real or personal property;
- 27 (j) Isolated transactions completed within 30 days and not a part
- 28 of a series of similar transactions;
- 29 (k) The production of motion pictures as defined in
- 30 NRS 231.020;
- 31 (l) Transacting business as an out-of-state depository institution
- 32 pursuant to the provisions of title 55 of NRS; and
- 33 (m) Transacting business in interstate commerce.

34 2. The list of activities in subsection 1 is not exhaustive.

35 3. A person who is not doing business in this State within the
36 meaning of this section need not qualify or comply with any
37 provision of this chapter, chapter 645A, 645B or 645E of NRS or
38 title 55 or 56 of NRS unless the person:

- 39 (a) Maintains an office in this State for the transaction of
- 40 business;
- 41 (b) Solicits or accepts deposits in the State, except pursuant to
- 42 the provisions of chapter 666 or 666A of NRS;
- 43 (c) Solicits business for the activities of a mortgage broker as
- 44 defined by NRS 645B.0127 or the activities of a mortgage banker as
- 45 defined by NRS 645E.100 **§**, *except to the extent such activities*



1 *relate to a mortgage loan secured by real property which is*
2 *commercial property as defined by NRS 645E.040; or*

3 (d) Arranges a mortgage loan secured by real property which is
4 not commercial property as defined by NRS 645E.040.

5 4. The fact that a person is not doing business in this State
6 within the meaning of this section:

7 (a) Does not affect the determination of whether any court,
8 administrative agency or regulatory body in this State may exercise
9 personal jurisdiction over the person in any civil action, criminal
10 action, administrative proceeding or regulatory proceeding; and

11 (b) Except as otherwise provided in subsection 3, does not affect
12 the applicability of any other provision of law with respect to the
13 person and may not be offered as a defense or introduced in
14 evidence in any civil action, criminal action, administrative
15 proceeding or regulatory proceeding to prove that the person is not
16 doing business in this State, including, without limitation, any civil
17 action, criminal action, administrative proceeding or regulatory
18 proceeding involving an alleged violation of chapter 597, 598 or
19 598A of NRS.

20 5. As used in this section and for the purposes of NRS 80.016,
21 "deposits" means demand deposits, savings deposits and time
22 deposits, as those terms are defined in chapter 657 of NRS.

23 **Sec. 57.** NRS 80.190 is hereby amended to read as follows:

24 80.190 1. Except as otherwise provided in subsection 2, each
25 foreign corporation doing business in this State shall, not later than
26 the month of March in each year, publish a statement ~~of its last~~
27 ~~calendar year's business~~ in two numbers or issues of a newspaper
28 published in this State that has a total weekly circulation of at least
29 1,000. The statement must include:

30 (a) The name of the corporation.

31 (b) The name and title of the corporate officer submitting the
32 statement.

33 (c) The mailing or street address of the corporation's principal
34 office.

35 (d) The mailing or street address of the corporation's office in
36 this State, if one exists.

37 2. If the corporation keeps its records on the basis of a fiscal
38 year other than the calendar, the statement required by subsection 1
39 must be published not later than the end of the third month
40 following the close of each fiscal year.

41 3. A corporation which neglects or refuses to publish a
42 statement as required by this section is liable to a penalty of \$100
43 for each month that the statement remains unpublished.

44 4. Any district attorney in the State or the Attorney General
45 may sue to recover the penalty. The first county suing through its



1 district attorney shall recover the penalty, and if no suit is brought
2 for the penalty by any district attorney, the State may recover
3 through the Attorney General.

4 **Sec. 58.** NRS 82.006 is hereby amended to read as follows:

5 82.006 As used in this chapter, unless the context otherwise
6 requires, the words and terms defined in NRS 82.011 to ~~82.044,~~
7 **82.041**, inclusive, have the meanings ascribed to them in those
8 sections.

9 **Sec. 59.** NRS 82.346 is hereby amended to read as follows:

10 82.346 1. If the first meeting of the directors has not taken
11 place and if there are no members, a majority of the incorporators of
12 a corporation may amend the original articles by signing and
13 proving in the manner required for original articles, and filing with
14 the Secretary of State a certificate amending, modifying, changing
15 or altering the original articles, in whole or in part. The certificate
16 must state that:

17 (a) The signers thereof are a majority of the original
18 incorporators of the corporation; and

19 (b) As of the date of the certification, no meeting of the directors
20 has taken place and the corporation has no members other than the
21 incorporators.

22 2. A certificate filed pursuant to this section is effective ~~upon~~
23 **at the time of the** filing of the certificate with the Secretary of State
24 or upon a later date **and time as** specified in the certificate, which
25 **date** must not be more than 90 days after the **date on which the**
26 **certificate is filed. If a certificate filed pursuant to this section**
27 **specifies a later effective date but does not specify an effective**
28 **time, the certificate is effective at 12:01 a.m. in the Pacific time**
29 **zone on the specified later date.**

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

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

34 **Sec. 60.** NRS 82.356 is hereby amended to read as follows:

35 82.356 1. Except as otherwise provided in NRS 77.340, each
36 amendment adopted pursuant to the provisions of NRS 82.351 must
37 be made in the following manner:

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

44 (b) At the meeting of members, of which notice must be given
45 to each member entitled to vote pursuant to the provisions of this



1 section, a vote of the members entitled to vote in person or by proxy
2 must be taken for and against the proposed amendment. A majority
3 of a quorum of the voting power of the members or such greater
4 proportion of the voting power of members as may be required in
5 the case of a vote by classes, as provided in subsection 3, or as may
6 be required by the articles, must vote in favor of the amendment.

7 (c) Upon approval of the amendment by the directors, or if the
8 corporation has members entitled to vote on an amendment to the
9 articles, by both the directors and those members, and such other
10 persons or public officers, if any, as are required to do so by the
11 articles, an officer of the corporation must sign a certificate setting
12 forth the amendment, or setting forth the articles as amended, that
13 the public officers or other persons, if any, required by the articles
14 have approved the amendment, and the vote of the members and
15 directors by which the amendment was adopted.

16 (d) The certificate so signed must be filed in the Office of the
17 Secretary of State.

18 2. A certificate filed pursuant to this section is effective ~~upon~~
19 *at the time of the* filing *of* the certificate with the Secretary of State
20 or upon a later date *and time as* specified in the certificate, which
21 *date* must not be more than 90 days after the *date on which the*
22 *certificate is filed. If a certificate filed pursuant to this section*
23 *specifies a later effective date but does not specify an effective*
24 *time, the certificate is effective at 12:01 a.m. in the Pacific time*
25 *zone on the specified later date.*

26 3. If any proposed amendment would alter or change any
27 preference or any relative or other right given to any class of
28 members, then the amendment must be approved by the vote, in
29 addition to the affirmative vote otherwise required, of the holders of
30 a majority of a quorum of the voting power of each class of
31 members affected by the amendment regardless of limitations or
32 restrictions on their voting power.

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

35 **Sec. 61.** NRS 82.371 is hereby amended to read as follows:

36 82.371 1. A corporation may restate, or amend and restate, in
37 a single certificate the entire text of its articles as amended by filing
38 with the Secretary of State a certificate which must set forth the
39 articles as amended to the date of the certificate. If the certificate
40 alters or amends the articles in any manner, it must comply with the
41 provisions of NRS 82.346, 82.351 and 82.356, as applicable, and
42 must be accompanied by a form prescribed by the Secretary of State
43 setting forth which provisions of the articles of incorporation on file
44 with the Secretary of State are being altered or amended.



2. If the certificate does not alter or amend the articles, it must be signed by an officer of the corporation and must state that the officer has been authorized to sign the certificate by resolution of the board of directors adopted on the date stated, and that the certificate correctly sets forth the text of the articles as amended to the date of the certificate.

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

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

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

(c) The information required pursuant to NRS 77.310.

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

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

Sec. 62. NRS 82.451 is hereby amended to read as follows:

82.451 1. A corporation may be dissolved and its affairs wound up voluntarily if the board of directors adopts a resolution to that effect and calls a meeting of the members entitled to vote to take action upon the resolution. The resolution must also be approved by any person or superior organization whose approval is required by a provision of the articles authorized by NRS 82.091. The meeting of the members must be held with due notice. If at the meeting the members entitled to exercise a majority of all the voting power consent by resolution to the dissolution, a certificate signed by an officer of the corporation setting forth that the dissolution has been approved in compliance with this section, together with a list of the names and addresses, either residence or business, of the president, the secretary and the treasurer, or the equivalent thereof, and all the directors of the corporation, must be filed in the Office of the Secretary of State.

2. If a corporation has no members entitled to vote upon a resolution calling for the dissolution of the corporation, the



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1 corporation may be dissolved and its affairs wound up voluntarily
2 by the board of directors if it adopts a resolution to that effect. The
3 resolution must also be approved by any person or superior
4 organization whose approval is required by a provision of the
5 articles authorized by NRS 82.091. A certificate setting forth that
6 the dissolution has been approved in compliance with this section
7 and a list of the officers and directors, signed as provided in
8 subsection 1, must be filed in the Office of the Secretary of State.

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

15 4. A certificate filed pursuant to this section is effective ~~upon~~
16 *at the time of the* filing of the certificate with the Secretary of State
17 or upon a later date *and time as* specified in the certificate, which
18 *date* must not be more than 90 days after the *date on which the*
19 *certificate is filed. If a certificate filed pursuant to this section*
20 *specifies a later effective date but does not specify an effective*
21 *time, the certificate is effective at 12:01 a.m. in the Pacific time*
22 *zone on the specified later date.*

23 **Sec. 63.** NRS 82.456 is hereby amended to read as follows:

24 82.456 1. Actions available to or against a corporation or its
25 directors, officers or members are limited as provided in
26 NRS 78.585.

27 2. A corporation dissolved under this chapter and its directors,
28 trustees, receivers, members, creditors and the district court have all
29 the rights, duties and liabilities they have with respect to dissolved
30 corporations governed by chapter 78 of NRS as provided by NRS
31 78.585 ~~[, 78.595]~~ and 78.615.

32 3. The district court and the clerk of the court have the same
33 powers and duties with respect to dissolved corporations governed
34 by this chapter as they have with respect to dissolved corporations
35 governed by chapter 78 of NRS as provided in NRS 78.600, 78.605,
36 78.615 and 78.620.

37 **Sec. 64.** NRS 86.011 is hereby amended to read as follows:

38 86.011 As used in this chapter, unless the context otherwise
39 requires, the words and terms defined in NRS 86.022 to ~~[86.128,]~~
40 *86.1255*, inclusive, have the meanings ascribed to them in those
41 sections.

42 **Sec. 65.** NRS 86.201 is hereby amended to read as follows:

43 86.201 1. A limited-liability company is considered legally
44 organized pursuant to this chapter : ~~[upon:]~~



(a) ~~[Filing]~~ *At the time of the filing of* the articles of organization with the Secretary of State, ~~[or]~~ upon a later date *and time as* specified in the articles ~~[of organization;]~~, *which date must not be more than 90 days after the date on which the articles are filed or, if the articles specify a later effective date but do not specify an effective time, at 12:01 a.m. in the Pacific time zone on the specified later date, whichever is applicable;* and

(b) ~~[Paying]~~ *Upon paying* the required filing fees to the Secretary of State.

2. A limited-liability company must not transact business or incur indebtedness, except that which is incidental to its organization or to obtaining subscriptions for or payment of contributions, until the company is considered legally organized pursuant to subsection 1.

3. A limited-liability company is an entity distinct from its managers and members.

Sec. 66. NRS 86.216 is hereby amended to read as follows:

86.216 1. For any limited-liability company where management is vested in one or more managers and where no member's interest in the limited-liability company has been issued, at least two-thirds of the organizers or the managers of the limited-liability company may amend the articles of organization of the limited-liability company by signing and filing with the Secretary of State a certificate amending, modifying, changing or altering the articles, in whole or in part. The certificate must state that:

(a) The signers thereof are at least two-thirds of the organizers or the managers of the limited-liability company, and state the name of the limited-liability company; and

(b) As of the date of the certificate, no member's interest in the limited-liability company has been issued.

2. A certificate filed pursuant to this section is effective ~~[upon]~~ *at the time of the* filing of the certificate with the Secretary of State or upon a later date *and time as* specified in the certificate, which *date* must not be more than 90 days after the *date on which the* certificate is filed. *If a certificate filed pursuant to this section specifies a later effective date but does not specify an effective time, the certificate is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*

3. If a certificate filed pursuant to this section specifies an effective date and if no member's interest in the limited-liability company has been issued, the managers of the limited-liability company may terminate the effectiveness of the certificate by filing a certificate of termination with the Secretary of State that:

(a) Identifies the certificate being terminated;



(b) States that no member's interest in the limited-liability company has been issued;

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

(d) Is signed by at least two-thirds of the managers; and

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

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

Sec. 67. NRS 86.221 is hereby amended to read as follows:

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

2. Except as otherwise provided in NRS 77.340, an amendment must be made in the form of a certificate setting forth:

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

(b) Whether the limited-liability company is managed by managers or members; and

(c) The amendment to the articles of organization.

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

4. Restated articles of organization may be signed and filed in the same manner as a certificate of amendment. If the certificate alters or amends the articles in any manner, it must be accompanied by a form prescribed by the Secretary of State setting forth which provisions of the articles of organization on file with the Secretary of State are being altered or amended.

5. The following may be omitted from the restated articles of organization:

(a) The names, addresses, signatures and acknowledgments of the organizers;

(b) The names and addresses of the past and present members or managers; and

(c) The information required pursuant to NRS 77.310.

6. A certificate of amendment or restated articles of organization filed pursuant to this section are effective at the time of the filing of the certificate or restated articles with the Secretary of State or upon a later date and time as specified in the certificate or the restated articles, which date must not be more than 90 days after the date on which the certificate or the restated articles are filed. If a certificate or restated articles filed pursuant to this section specify a later effective date but do not specify an effective time, the certificate or restated articles are effective at 12:01 a.m. in the Pacific time zone on the specified later date.



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Sec. 68. NRS 86.226 is hereby amended to read as follows:

86.226 1. A signed certificate of amendment, or a certified copy of a judicial decree of amendment, must be filed with the Secretary of State. A person who signs a certificate as an agent, officer or fiduciary of the limited-liability company need not exhibit evidence of his or her authority as a prerequisite to filing. Unless the Secretary of State finds that a certificate does not conform to law, upon receipt of all required filing fees the Secretary of State shall file the certificate.

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

3. If a certificate *filed pursuant to subsection 1* specifies ~~an~~ *a later* effective date *or a later effective date and time* and if the resolution of the members approving the proposed amendment provides that one or more managers or, if management is not vested in a manager, one or more members may abandon the proposed amendment, then those managers or members may terminate the effectiveness of the certificate by filing a certificate of termination with the Secretary of State that:

(a) Is filed before the effective date *and time* specified in the certificate ~~for judicial decree~~ filed pursuant to subsection 1 ~~or~~ *if the certificate specifies a later effective date but does not specify an effective time, on or before the day preceding the specified later date;*

(b) Identifies the certificate being terminated;

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

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

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

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

Sec. 69. NRS 86.401 is hereby amended to read as follows:

86.401 1. On application to a court of competent jurisdiction by ~~a~~ *any* judgment creditor of a member, the court may charge the member's interest with payment of the unsatisfied amount of the



1 judgment with interest. To the extent so charged, the judgment
2 creditor has only the rights of an assignee of the member's interest.

3 2. This section:

4 (a) Provides the exclusive remedy by which a judgment creditor
5 of a member or an assignee of a member may satisfy a judgment out
6 of the member's interest of the judgment debtor ~~[H]~~, *whether the*
7 *limited-liability company has one member or more than one*
8 *member. No other remedy, including, without limitation,*
9 *foreclosure on the member's interest or a court order for*
10 *directions, accounts and inquiries that the debtor or member*
11 *might have made, is available to the judgment creditor attempting*
12 *to satisfy the judgment out of the judgment debtor's interest in the*
13 *limited-liability company, and no other remedy may be ordered by*
14 *a court.*

15 (b) Does not deprive any member of the benefit of any
16 exemption applicable to his or her interest.

17 (c) *Does not supersede any written agreement between a*
18 *member and a creditor if the written agreement does not conflict*
19 *with the limited-liability company's articles of organization or*
20 *operating agreement.*

21 **Sec. 70.** NRS 86.541 is hereby amended to read as follows:

22 86.541 1. The signed articles of dissolution must be filed
23 with the Secretary of State. Articles of dissolution are effective
24 ~~[upon]~~ *at the time of the* filing of the articles with the Secretary of
25 State or upon a later date *and time as* specified in the articles, which
26 *date* must not be more than 90 days after the *date on which the*
27 *articles are filed. If the articles filed pursuant to this section specify*
28 *a later effective date but do not specify an effective time, the*
29 *articles are effective at 12:01 a.m. in the Pacific time zone on the*
30 *specified later date.*

31 2. Upon the filing of the articles of dissolution, ~~[or]~~ upon a
32 later date *and time as* specified in the articles ~~[H]~~ *or, if the articles*
33 *specify a later effective date but do not specify an effective time, at*
34 *12:01 a.m. in the Pacific time zone on the specified later date,* the
35 existence of the company ceases, except for the purpose of suits,
36 other proceedings and appropriate action as provided in this chapter.
37 The manager or managers in office at the time of dissolution, or the
38 survivors of them, are thereafter trustees for the members and
39 creditors of the dissolved company and as such have authority to
40 distribute any property of the company discovered after dissolution,
41 convey real estate and take such other action as may be necessary on
42 behalf of and in the name of the dissolved company.

43 **Sec. 71.** NRS 86.547 is hereby amended to read as follows:

44 86.547 1. A foreign limited-liability company may cancel its
45 registration by filing with the Secretary of State a certificate of



1 cancellation signed by a manager of the company or, if management
2 is not vested in a manager, a member of the company. The
3 certificate, which must be accompanied by the required fees, must
4 set forth:

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

6 (b) The effective date *and time* of the cancellation if other than
7 the ~~[date]~~ *time* of the filing of the certificate of cancellation ~~[.]~~ *with*
8 *the Secretary of State*, which *date* must not be more than 90 days
9 after the *date on which the* certificate is filed; and

10 (c) Any other information deemed necessary by the manager of
11 the company or, if management is not vested in a manager, a
12 member of the company.

13 2. *If a certificate filed pursuant to this section specifies a later*
14 *effective date but does not specify an effective time, the*
15 *cancellation of the registration is effective at 12:01 a.m. in the*
16 *Pacific time zone on the specified later date.*

17 3. A cancellation pursuant to this section does not terminate the
18 authority of the Secretary of State to accept service of process on the
19 foreign limited-liability company with respect to causes of action
20 arising from the transaction of business in this State by the foreign
21 limited-liability company.

22 **Sec. 72.** NRS 87.001 is hereby amended to read as follows:

23 87.001 As used in this chapter, unless the context otherwise
24 requires, the words and terms defined in NRS 87.002 ~~[to 87.008,~~
25 ~~inclusive,]~~ *and 87.007* have the meanings ascribed to them in those
26 sections.

27 **Sec. 73.** NRS 87.460 is hereby amended to read as follows:

28 87.460 1. A certificate of registration of a registered limited-
29 liability partnership may be amended by filing with the Secretary of
30 State a certificate of amendment. The certificate of amendment must
31 set forth:

32 (a) The name of the registered limited-liability partnership; and

33 (b) The change to the information contained in the original
34 certificate of registration or any other certificates of amendment.

35 2. The certificate of amendment must be:

36 (a) Signed by a managing partner of the registered limited-
37 liability partnership; and

38 (b) Accompanied by a fee of \$175.

39 3. A certificate filed pursuant to this section is effective ~~[upon]~~
40 *at the time of the* filing *of* the certificate with the Secretary of State
41 or upon a later date *and time as* specified in the certificate, which
42 *date* must not be more than 90 days after the *date on which the*
43 certificate is filed. *If a certificate filed pursuant to this section*
44 *specifies a later effective date but does not specify an effective*



1 *time, the certificate is effective at 12:01 a.m. in the Pacific time*
2 *zone on the specified later date.*

3 **Sec. 74.** NRS 87A.240 is hereby amended to read as follows:

4 87A.240 1. In order to amend its certificate of limited
5 partnership, a limited partnership must deliver to the Secretary of
6 State for filing an amendment or articles of merger stating:

7 (a) The name of the limited partnership; and

8 (b) The changes the amendment makes to the certificate as most
9 recently amended or restated.

10 2. A limited partnership shall promptly deliver to the Secretary
11 of State for filing an amendment to a certificate of limited
12 partnership to reflect:

13 (a) The admission of a new general partner;

14 (b) The withdrawal of a person as a general partner; or

15 (c) The appointment of a person to wind up the limited
16 partnership's activities under subsection 3 or 4 of NRS 87A.500.

17 3. A general partner that knows that any information in a filed
18 certificate of limited partnership was false when the certificate was
19 filed or has become false due to changed circumstances shall
20 promptly:

21 (a) Cause the certificate to be amended; or

22 (b) If appropriate, deliver to the Secretary of State for filing a
23 certificate of correction pursuant to NRS 87A.275.

24 4. A certificate of limited partnership may be amended at any
25 time for any other proper purpose as determined by the limited
26 partnership.

27 5. A restated certificate of limited partnership may be delivered
28 to the Secretary of State for filing in the same manner as an
29 amendment.

30 6. An amendment or restated certificate is effective ~~[when filed~~
31 ~~by]~~ *at the time of the filing of the amendment or restated*
32 *certificate with the Secretary of State or upon a later date and time*
33 *as specified in the amendment or restated certificate, which date*
34 *must not be more than 90 days after the date on which the*
35 *amendment or restated certificate is filed. If an amendment or*
36 *restated certificate filed pursuant to this section specifies a later*
37 *effective date but does not specify an effective time, the certificate*
38 *is effective at 12:01 a.m. in the Pacific time zone on the specified*
39 *later date.*

40 **Sec. 75.** NRS 87A.480 is hereby amended to read as follows:

41 87A.480 1. On application to a court of competent
42 jurisdiction by any judgment creditor of a partner, ~~[or transferee,]~~
43 the court may charge the ~~[transferable]~~ *partnership* interest of the
44 ~~[judgment debtor]~~ *partner* with payment of the unsatisfied amount
45 of the judgment with interest. To the extent so charged, the



1 judgment creditor has only the rights of ~~[a transferee. The court may~~
2 ~~appoint a receiver of the share of the distributions due or to become~~
3 ~~due to the judgment debtor in respect]~~ *an assignee* of the
4 partnership ~~[and make all other orders, directions, accounts and~~
5 ~~inquiries the judgment debtor might have made or which the~~
6 ~~circumstances of the case may require to give effect to the charging~~
7 ~~order.]~~ *interest.*

8 2. ~~[A charging order constitutes a lien on the judgment debtor's~~
9 ~~transferable interest. The court may order a foreclosure upon the~~
10 ~~interest subject to the charging order at any time. The purchaser at~~
11 ~~the foreclosure sale has the rights of a transferee.~~

12 ~~—3.— At any time before foreclosure, an interest charged may be~~
13 ~~redeemed:~~

14 ~~—(a) By the judgment debtor;~~

15 ~~—(b) With property other than limited partnership property, by~~
16 ~~one or more of the other partners; or~~

17 ~~—(c) With limited partnership property, by the limited partnership~~
18 ~~with the consent of all partners whose interests are not so charged.~~

19 ~~—4.— This chapter does not deprive any partner or transferee of the~~
20 ~~benefit of any exemption laws applicable to the partner's or~~
21 ~~transferee's transferable interest.~~

22 ~~—5.] This section [provides] :~~

23 (a) *Provides* the exclusive remedy by which a judgment creditor
24 of a partner or ~~[transferee]~~ *an assignee of a partner* may satisfy a
25 judgment out of the *partnership interest of the judgment* ~~[debtor's~~
26 ~~transferable interest.]~~ *debtor. No other remedy, including, without*
27 *limitation, foreclosure on the partner's partnership interest or a*
28 *court order for directions, accounts and inquiries that the debtor*
29 *or partner might have made, is available to the judgment creditor*
30 *attempting to satisfy the judgment out of the judgment debtor's*
31 *interest in the limited partnership, and no other remedy may be*
32 *ordered by a court.*

33 (b) *Does not deprive any partner of the benefit of any*
34 *exemption laws applicable to the partnership interest of the*
35 *partner.*

36 (c) *Does not supersede any written agreement between a*
37 *partner and creditor if the written agreement does not conflict with*
38 *the partnership's certificate of limited partnership or partnership*
39 *agreement.*

40 **Sec. 76.** NRS 87A.605 is hereby amended to read as follows:

41 87A.605 *1.* A foreign limited partnership may cancel its
42 registration by filing with the Secretary of State a certificate of
43 cancellation signed by a general partner. The certificate must set
44 forth:

45 ~~[1.]~~ (a) The name of the foreign limited partnership;



~~[2-]~~ (b) The reason for filing the certificate of cancellation;
~~[3-]~~ (c) The effective date *and time* of the cancellation if other than the ~~[date]~~ *time* of the filing of the certificate ~~[]~~ *with the Secretary of State*, which *date* must not be more than 90 days after the *date on which the* certificate is filed; and

~~[4-]~~ (d) Any other information deemed necessary by the general partners of the partnership.

➔ A cancellation does not terminate the authority of the Secretary of State to accept service of process on the foreign limited partnership with respect to causes of action arising out of the transactions of business in this State.

2. If a certificate filed pursuant to subsection 1 specifies a later effective date but does not specify an effective time, the cancellation of the registration is effective at 12:01 a.m. in the Pacific time zone on the specified later date.

Sec. 77. NRS 87A.630 is hereby amended to read as follows:

87A.630 1. To become a registered limited-liability limited partnership, a limited partnership shall file with the Secretary of State a certificate of registration stating each of the following:

- (a) The name of the limited partnership.
- (b) The street address of its principal office.
- (c) The information required pursuant to NRS 77.310.
- (d) The name and business address of each organizer signing the certificate.
- (e) The name and business address of each initial general partner.
- (f) That the limited partnership thereafter will be a registered limited-liability limited partnership.
- (g) Any other information that the limited partnership wishes to include.

2. The certificate of registration must be signed by the vote necessary to amend the partnership agreement or, in the case of a partnership agreement that expressly considers contribution obligations, the vote necessary to amend those provisions.

3. The Secretary of State shall register as a registered limited-liability limited partnership any limited partnership that submits a completed certificate of registration with the required fee.

4. A partnership may register as a registered limited-liability limited partnership at the time it files a certificate of limited partnership by filing a combined certificate of limited partnership and limited-liability limited partnership with the Secretary of State and paying the fees prescribed in subsections 1 and 2 of NRS 87A.315.

5. The registration of a registered limited-liability limited partnership is effective ~~[on]~~ *at* the later of the *time of the* filing of



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1 the certificate of registration or a date *and time* specified in the
2 certificate of registration. *If the certificate specifies a later effective*
3 *date but does not specify an effective time, the certificate is*
4 *effective at 12:01 a.m. in the Pacific time zone on the specified*
5 *later date.*

6 **Sec. 78.** NRS 88.315 is hereby amended to read as follows:

7 88.315 As used in this chapter, unless the context otherwise
8 requires:

9 1. “Certificate of limited partnership” means the certificate
10 referred to in NRS 88.350, and the certificate as amended or
11 restated.

12 2. “Contribution” means any cash, property, services rendered,
13 or a promissory note or other binding obligation to contribute cash
14 or property or to perform services, which a partner contributes to a
15 limited partnership in his or her capacity as a partner.

16 3. “Event of withdrawal of a general partner” means an event
17 that causes a person to cease to be a general partner as provided in
18 NRS 88.450.

19 4. “Foreign limited partnership” means a partnership formed
20 under the laws of a jurisdiction other than this State and having as
21 partners one or more general partners and one or more limited
22 partners.

23 5. “Foreign registered limited-liability limited partnership”
24 means a foreign limited-liability limited partnership:

25 (a) Formed pursuant to an agreement governed by the laws of
26 another state; and

27 (b) Registered pursuant to and complying with NRS 88.570 to
28 88.605, inclusive, and 88.609.

29 6. “General partner” means a person who has been admitted to
30 a limited partnership as a general partner in accordance with the
31 partnership agreement and named in the certificate of limited
32 partnership as a general partner.

33 7. “Limited partner” means a person who has been admitted to
34 a limited partnership as a limited partner in accordance with the
35 partnership agreement.

36 8. “Limited partnership” and “domestic limited partnership”
37 mean a partnership formed by two or more persons under the laws
38 of this State and having one or more general partners and one or
39 more limited partners, including a restricted limited partnership.

40 9. “Partner” means a limited or general partner.

41 10. “Partnership agreement” means any valid agreement,
42 written or oral, of the partners as to the affairs of a limited
43 partnership and the conduct of its business.



1 11. "Partnership interest" means a partner's share of the profits
2 and losses of a limited partnership and the right to receive
3 distributions of partnership assets.

4 12. ~~["Record" means information that is inscribed on tangible~~
5 ~~medium or that is stored in an electronic or other medium and is~~
6 ~~retrievable in perceivable form.~~

7 ~~—13.]~~ "Registered limited-liability limited partnership" means a
8 limited partnership:

9 (a) Formed pursuant to an agreement governed by this chapter;
10 and

11 (b) Registered pursuant to and complying with NRS 88.350 to
12 88.415, inclusive, 88.606, 88.6065 and 88.607.

13 ~~[14.]~~ 13. "Registered agent" has the meaning ascribed to it in
14 NRS 77.230.

15 ~~[15.]~~ 14. "Registered office" means the office maintained at
16 the street address of the registered agent.

17 ~~[16.]~~ 15. "Restricted limited partnership" means a limited
18 partnership organized and existing under this chapter that elects to
19 include the optional provisions permitted by NRS 88.350.

20 ~~[17. —"Sign" means to affix a signature to a record.~~

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

27 ~~—19.]~~ 16. "State" means a state, territory or possession of the
28 United States, the District of Columbia or the Commonwealth of
29 Puerto Rico.

30 ~~[20. —"Street address" of a registered agent means the actual~~
31 ~~physical location in this State at which a registered agent is available~~
32 ~~for service of process.]~~

33 **Sec. 79.** NRS 88.355 is hereby amended to read as follows:

34 88.355 1. A certificate of limited partnership is amended by
35 filing a certificate of amendment thereto in the Office of the
36 Secretary of State. The certificate must set forth:

37 (a) The name of the limited partnership; and

38 (b) The amendment.

39 2. Within 30 days after the happening of any of the following
40 events, an amendment to a certificate of limited partnership
41 reflecting the occurrence of the event or events must be filed:

42 (a) The admission of a new general partner;

43 (b) The withdrawal of a general partner; or

44 (c) The continuation of the business under NRS 88.550 after an
45 event of withdrawal of a general partner.



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

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

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

6. A certificate of amendment filed pursuant to this section is effective ~~upon~~ *at the time of the* filing *of* the certificate with the Secretary of State or upon a later date *and time as* specified in the certificate, which *date* must not be more than 90 days after the *date on which the* certificate is filed. *If a certificate filed pursuant to this section specifies a later effective date but does not specify an effective time, the certificate is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*

7. A restated certificate of limited partnership may be signed and filed in the same manner as a certificate of amendment. If the certificate alters or amends the certificate of limited partnership in any manner, it must be accompanied by a form prescribed by the Secretary of State setting forth which provisions of the certificate of limited partnership on file with the Secretary of State are being altered or amended.

Sec. 80. NRS 88.360 is hereby amended to read as follows:

88.360 **1.** A certificate of limited partnership must be cancelled upon the dissolution and the commencement of winding up of the partnership or at any other time there are no limited partners. A certificate of cancellation must be filed in the Office of the Secretary of State and set forth:

~~[1-]~~ (a) The name of the limited partnership;

~~[2-]~~ (b) The reason for filing the certificate of cancellation;

~~[3-]~~ (c) The effective date *and time* of the cancellation if other than the ~~[date]~~ *time* of the filing of the certificate ~~[1]~~ *with the Secretary of State*, which *date* must not be more than 90 days after the *date on which the* certificate is filed; and

~~[4-]~~ (d) Any other information the general partners filing the certificate determine.

2. *If a certificate filed pursuant to this section specifies a later effective date but does not specify an effective time, the cancellation of the certificate of limited partnership is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*



Sec. 81. NRS 88.380 is hereby amended to read as follows:

1. A signed copy of the certificate of limited partnership and of any certificates of amendment or cancellation or of any judicial decree of amendment or cancellation must be delivered to the Secretary of State. A person who signs a certificate as an agent or fiduciary need not exhibit evidence of his or her authority as a prerequisite to filing. Unless the Secretary of State finds that any certificate does not conform to law, upon receipt of all filing fees required by law the Secretary of State shall file the certificate.

2. ~~Upon~~ *At the time of* the filing of a certificate of amendment or judicial decree of amendment with the Secretary of State, ~~for~~ upon a later date *and time as* specified in the certificate ~~or judicial decree~~, which *date* must not be more than 90 days after the *date on which the* certificate *or judicial decree* is filed ~~or, if a certificate or judicial decree filed pursuant to this section specifies a later effective date but does not specify an effective time, at 12:01 a.m. in the Pacific time zone on the specified later date, whichever is applicable,~~ the certificate of limited partnership is amended as set forth therein. ~~and upon the effective date~~

3. *At the time of the filing* of a certificate of cancellation or a judicial decree thereof ~~with the Secretary of State, upon a later date and time as specified in the certificate or judicial decree, which date must not be more than 90 days after the date on which the certificate or judicial decree is filed or, if a certificate or judicial decree filed pursuant to this section specifies a later effective date but does not specify an effective time, at 12:01 a.m. in the Pacific time zone on the specified later date, whichever is applicable,~~ the certificate of limited partnership is cancelled.

Sec. 82. NRS 88.535 is hereby amended to read as follows:

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

2. This section:

(a) Provides the exclusive remedy by which a judgment creditor of a partner or an assignee of a partner may satisfy a judgment out of the partnership interest of the judgment debtor. *No other remedy, including, without limitation, foreclosure on the partner's partnership interest or a court order for directions, accounts and inquiries that the debtor or partner might have made, is available to the judgment creditor attempting to satisfy the judgment out of*



the judgment debtor's interest in the limited partnership, and no other remedy may be ordered by a court.

(b) Does not deprive any partner of the benefit of any exemption laws applicable to the partnership interest of the partner.

(c) Does not supersede any written agreement between a partner and creditor if the written agreement does not conflict with the partnership's certificate of limited partnership or partnership agreement.

Sec. 83. NRS 88.595 is hereby amended to read as follows:

88.595 **1.** A foreign limited partnership may cancel its registration by filing with the Secretary of State a certificate of cancellation signed by a general partner. The certificate must set forth:

~~(1-)~~ (a) The name of the foreign limited partnership;

~~(2-)~~ (b) The reason for filing the certificate of cancellation;

~~(3-)~~ (c) The effective date *and time* of the cancellation if other than the ~~[date]~~ *time* of the filing of the certificate ~~[]~~ *with the Secretary of State*, which *date* must not be more than 90 days after the *date on which the* certificate is filed; and

~~(4-)~~ (d) Any other information deemed necessary by the general partners of the partnership.

➔ A cancellation does not terminate the authority of the Secretary of State to accept service of process on the foreign limited partnership with respect to causes of action arising out of the transactions of business in this State.

2. *If a certificate filed pursuant to subsection 1 specifies a later effective date but does not specify an effective time, the cancellation of the registration is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*

Sec. 84. NRS 88A.030 is hereby amended to read as follows:

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

1. Is created by a ~~[trust]~~ *governing* instrument under which property is held, *administered*, managed, controlled, invested, reinvested or operated, or any combination of these, or business or professional activities for profit are carried on, by a trustee *or trustees* for the benefit of the persons entitled to a beneficial interest in the trust property ~~[]~~ *or as otherwise provided in the governing instrument*; and

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

➔ The term includes, without limitation, a trust of the type known at common law as a business trust or Massachusetts trust, a trust qualifying as a real estate investment trust pursuant to 26 U.S.C. §§ 856 et seq., as amended, or any successor provision, or a trust



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1 qualifying as a real estate mortgage investment conduit pursuant to
2 26 U.S.C. § 860D, as amended, or any successor provision.

3 **Sec. 85.** NRS 88A.050 is hereby amended to read as follows:

4 88A.050 “Governing instrument” means ~~[the]~~ *any one or more*
5 *instruments, whether referred to as a* trust instrument, *declaration*
6 *of trust or otherwise*, that ~~[creates]~~ *create* a trust and ~~[provides]~~
7 *provide* for the governance of its affairs and the conduct of its
8 business.

9 **Sec. 86.** NRS 88A.210 is hereby amended to read as follows:

10 88A.210 1. One or more persons may create a business trust
11 by adopting a governing instrument and signing and filing with the
12 Secretary of State a certificate of trust. The certificate of trust must
13 set forth:

14 (a) The name of the business trust;

15 (b) The name and address, either residence or business, of at
16 least one trustee;

17 (c) The information required pursuant to NRS 77.310;

18 (d) The name and address, either residence or business, of each
19 person signing the certificate of trust; and

20 (e) Any other information the trustees determine to include.

21 2. Upon the filing of the certificate of trust with the Secretary
22 of State and the payment to the Secretary of State of the required
23 filing fee, the Secretary of State shall issue to the business trust a
24 certificate that the required records with the required content have
25 been filed. From the date of that filing, the business trust is legally
26 formed pursuant to this chapter.

27 *3. Except as otherwise provided in the governing instrument,*
28 *a business trust organized on or after October 1, 2011, is deemed*
29 *to be an entity separate from its trustee or trustees and beneficial*
30 *owner. Except as otherwise provided in the governing instrument,*
31 *a business trust may hold or take title to property in its own name,*
32 *or in the name of a trustee in the trustee’s capacity as trustee,*
33 *whether in an active, passive or custodial capacity. The provisions*
34 *of this subsection do not change the status of any business trust*
35 *existing as an entity or aggregation before October 1, 2011.*

36 *4. Neither the use of the designation “business trust” nor a*
37 *statement in a governing instrument or certificate of trust to the*
38 *effect that the trust formed thereby is or will qualify as a business*
39 *trust under this chapter creates a presumption or inference that*
40 *the trust so formed is a business trust for the purposes of Title 11*
41 *of the United States Code.*

42 **Sec. 87.** NRS 88A.250 is hereby amended to read as follows:

43 88A.250 ~~[Upon the filing of a]~~



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1 **1. A** certificate of amendment or restatement *filed* with the
2 Secretary of State ~~[, or upon the future effective]~~ *pursuant to this*
3 *chapter is effective:*

4 (a) *At the time of the filing of the certificate or restatement*
5 *with the Secretary of State;*

6 (b) *Upon a later date ~~[of such a]~~ and time as specified in the*
7 *certificate ~~[as provided for therein,]~~, which date must not be more*
8 *than 90 days after the date on which the certificate or restatement*
9 *is filed with the Secretary of State; or*

10 (c) *If the certificate or restatement specifies a later effective*
11 *date but does not specify an effective time, at 12:01 a.m. in the*
12 *Pacific time zone on the specified later date.*

13 ➔ *At the effective time,* the certificate of trust is amended or
14 restated as set forth ~~[, Upon the filing of a]~~ *in the certificate or*
15 *restatement.*

16 **2. A** certificate of cancellation ~~[,]~~ or articles of merger in which
17 the business trust is not a surviving entity ~~[,]~~ *are effective:*

18 (a) *At the time of the filing of the certificate or the articles* with
19 the Secretary of State ~~[, or upon the future effective]~~ ;

20 (b) *Upon a later date ~~[of the]~~ and time as specified in the*
21 *certificate or articles, which date must not be more than 90 days*
22 *after the date on which the certificate or articles are filed with the*
23 *Secretary of State; or*

24 (c) *If the certificate or articles specify a later effective date but*
25 *do not specify an effective time, at 12:01 a.m. in the Pacific time*
26 *zone on the specified later date.*

27 ➔ *At the effective time of the certificate or articles,* the certificate
28 of trust is cancelled.

29 **Sec. 88.** NRS 88A.260 is hereby amended to read as follows:

30 88A.260 1. Except as otherwise provided in the certificate of
31 trust, the governing instrument or this chapter, a business trust has
32 perpetual existence and may not be terminated or revoked by a
33 beneficial owner or other person except in accordance with the
34 certificate of trust or governing instrument.

35 2. Except as otherwise provided in the certificate of trust or the
36 governing instrument, the death, incapacity, dissolution, termination
37 or bankruptcy of a beneficial owner does not result in the
38 termination or dissolution of a business trust.

39 3. An artificial person formed or organized pursuant to the
40 laws of a foreign nation or other foreign jurisdiction or the laws of
41 another state shall not be deemed to be doing business in this State
42 solely because it is a beneficial owner or trustee of a business trust.

43 4. The provisions of NRS 662.245 do not apply to the
44 appointment of a trustee of a business trust formed pursuant to this
45 chapter.



1 *5. A business trust or any series thereof does not terminate*
2 *because the same person is the sole trustee and sole beneficial*
3 *owner.*

4 **Sec. 89.** NRS 88A.360 is hereby amended to read as follows:

5 88A.360 ~~[To the extent that, at law or in equity,]~~

6 *1. Except as otherwise provided in the governing instrument*
7 *but subject to the provisions of subsection 3, a trustee* ~~[has duties,~~
8 ~~fiduciary or otherwise, and liabilities relating thereto to a]~~ *shall act*
9 *in good faith and in a manner the trustee reasonably believes to be*
10 *in the best interest of the business trust.* ~~[or beneficial owner:]~~

11 ~~—1.]~~ *2. If there is at least one trustee of a series trust that, in*
12 *discharging its duties, is obligated to consider the interests of the*
13 *trust and all series thereof, the governing instrument may provide*
14 *that one or more other trustees, in discharging their duties, may*
15 *consider only the interest of the trust or one or more series*
16 *thereof.*

17 *3. The governing instrument may expand, restrict or*
18 *eliminate the duties of the trustee of a business trust, except that a*
19 *governing instrument may not eliminate the implied contractual*
20 *covenant of good faith and fair dealing.*

21 *4. If the trustee acts pursuant to a governing instrument, the*
22 *trustee is not liable to the business trust or to a beneficial owner for*
23 *the trustee's reliance in good faith on the provisions of the*
24 *governing instrument.* ~~[; and]~~

25 ~~—2. The duties and liabilities of the trustee may be expanded or~~
26 ~~restricted by provisions in the governing instrument.]~~

27 **Sec. 90.** NRS 88A.420 is hereby amended to read as follows:

28 88A.420 *1. A certificate of trust must be cancelled upon the*
29 *completion or winding up of the business trust and its termination.*
30 *A certificate of cancellation must be signed by a trustee, filed with*
31 *the Secretary of State, and set forth:*

32 ~~[1-]~~ *(a) The name of the business trust;*

33 ~~[2-]~~ *(b) The effective date and time of the cancellation if other*
34 *than the* ~~[date]~~ *time of the filing of the certificate, which* *date* *must*
35 *not be more than 90 days after the* *date on which the* *certificate is*
36 *filed; and*

37 ~~[3-]~~ *(c) Any other information the trustee determines to include.*

38 *2. If a certificate filed pursuant to this section specifies a later*
39 *effective date but does not specify an effective time, the*
40 *cancellation of the certificate of trust is effective at 12:01 a.m. in*
41 *the Pacific time zone on the specified later date.*

42 **Sec. 91.** NRS 88A.740 is hereby amended to read as follows:

43 88A.740 *1. A foreign business trust may cancel its*
44 *registration by filing with the Secretary of State a certificate of*
45 *cancellation signed by a trustee. The certificate must set forth:*



~~[1-]~~ (a) The name of the foreign business trust;
~~[2-]~~ (b) The effective date *and time* of the cancellation if other than the ~~[date]~~ *time* of the filing of the certificate, which *date* must not be more than 90 days after the *date on which the* certificate is filed; and

~~[3-]~~ (c) Any other information deemed necessary by the trustee.
➔ A cancellation does not terminate the authority of the Secretary of State to accept service of process on the foreign business trust with respect to causes of action arising out of the transaction of business in this State.

2. If a certificate filed pursuant to this section specifies a later effective date but does not specify an effective time, the cancellation of the registration is effective at 12:01 a.m. in the Pacific time zone on the specified later date.

Sec. 92. NRS 89.020 is hereby amended to read as follows:

89.020 As used in this chapter, unless the context requires otherwise:

1. "Articles" means either the articles of incorporation of a professional corporation or the articles of organization of a professional limited-liability company.

2. "Employee" means a person licensed or otherwise legally authorized to render professional service within this State who renders such service through a professional entity or a professional association, but does not include clerks, bookkeepers, technicians or other persons who are not usually considered by custom and practice of the profession to be rendering professional services to the public.

3. "Licensed" means legally authorized by the appropriate regulating board of this State to engage in a regulated profession in this State.

4. "Owner" means the owner of stock in a professional corporation or the owner of a member's interest, as defined in NRS 86.091, in a professional limited-liability company.

5. "Owner's interest" means the stock of a professional corporation or a member's interest, as defined in NRS 86.091, of a professional limited-liability company.

6. "Professional association" means a common-law association of two or more persons licensed or otherwise legally authorized to render professional service within this State when created by written articles of association which contain in substance the following provisions characteristic of corporate entities:

(a) The death, insanity, bankruptcy, retirement, resignation, expulsion or withdrawal of any member of the association does not cause its dissolution.



(b) The authority to manage the affairs of the association is vested in a board of directors or an executive board or committee, elected by the members of the association.

(c) The members of the association are employees of the association.

(d) Members' ownership is evidenced by certificates.

7. "Professional corporation" means a corporation organized under this chapter to render a professional service.

8. "Professional entity" means either a professional corporation or a professional limited-liability company.

9. "Professional limited-liability company" means a limited-liability company organized pursuant to this chapter to render professional service.

10. "Professional service" means any type of personal service which may legally be performed only pursuant to a license, certificate of registration or other legal authorization.

~~11. ["Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.]~~

~~12.]~~ "Regulating board" means the body which regulates and authorizes the admission to the profession which a professional entity or a professional association is authorized to perform.

~~13. "Sign" means to affix a signature to a record.~~

~~14. "Signature" means a name, word, symbol or mark executed or otherwise adopted, or a record encrypted or similarly processed in whole or in part, by a person with the present intent to identify himself or herself and adopt or accept a record. The term includes, without limitation, an electronic signature as defined in NRS 719.100.]~~

Sec. 93. Chapter 92A of NRS is hereby amended by adding thereto a new section to read as follows:

Any notice or other communication sent pursuant to any provision of this chapter may be delivered by electronic transmission pursuant to section 11 of this act.

Sec. 94. NRS 92A.005 is hereby amended to read as follows:

92A.005 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 92A.007 to ~~92A.097.]~~ **92A.092**, inclusive, have the meanings ascribed to them in those sections.

Sec. 95. NRS 92A.105 is hereby amended to read as follows:

92A.105 1. Except as limited by NRS 78.411 to 78.444, inclusive, *and section 14 of this act* one domestic general partnership or one domestic entity, except a domestic nonprofit corporation, may convert into a domestic entity of a different type or



1 *into* a foreign entity if ~~the~~ a plan of conversion is approved
2 pursuant to the provisions of this chapter.

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

4 (a) Name of the constituent entity and the proposed name for the
5 resulting entity;

6 (b) Jurisdiction of the law that governs the constituent entity;

7 (c) Jurisdiction of the law that will govern the resulting entity;

8 (d) Terms and conditions of the conversion;

9 (e) Manner and basis, if any, of converting the owner's interest
10 *of the constituent entity* or the interest of a partner in a general
11 partnership ~~of that is~~ the constituent entity into owner's interests,
12 rights of purchase and other securities in the resulting entity or
13 cancelling such owner's interests in whole or in part; and

14 (f) Full text of the charter documents of the resulting entity.

15 3. The plan of conversion may set forth other provisions
16 relating to the conversion.

17 **Sec. 96.** NRS 92A.130 is hereby amended to read as follows:

18 92A.130 1. Action by the stockholders of a surviving
19 domestic corporation on a plan of merger is not required if:

20 (a) The articles of incorporation of the surviving domestic
21 corporation will not differ from its articles before the merger;

22 (b) Each stockholder of the surviving domestic corporation
23 whose shares were outstanding immediately before the effective
24 date of the merger will hold the same number of shares, with
25 identical designations, preferences, limitations and relative rights
26 immediately after the merger;

27 (c) The number of voting shares ~~outstanding immediately after~~
28 ~~the merger, plus the number of voting shares~~ issued *and issuable* as
29 a result of the merger ~~[, either by the conversion of securities issued~~
30 ~~pursuant to the merger or the exercise of rights and warrants issued~~
31 ~~pursuant to the merger,]~~ will not exceed ~~[by more than]~~ 20 percent
32 *of* the total number of voting shares of the surviving domestic
33 corporation outstanding immediately before the merger; and

34 (d) The number of participating shares ~~outstanding immediately~~
35 ~~after the merger, plus the number of participating shares~~ issued *and*
36 issuable as a result of the merger ~~[, either by the conversion of~~
37 ~~securities issued pursuant to the merger or the exercise of rights and~~
38 ~~warrants issued pursuant to the merger,]~~ will not exceed ~~[by more~~
39 ~~than]~~ 20 percent *of* the total number of participating shares
40 outstanding immediately before the merger.

41 2. As used in this section:

42 (a) "Participating shares" means shares that entitle their holders
43 to participate without limitation in distributions.

44 (b) "Voting shares" means shares that entitle their holders to
45 vote unconditionally in elections of directors.



Sec. 97. NRS 92A.195 is hereby amended to read as follows:

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

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

(b) The foreign entity or foreign general partnership complies with the applicable provisions of NRS 92A.205 ~~and, if it is the resulting entity in the conversion, with NRS 92A.210 to 92A.240, inclusive;~~, 92A.207, 92A.210, 92A.230 and 92A.240; and

(c) The *resulting* domestic entity complies with the applicable provisions of NRS ~~92A.105;~~ 92A.205 and 92A.220.

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

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

(b) The domestic entity complies with the applicable provisions of NRS 92A.105, 92A.120, 92A.135, 92A.140 , ~~and~~ 92A.165 , ~~and, if it is the resulting entity in the conversion, with NRS~~ 92A.205 ~~to~~ , 92A.207, 92A.210, 92A.230 and 92A.240 . ~~It is inclusive.~~

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

Sec. 98. NRS 92A.240 is hereby amended to read as follows:

92A.240 1. A merger, conversion or exchange takes effect ~~upon~~ :

(a) At the time of the filing of the articles of merger, conversion or exchange ~~for upon~~ with the Secretary of State;

(b) Upon a later date and time as specified in the articles, which date must not be more than 90 days after the date on which the articles are filed ~~it~~ ; or



1 (c) *If the articles specify a later effective date but do not*
2 *specify an effective time, at 12:01 a.m. in the Pacific time zone on*
3 *the specified later date.*

4 2. If the filed articles of merger, conversion or exchange
5 specify such a later effective date ~~[]~~ *or effective date and time*, the
6 constituent entity or entities may file articles of termination before
7 the effective ~~[date.]~~ *time*, setting forth:

8 (a) The name of each constituent entity and, for a conversion,
9 the resulting entity; and

10 (b) That the merger, conversion or exchange has been
11 terminated pursuant to the plan of merger, conversion or exchange.

12 3. The articles of termination must be signed in the manner
13 provided in NRS 92A.230.

14 **Sec. 99.** NRS 92A.270 is hereby amended to read as follows:

15 92A.270 1. Any undomesticated organization may become
16 domesticated in this State as a domestic entity by:

17 (a) Paying to the Secretary of State the fees required pursuant to
18 this title for filing the charter document; and

19 (b) Filing with the Secretary of State:

20 (1) Articles of domestication which must be signed by an
21 authorized representative of the undomesticated organization
22 approved in compliance with subsection 6;

23 (2) The appropriate charter document for the type of
24 domestic entity;

25 (3) The information required pursuant to NRS 77.310;

26 (4) A certified copy of the charter document , *or the*
27 *equivalent*, of the undomesticated organization; and

28 (5) A certificate of good standing, or the equivalent, from the
29 jurisdiction where the undomesticated organization was chartered
30 immediately before filing the articles of domestication pursuant to
31 subparagraph (1).

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

33 (a) Date when and the jurisdiction where the undomesticated
34 organization was first formed, incorporated, organized or otherwise
35 created and, if applicable, any date when and jurisdiction where the
36 undomesticated organization was chartered after its formation;

37 (b) Name of the undomesticated organization immediately
38 before filing the articles of domestication;

39 (c) Name and type of domestic entity as set forth in its charter
40 document pursuant to subsection 1; and

41 (d) Jurisdiction that constituted the principal place of business or
42 central administration of the undomesticated organization, or any
43 other equivalent thereto pursuant to applicable law, immediately
44 before filing the articles of domestication.



3. Upon filing the articles of domestication and the charter document with the Secretary of State, and the payment of the requisite fee for filing the charter document of the domestic entity, the undomesticated organization is domesticated in this State as the domestic entity described in the charter document filed pursuant to subsection 1. The existence of the domestic entity begins on the date the undomesticated organization began its existence in the jurisdiction in which the undomesticated organization was first formed, incorporated, organized or otherwise created.

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

5. The filing of the charter document of the domestic entity pursuant to subsection 1 does not affect the choice of law applicable to the undomesticated organization. From the date the charter document of the domestic entity is filed, the law of this State applies to the domestic entity to the same extent as if the undomesticated organization was organized and created as a domestic entity on that date.

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

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

(b) Applicable foreign law.

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

8. When an undomesticated organization is domesticated, the domestic entity resulting from the domestication is for all purposes deemed to be the same entity as the undomesticated organization. Unless otherwise agreed by the owners of the undomesticated



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1 organization or as required pursuant to applicable foreign law, the
2 domestic entity resulting from the domestication is not required to
3 wind up its affairs, pay its liabilities or distribute its assets. The
4 domestication of an undomesticated organization does not constitute
5 the dissolution of the undomesticated organization. The
6 domestication constitutes a continuation of the existence of the
7 undomesticated organization in the form of a domestic entity. If,
8 following domestication, an undomesticated organization that has
9 become domesticated pursuant to this section continues its existence
10 in the foreign country or foreign jurisdiction in which it was existing
11 immediately before the domestication, the domestic entity and the
12 undomesticated organization are for all purposes a single entity
13 formed, incorporated, organized or otherwise created and existing
14 pursuant to the laws of this State and the laws of the foreign country
15 or other foreign jurisdiction.

16 9. ~~[The owner liability of an undomesticated organization that~~
17 ~~is domesticated in this State:~~

18 ~~—(a) Is not discharged, pursuant to the laws of the previous~~
19 ~~jurisdiction of the organization, to the extent the owner liability~~
20 ~~arose before the effective date of the articles of domestication;~~

21 ~~—(b) Does not attach, pursuant to the laws of the previous~~
22 ~~jurisdiction of the organization, to any debt, obligation or liability of~~
23 ~~the organization that arises after the effective date of the articles of~~
24 ~~domestication;~~

25 ~~—(c) Is governed by the law of the previous jurisdiction of the~~
26 ~~organization, as if the domestication has not occurred, for the~~
27 ~~collection or discharge of owner liability not discharged pursuant to~~
28 ~~paragraph (a);~~

29 ~~—(d) Is subject to the right of contribution from any other~~
30 ~~shareholder, member, trustee, partner, limited partner or other owner~~
31 ~~of the undomesticated organization pursuant to the laws of the~~
32 ~~previous jurisdiction of the organization, as if the domestication has~~
33 ~~not occurred, for the collection or discharge of owner liability not~~
34 ~~discharged pursuant to paragraph (a); and~~

35 ~~—(e) Applies only to the debts, obligations or liabilities of the~~
36 ~~organization that arise after the effective date of the articles of~~
37 ~~domestication if the owner becomes subject to owner liability or~~
38 ~~some or all of the debts, obligations or liabilities of the~~
39 ~~undomesticated entity as a result of its domestication in this State.~~

40 ~~—10.] As used in this section [:~~

41 ~~—(a) “Owner liability” means the liability of a shareholder,~~
42 ~~member, trustee, partner, limited partner or other owner of an~~
43 ~~organization for debts of the organization, including the~~
44 ~~responsibility to make additional capital contributions to cover such~~
45 ~~debts.~~



1 ~~—(b) “Undomesticated]~~ , “undomesticated organization” means
2 any incorporated organization, private law corporation, whether or
3 not organized for business purposes, public law corporation,
4 limited-liability company, general partnership, registered limited-
5 liability partnership, limited partnership or registered limited-
6 liability limited partnership, proprietorship, joint venture,
7 foundation, business trust, real estate investment trust, common-law
8 trust or any other unincorporated business formed, organized,
9 created or the internal affairs of which are governed by the laws of
10 any foreign country or jurisdiction other than ~~[this State.]~~ *the United*
11 *States, the District of Columbia or another state, territory,*
12 *possession, commonwealth or dependency of the United States.*

13 **Sec. 100.** NRS 92A.380 is hereby amended to read as follows:
14 92A.380 1. Except as otherwise provided in NRS 92A.370
15 and 92A.390 ~~[]~~ *and subject to the limitation in paragraph (f)*, any
16 stockholder is entitled to dissent from, and obtain payment of the
17 fair value of the stockholder’s shares in the event of any of the
18 following corporate actions:

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

21 (1) If approval by the stockholders is required for the merger
22 by NRS 92A.120 to 92A.160, inclusive, or the articles of
23 incorporation, regardless of whether the stockholder is entitled to
24 vote on the plan of merger; or

25 (2) If the domestic corporation is a subsidiary and is merged
26 with its parent pursuant to NRS 92A.180.

27 (b) Consummation of a plan of conversion to which the
28 domestic corporation is a constituent entity as the corporation whose
29 subject owner’s interests will be converted.

30 (c) Consummation of a plan of exchange to which the domestic
31 corporation is a constituent entity as the corporation whose subject
32 owner’s interests will be acquired, if the stockholder’s shares are to
33 be acquired in the plan of exchange.

34 (d) Any corporate action taken pursuant to a vote of the
35 stockholders to the extent that the articles of incorporation, bylaws
36 or a resolution of the board of directors provides that voting or
37 nonvoting stockholders are entitled to dissent and obtain payment
38 for their shares.

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

42 (f) Any corporate action not described in this subsection that
43 will result in the stockholder receiving money or scrip instead of
44 ~~[fractional shares]~~ *a fraction of a share* except where the
45 stockholder would not be entitled to receive such payment pursuant



1 to NRS 78.205, 78.2055 or 78.207. *A dissent pursuant to this*
2 *paragraph applies only to the fraction of a share, and the*
3 *stockholder is entitled only to obtain payment of the fair value of*
4 *the fraction of a share.*

5 2. A stockholder who is entitled to dissent and obtain payment
6 pursuant to NRS 92A.300 to 92A.500, inclusive, may not challenge
7 the corporate action creating the entitlement unless the action is
8 unlawful or fraudulent with respect to the stockholder or the
9 domestic corporation.

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

23 **Sec. 101.** NRS 92A.490 is hereby amended to read as follows:

24 92A.490 1. If a demand for payment remains unsettled, the
25 subject corporation shall commence a proceeding within 60 days
26 after receiving the demand and petition the court to determine the
27 fair value of the shares and accrued interest. If the subject
28 corporation does not commence the proceeding within the 60-day
29 period, it shall pay each dissenter whose demand remains unsettled
30 the amount demanded by each dissenter pursuant to NRS 92A.480
31 plus interest.

32 2. A subject corporation shall commence the proceeding in the
33 district court of the county where its principal office is located in
34 this State. If the principal office of the subject corporation is not
35 located in ~~the~~ *this* State, *the right to dissent arose from a merger,*
36 *conversion or exchange and the principal office of the surviving*
37 *entity, resulting entity or the entity whose shares were acquired,*
38 *whichever is applicable, is located in this State,* it shall commence
39 the proceeding in the county where the principal office of the
40 ~~domestic corporation merged with~~ *surviving entity, resulting*
41 *entity or the entity* whose shares were acquired by the foreign entity
42 was located. ~~If~~ *In all other cases, if* the principal office of the
43 subject corporation and the domestic corporation merged with or
44 whose shares were acquired is not located in this State, the subject



corporation shall commence the proceeding in the district court in the county in which the corporation's registered office is located.

3. The subject corporation shall make all dissenters, whether or not residents of Nevada, whose demands remain unsettled, parties to the proceeding as in an action against their shares. All parties must be served with a copy of the petition. Nonresidents may be served by registered or certified mail or by publication as provided by law.

4. The jurisdiction of the court in which the proceeding is commenced under subsection 2 is plenary and exclusive. The court may appoint one or more persons as appraisers to receive evidence and recommend a decision on the question of fair value. The appraisers have the powers described in the order appointing them, or any amendment thereto. The dissenters are entitled to the same discovery rights as parties in other civil proceedings.

5. Each dissenter who is made a party to the proceeding is entitled to a judgment:

(a) For the amount, if any, by which the court finds the fair value of the dissenter's shares, plus interest, exceeds the amount paid by the subject corporation; or

(b) For the fair value, plus accrued interest, of the dissenter's after-acquired shares for which the subject corporation elected to withhold payment pursuant to NRS 92A.470.

Sec. 102. NRS 77.220, 77.260, 78.595, 78A.001, 78A.004, 78A.006, 78A.008, 80.001, 80.002, 80.0025, 80.003, 80.004, 81.001, 81.0012, 81.0014, 81.0015, 81.0025, 82.038, 82.042, 82.043, 82.044, 84.002, 84.003, 84.0035, 84.004, 86.116, 86.126, 86.127, 86.128, 87.004, 87.005, 87.006, 87.008, 87A.090, 87A.110, 87A.115, 87A.125, 88A.055, 88A.080, 88A.090, 88A.100, 90.277, 91.145, 92A.085, 92A.093, 92A.097 are hereby repealed.

LEADLINES OF REPEALED SECTIONS

77.220 "Record" defined.

77.260 "Sign" defined.

78.595 Trustees of dissolved corporation: Authority to sue and be sued; joint and several responsibility.

78A.001 Definitions.

78A.004 "Record" defined.

78A.006 "Sign" defined.

78A.008 "Signature" defined.

80.001 Definitions.

80.002 "Record" defined.



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- 80.0025 “Sign” defined.
- 80.003 “Signature” defined.
- 80.004 “Street address” defined.
- 81.001 Definitions.
- 81.0012 “Record” defined.
- 81.0014 “Sign” defined.
- 81.0015 “Signature” defined.
- 81.0025 “Street address” defined.
- 82.038 “Record” defined.
- 82.042 “Sign” defined.
- 82.043 “Signature” defined.
- 82.044 “Street address” defined.
- 84.002 Definitions.
- 84.003 “Record” defined.
- 84.0035 “Sign” defined.
- 84.004 “Signature” defined.
- 86.116 “Record” defined.
- 86.126 “Sign” defined.
- 86.127 “Signature” defined.
- 86.128 “Street address” defined.
- 87.004 “Record” defined.
- 87.005 “Sign” defined.
- 87.006 “Signature” defined.
- 87.008 “Street address” defined.
- 87A.090 “Record” defined.
- 87A.110 “Sign” defined.
- 87A.115 “Signature” defined.
- 87A.125 “Street address” defined.
- 88A.055 “Record” defined.
- 88A.080 “Sign” defined.
- 88A.090 “Signature” defined.
- 88A.100 “Street address” defined.
- 90.277 “Record” defined.
- 91.145 “Record” defined.
- 92A.085 “Record” defined.
- 92A.093 “Sign” defined.
- 92A.097 “Signature” defined.

