

ASSEMBLY BILL NO. 74—ASSEMBLYWOMAN FLORES

PREFILED JANUARY 31, 2013

Referred to Committee on Judiciary

SUMMARY—Establishes provisions governing document preparation services. (BDR 19-84)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.
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 public affairs; requiring that document preparation services be registered with the Secretary of State; establishing qualifications for registration; requiring the filing of a bond; regulating the business practices of document preparation services; authorizing disciplinary action and other remedies in specified circumstances; establishing fees; providing civil and criminal penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prohibits a person who is not an active member of the State Bar of Nevada or otherwise authorized to practice law in this State from engaging in the practice of law. (NRS 7.285) However, so long as he or she does not engage in the practice of law, there is currently no statutory provision governing a person who provides advice or assistance in a legal matter, for compensation, to another person who is acting without the assistance of an attorney. This bill generally provides that any person engaged in the business of providing such advice or assistance (a "document preparation service") must register with the Secretary of State and comply with various additional requirements set forth in this bill.

Section 4 of this bill defines a "document preparation service" as any person who, for compensation and at the direction of a client, provides advice or assistance to the client in a legal matter, including, without limitation, preparing or completing a pleading or other document for the client, securing supporting documents or referring the client to an attorney for representation in the matter. **Section 4** excludes from this definition, among others: (1) an attorney authorized to practice law in this State, or an employee of such an attorney acting in the course and scope of that employment; (2) a governmental entity or an employee of such an entity;



(3) a nonprofit, tax-exempt organization which provides legal services to persons free of charge; (4) certain legal aid offices and lawyer referral services; (5) a person who provides services regulated by federal law; (6) a corporation or other entity representing or acting for itself through an officer or employee, or any such officer or employee; and (7) any person who holds a license or other authorization to engage in a profession or occupation and who is acting within the scope of that authorization in the regular course of business. This last exception applies, for example, to an architect, contractor, professional engineer, accountant or any other person engaged in a profession or occupation regulated pursuant to existing law.

Section 5 of this bill broadly defines "legal matter" to mean the preparation of any will, trust or conveyance, any immigration or citizenship proceeding, or any other proceeding, filing or action affecting the legal rights, duties, obligations or liabilities of a person.

Sections 7 and 8 of this bill provide that any person wishing to engage in the business of a document preparation service must register with the Secretary of State and renew that registration annually. **Section 7** establishes certain qualifications for registration, provides for the disqualification of any person who has been convicted of certain criminal offenses or has been adjudged to have engaged in certain kinds of misconduct, and requires that an applicant for registration undergo a check of his or her criminal history.

Section 9 of this bill requires a document preparation service to file and maintain with the Secretary of State a cash bond or surety bond, to provide a means of indemnifying a client or other person for damage caused by fraud, incompetency or other misconduct, or providing payment to the Secretary of State for any civil penalty or award of attorney's fees or costs made against the document preparation service.

Sections 12-15 of this bill impose various requirements relating to advertising and the establishment of the relationship between a document preparation service and a client. **Section 15** provides that: (1) there must be a written contract between the client and the document preparation service; (2) the contract must contain certain terms and disclosures; and (3) the client may cancel the contract within 3 days after signing it.

Sections 16-20 of this bill set forth various required and prohibited practices applicable to a document preparation service. **Section 17** provides for the return to the client of any original documents provided by the client. **Section 18** requires the release of a client's file to any law enforcement agency on demand, with the authorization of the client. **Section 19** imposes certain requirements relating to payments made by a client and billing statements for services rendered by a document preparation service.

Section 21 of this bill authorizes the Secretary of State to adopt regulations to carry out the provisions of this bill, and also requires the Secretary of State to take certain actions to facilitate the submission of complaints relating to a document preparation service.

Section 22 of this bill authorizes the Secretary of State to investigate any suspected violation of the provisions of the bill. If a violation is found, the Secretary of State may: (1) issue a cease-and-desist order; (2) initiate disciplinary proceedings; (3) refer the matter to the Attorney General or a district attorney for the commencement of a civil action or criminal prosecution; or (4) take any combination of these actions. Pursuant to **section 25** of this bill, a willful violation of any of the provisions of this bill, or of a regulation or order of the Secretary of State, is a misdemeanor except that a second or subsequent offense occurring within 5 years is a gross misdemeanor. In addition, **section 26** of this bill provides a private right of action to any person who suffers a pecuniary loss as the result of a violation.



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

Section 1. Title 19 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 27, inclusive, of this act.

Sec. 2. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 3 to 6, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“Client” means a person who:*

1. Represents or otherwise acts for himself or herself in a legal matter without the services of an attorney authorized to practice law in this State; and

2. Receives the services of a document preparation service in that legal matter or enters into a contract with a document preparation service to receive such services.

Sec. 4. *1. “Document preparation service” means a person who:*

(a) For compensation and at the direction of a client, provides advice or assistance to the client in a legal matter, including, without limitation:

(1) Preparing or completing any pleading, conveyance, application or other document for the client;

(2) Translating an answer to a question posed in such a document;

(3) Securing any supporting document, such as a birth certificate, required in connection with the legal matter;

(4) Submitting a completed document on behalf of the client to a court or administrative agency; and

(5) Referring the client to an attorney for representation in the legal matter; or

(b) Holds himself or herself out as a person who provides such services.

2. The term does not include:

(a) A person who provides only secretarial or receptionist services.

(b) An attorney authorized to practice law in this State, or an employee of such an attorney who is acting in the course and scope of that employment.

(c) A law student certified by the State Bar of Nevada for training in the practice of law.

(d) A governmental entity or an employee of such an entity who is acting in the course and scope of that employment.

(e) A nonprofit organization which qualifies as a tax-exempt organization pursuant to 26 U.S.C. § 501(c) and which provides



1 *legal services to persons free of charge, or an employee of such an*
2 *organization who is acting in the course and scope of that*
3 *employment.*

4 *(f) A legal aid office or lawyer referral service operated,*
5 *sponsored or approved by a duly accredited law school, a*
6 *governmental entity, the State Bar of Nevada or any other bar*
7 *association which is representative of the general bar of the*
8 *geographical area in which the bar association exists, or an*
9 *employee of such an office or service who is acting in the course*
10 *and scope of that employment.*

11 *(g) A military legal assistance office or a person assigned to*
12 *such an office who is acting in the course and scope of that*
13 *assignment.*

14 *(h) Except as otherwise provided in paragraph (i), a person*
15 *who provides services that are regulated by federal law.*

16 *(i) A person authorized by federal law to represent persons*
17 *before the Board of Immigration Appeals of the United States*
18 *Department of Justice or the United States Citizenship and*
19 *Immigration Services of the Department of Homeland Security, if*
20 *the services provided by that person are limited to matters of the*
21 *kind described in subsection 2 of section 5 of this act.*

22 *(j) A corporation, limited-liability company or other entity*
23 *representing or acting for itself through an officer, manager,*
24 *member or employee of the entity, or any such officer, manager,*
25 *member or employee who is acting in the course and scope of that*
26 *employment.*

27 *(k) A person who:*

28 *(1) Holds a license, certificate, registration, permit or other*
29 *authorization issued pursuant to any provision of statute, other*
30 *than the provisions of this chapter, to engage in a profession or*
31 *occupation; and*

32 *(2) Is acting within the scope of that authorization and in*
33 *the regular course of business,*

34 *↳ or an employee of such a person who is acting in the course*
35 *and scope of that employment.*

36 **Sec. 5. "Legal matter" means:**

37 **1. The preparation of any will, trust or conveyance;**

38 **2. Any proceeding, filing or action affecting the immigration**
39 **or citizenship status of a person and arising under:**

40 **(a) Immigration and naturalization law;**

41 **(b) An executive order or presidential proclamation; or**

42 **(c) An action of the United States Citizenship and Immigration**
43 **Services of the Department of Homeland Security, the United**
44 **States Department of State or the United States Department of**
45 **Labor; or**



1 3. Any proceeding, filing or action otherwise affecting the
2 legal rights, duties, obligations or liabilities of a person.

3 Sec. 6. "Registrant" means a document preparation service
4 registered pursuant to this chapter.

5 Sec. 7. 1. A person who wishes to engage in the business of
6 a document preparation service must be registered by the
7 Secretary of State pursuant to this chapter. An applicant for
8 registration must be a citizen or legal resident of the United States
9 and at least 18 years of age.

10 2. The Secretary of State shall not register as a document
11 preparation service any person:

12 (a) Who is suspended or has previously been disbarred from
13 the practice of law in any jurisdiction;

14 (b) Whose registration as a document preparation service has
15 previously been revoked by the Secretary of State;

16 (c) Who has previously been convicted of:

17 (1) A felony; or

18 (2) A gross misdemeanor pursuant to paragraph (b) of
19 subsection 1 of section 25 of this act; or

20 (d) Who has, within the 10 years immediately preceding the
21 date of the application for registration as a document preparation
22 service, been:

23 (1) Convicted of a crime involving theft, fraud or
24 dishonesty;

25 (2) Convicted of the unauthorized practice of law pursuant
26 to NRS 7.285 or the corresponding statute of any other
27 jurisdiction; or

28 (3) Adjudged by the final judgment of any court to have
29 committed an act involving theft, fraud or dishonesty.

30 3. An application for registration as a document preparation
31 service must be made under penalty of perjury on a form
32 prescribed by regulation of the Secretary of State and must be
33 accompanied by:

34 (a) A complete set of the fingerprints of the applicant or, if the
35 applicant is not a natural person, a complete set of the fingerprints
36 of each person who will have an interest in the document
37 preparation service, and written permission authorizing the
38 Secretary of State to forward the fingerprints to the Central
39 Repository for Nevada Records of Criminal History for submission
40 to the Federal Bureau of Investigation for its report;

41 (b) An application fee of \$300;

42 (c) An additional fee, established by regulation of the
43 Secretary of State, equal to the sum charged by the Central
44 Repository for Nevada Records of Criminal History and the



1 *Federal Bureau of Investigation for processing the applicant's*
2 *fingerprints;*

3 *(d) If the applicant is self-employed, a copy of the applicant's*
4 *state business license issued pursuant to chapter 76 of NRS and*
5 *any business license required by the local government where the*
6 *applicant's business is located;*

7 *(e) If the applicant is not self-employed, a copy of the state*
8 *business license of the applicant's employer issued pursuant to*
9 *chapter 76 of NRS and a copy of any business license required by*
10 *the local government where the employer's business is located;*
11 *and*

12 *(f) A cash bond or surety bond meeting the requirements of*
13 *section 9 of this act.*

14 4. *After the investigation of the history of the applicant is*
15 *completed, the Secretary of State shall issue a certificate of*
16 *registration if the applicant is qualified for registration and has*
17 *complied with the requirements of this section. Each certificate of*
18 *registration must bear the name of the registrant and a*
19 *registration number unique to that registrant. The Secretary of*
20 *State shall maintain a record of the name and registration number*
21 *of each registrant.*

22 **Sec. 8.** 1. *The registration of a document preparation*
23 *service is valid for 1 year after the date of issuance of the*
24 *certificate of registration, unless the registration is suspended or*
25 *revoked. Except as otherwise provided in this section, the*
26 *registration may be renewed subject to the same conditions as the*
27 *initial registration. An application for renewal must be made*
28 *under penalty of perjury on a form prescribed by regulation of the*
29 *Secretary of State and must be accompanied by:*

30 *(a) A renewal fee of \$100;*

31 *(b) A copy of each business license described in section 7 of*
32 *this act; and*

33 *(c) A cash bond or surety bond meeting the requirements of*
34 *section 9 of this act, unless the bond previously filed by the*
35 *registrant remains on file and in effect.*

36 2. *The Secretary of State may:*

37 *(a) Conduct any investigation of a registrant that the Secretary*
38 *of State deems appropriate.*

39 *(b) Require a registrant to submit a complete set of*
40 *fingerprints and written permission authorizing the Secretary of*
41 *State to forward the fingerprints to the Central Repository for*
42 *Nevada Records of Criminal History for submission to the Federal*
43 *Bureau of Investigation for its report, in which case the Secretary*
44 *of State shall require the registrant to pay the additional fee*



1 *established pursuant to paragraph (c) of subsection 3 of section 7*
2 *of this act.*

3 *3. After any investigation of the history of a registrant is*
4 *completed, unless the Secretary of State elects or is required to*
5 *deny renewal pursuant to this section or section 23 of this act, the*
6 *Secretary of State shall renew the registration if the registrant is*
7 *qualified for registration and has complied with the requirements*
8 *of this section.*

9 **Sec. 9.** *1. A registrant shall file with the Secretary of State*
10 *a cash bond or surety bond in the penal sum of \$50,000 which is*
11 *approved as to form by the Attorney General and conditioned to*
12 *provide:*

13 *(a) Indemnification to a client or any other person who is*
14 *determined in an action or proceeding to have suffered damage as*
15 *a result of:*

16 *(1) An act or omission of the registrant, or an agent or*
17 *employee of the registrant, which violates a provision of this*
18 *chapter or a regulation or order adopted or issued pursuant*
19 *thereto;*

20 *(2) A wrongful failure or refusal by the registrant, or an*
21 *agent or employee of the registrant, to provide services in*
22 *accordance with a contract entered into pursuant to section 15 of*
23 *this act; or*

24 *(3) The fraud, dishonesty, negligence or other wrongful*
25 *conduct of the registrant or an agent or employee of the*
26 *registrant; or*

27 *(b) Payment to the Secretary of State for any civil penalty or*
28 *award of attorney's fees or costs of suit owing and unpaid by the*
29 *registrant to the Secretary of State pursuant to this chapter.*

30 *2. No part of the bond may be withdrawn while the*
31 *registration of the registrant remains in effect, or while a*
32 *proceeding to suspend or revoke the registration is pending.*

33 *3. If a surety bond is filed pursuant to subsection 1:*

34 *(a) The bond must be executed by the registrant as principal*
35 *and by a surety company qualified and authorized to do business*
36 *in this State.*

37 *(b) The bond must cover the period of the registration of the*
38 *registrant, except when the surety is released in accordance with*
39 *this section.*

40 *(c) The surety shall pay any final, nonappealable judgment of*
41 *a court of this State that has jurisdiction, upon receipt of written*
42 *notice that the judgment is final.*

43 *(d) The bond may be continuous, but regardless of the*
44 *duration of the bond, the aggregate liability of the surety does not*
45 *exceed the penal sum of the bond.*



1 (e) If the penal sum of the bond is exhausted, the surety shall
2 give written notice to the Secretary of State and the registrant
3 within 30 days after its exhaustion.

4 (f) The surety may be released after giving 30 days' written
5 notice to the Secretary of State and the registrant, but the release
6 does not discharge or otherwise affect any claim resulting from an
7 act or omission which is alleged to have occurred while the bond
8 was in effect.

9 4. Except as otherwise provided in this subsection, if a cash
10 bond is filed pursuant to subsection 1, the Secretary of State may
11 retain the bond until the expiration of 3 years after the date the
12 registrant has ceased to do business, or 3 years after the date of
13 the expiration or revocation of the registration, to ensure that
14 there are no outstanding claims against the bond. A court of
15 competent jurisdiction may order the return of the bond, or any
16 part of the bond, at an earlier date upon evidence satisfactory to
17 the court that there are no outstanding claims against the bond or
18 that the part of the bond retained by the Secretary of State is
19 sufficient to satisfy any outstanding claims.

20 5. The registration of a registrant is suspended by operation
21 of law when the registrant is no longer covered by a bond or the
22 penal sum of the bond is exhausted. If the Secretary of State
23 receives notice pursuant to subsection 3 that the penal sum of a
24 surety bond is exhausted or that the surety is being released, the
25 Secretary of State shall immediately notify the registrant in writing
26 that his or her registration is suspended by operation of law until
27 another bond is filed in the same manner and amount as the
28 former bond.

29 6. The Secretary of State may reinstate the registration of a
30 registrant whose registration has been suspended pursuant to
31 subsection 5 if, before the current term of the registration expires,
32 the registrant:

33 (a) Files with the Secretary of State a new bond meeting the
34 requirements of this section; and

35 (b) Pays to the Secretary of State a fee for reinstatement in the
36 amount of \$300.

37 7. Except as specifically authorized or required by this
38 chapter, a registrant shall not make or cause to be made any oral
39 or written reference to the registrant's compliance with the
40 requirements of this section.

41 **Sec. 10. 1.** In addition to any other requirements set forth
42 in this chapter:

43 (a) A natural person who applies for registration or the
44 renewal of registration as a document preparation service
45 pursuant to section 7 or 8 of this act must include the social



1 security number of the applicant in the application submitted to
2 the Secretary of State.

3 (b) An applicant described in paragraph (a) shall submit to the
4 Secretary of State the statement prescribed by the Division of
5 Welfare and Supportive Services of the Department of Health and
6 Human Services pursuant to NRS 425.520. The statement must be
7 completed and signed by the applicant.

8 2. The Secretary of State shall include the statement required
9 pursuant to subsection 1 in:

10 (a) The application or any other forms that must be submitted
11 for registration or the renewal of registration; or

12 (b) A separate form prescribed by the Secretary of State.

13 3. Registration as a document preparation service may not be
14 issued or renewed by the Secretary of State if the applicant:

15 (a) Fails to submit the statement required pursuant to
16 subsection 1; or

17 (b) Indicates on the statement submitted pursuant to
18 subsection 1 that the applicant is subject to a court order for the
19 support of a child and is not in compliance with the order or a
20 plan approved by the district attorney or other public agency
21 enforcing the order for the repayment of the amount owed
22 pursuant to the order.

23 4. If an applicant indicates on the statement submitted
24 pursuant to subsection 1 that the applicant is subject to a court
25 order for the support of a child and is not in compliance with the
26 order or a plan approved by the district attorney or other public
27 agency enforcing the order for the repayment of the amount owed
28 pursuant to the order, the Secretary of State shall advise the
29 applicant to contact the district attorney or other public agency
30 enforcing the order to determine the actions that the applicant
31 may take to satisfy the arrearage.

32 **Sec. 11.** 1. If the Secretary of State receives a copy of a
33 court order issued pursuant to NRS 425.540 that provides for the
34 suspension of all professional, occupational and recreational
35 licenses, certificates and permits issued to a natural person who is
36 registered as a document preparation service, the Secretary of
37 State shall deem the registration to be suspended at the end of the
38 30th day after the date on which the court order was issued unless
39 the Secretary of State receives a letter issued to the registrant by
40 the district attorney or other public agency pursuant to NRS
41 425.550 stating that the registrant has complied with the subpoena
42 or warrant or has satisfied the arrearage pursuant to
43 NRS 425.560.

44 2. The Secretary of State shall reinstate a registration as a
45 document preparation service that has been suspended by a



1 *district court pursuant to NRS 425.540 if the Secretary of State*
2 *receives a letter issued by the district attorney or other public*
3 *agency pursuant to NRS 425.550 to the natural person whose*
4 *registration was suspended stating that the person whose*
5 *registration was suspended has complied with the subpoena or*
6 *warrant or has satisfied the arrearage pursuant to NRS 425.560.*

7 **Sec. 12.** 1. *Any advertisement for the services of a*
8 *registrant which the registrant disseminates or causes to be*
9 *disseminated must include a clear and conspicuous statement that*
10 *the registrant is not an attorney authorized to practice in this State*
11 *and is prohibited from providing legal advice or legal*
12 *representation to any person.*

13 2. *The statement required by subsection 1 to be included in*
14 *an advertisement must:*

15 (a) *Be in the same language as the rest of the advertisement;*
16 *and*

17 (b) *Be in the form prescribed by regulation of the Secretary of*
18 *State.*

19 3. *A person shall not disseminate or cause to be disseminated*
20 *any advertisement or other statement that he or she is engaged in*
21 *the business of a document preparation service in this State unless*
22 *he or she has complied with all the applicable requirements of this*
23 *chapter.*

24 **Sec. 13.** 1. *Each registrant shall display conspicuously in*
25 *his or her place of business a copy of his or her certificate of*
26 *registration and a written notice meeting the requirements of this*
27 *section.*

28 2. *The notice must:*

29 (a) *Be not less than 12 by 20 inches in size, and each character*
30 *of text in the notice must be not less than 1 inch in height and 1*
31 *inch in width.*

32 (b) *Be written in English and in any other language native to a*
33 *majority of the registrant's clients.*

34 (c) *Contain a statement that the registrant is not an attorney*
35 *authorized to practice in this State and is prohibited from*
36 *providing legal advice or legal representation to any person.*

37 (d) *Contain the full name of the registrant or, if more than one*
38 *registrant is providing services at that place of business, the full*
39 *name of each such registrant.*

40 (e) *Contain a list of the services provided by the registrant and*
41 *the fee charged for each such service.*

42 (f) *Contain a statement that the registrant has filed with the*
43 *Secretary of State a cash bond or surety bond, stating the amount*
44 *and any identifying number of the bond.*



1 **Sec. 14. 1. Before providing any services to a client or**
2 *presenting a client with the contract required by section 15 of this*
3 *act, a registrant must:*

4 *(a) Furnish the client with a written form of disclosure*
5 *meeting the requirements of this section, with a copy for the client*
6 *to retain; and*

7 *(b) Require the client to read and sign the disclosure,*
8 *acknowledging that the client has read and understands it.*

9 **2. The disclosure must be written in the native language of**
10 *the client and must include:*

11 *(a) The full name, business address and telephone number and*
12 *registration number of the registrant.*

13 *(b) The full name, business address and telephone number of*
14 *any person, other than the registrant, who meets or consults with*
15 *the client.*

16 *(c) The name and business address of the registrant's agent*
17 *for service of process, if any, in this State.*

18 *(d) A statement that the registrant is not an attorney*
19 *authorized to practice in this State and is prohibited from*
20 *providing legal advice or legal representation to any person.*

21 *(e) Unless the registrant is an attorney licensed to practice in*
22 *another state or other jurisdiction, a statement that any*
23 *communication between the client and the registrant is not*
24 *protected from disclosure by any privilege.*

25 *(f) A statement that the registrant has posted or filed with the*
26 *Secretary of State a cash bond or surety bond, stating the amount*
27 *of the bond and any identifying number of the bond.*

28 **Sec. 15. 1. Except as otherwise provided in this section,**
29 *before a registrant provides any services to a client, the registrant*
30 *and the client must enter into a written contract meeting the*
31 *requirements of this section. The registrant shall provide the client*
32 *with a copy of the contract.*

33 **2. The contract must:**

34 *(a) Be written in English and in the native language of the*
35 *client, and be printed or typewritten in not less than 12-point type.*

36 *(b) Explain the services to be performed by the registrant and*
37 *state the total price to be paid by the client for all such services.*

38 *(c) With respect to any document to be prepared by the*
39 *registrant:*

40 *(1) Identify the document;*

41 *(2) State the purpose of the document;*

42 *(3) Explain the procedure to be followed in preparing the*
43 *document and filing or submitting the document;*

44 *(4) State the date by which the document is to be completed;*



(5) Identify the court or agency with which the document is to be filed or submitted; and

(6) If this information is published by the court or agency with which the document is to be filed or submitted, state the estimated length of time for the court or agency to act upon the document.

(d) Include on the first page of the contract a statement in boldface type that the registrant is not an attorney authorized to practice in this State and is prohibited from providing legal advice or legal representation to any person.

(e) Include, in boldface type, notice of the client's right to cancel the contract pursuant to subsection 3 and the address and telephone number to which the client may transmit notice of the cancellation.

(f) Include a statement that any complaint concerning the registrant may be directed to:

(1) If the complaint involves an alleged violation of this chapter, the Secretary of State; or

(2) If the complaint involves an allegation that the registrant is engaged in the unauthorized practice of law, the office of Bar Counsel of the State Bar of Nevada,

↳ with the toll-free telephone number and Internet address for making the complaint.

(g) State the date of the client's signature on the contract, if the client agrees to the terms of the contract.

3. A client who enters into a contract governed by this section may cancel it by giving written or oral notice of the cancellation to the registrant, or to an agent or employee of the registrant, at the address or telephone number set forth in the contract pursuant to subsection 2, at any time before midnight of the third calendar day after the client signs the contract. If the contract is cancelled, the registrant shall immediately refund to the client any money paid by the client. For the purposes of this subsection:

(a) The day on which the client signs the contract must not be included in computing the 3-day period.

(b) The notice of cancellation shall be deemed to have been given on the date the notice is postmarked, sent or otherwise transmitted by the client to the address or telephone number set forth in the contract, regardless of the date the notice is received by the registrant.

4. A contract between a registrant and a client that does not comply with any requirement of this section is voidable by the client.

Sec. 16. Any document prepared for a client by a registrant must include, below any required signature of the client, the



* A B 7 4 *

1 *name, business address and telephone number and registration*
2 *number of the registrant.*

3 **Sec. 17.** 1. *A registrant shall take reasonable measures to*
4 *safeguard from loss or damage any document provided to the*
5 *registrant by a client in connection with services rendered by the*
6 *registrant.*

7 2. *Except as otherwise provided in subsection 3, a registrant*
8 *shall immediately return to a client any original document*
9 *provided by the client:*

10 (a) *Upon the request of the client;*

11 (b) *If the contract required by section 15 of this act is not*
12 *signed or is cancelled for any reason; or*

13 (c) *If the document is no longer needed for the services*
14 *rendered by the registrant.*

15 3. *If a copy of any original document provided by a client is*
16 *sufficient for the purposes of a legal matter, the registrant shall*
17 *make or cause to be made a copy of the original document and*
18 *immediately return the original to the client.*

19 4. *The duties of a registrant pursuant to this section are not*
20 *affected by a dispute existing between the registrant and the client*
21 *over the registrant's fees or costs.*

22 **Sec. 18.** 1. *Upon the presentation to a registrant of a*
23 *written form of authorization signed by a client, the registrant*
24 *shall provide a complete copy of the client's file to an agent or*
25 *employee of the Secretary of State or the Attorney General, or to*
26 *an agent or employee of a law enforcement agency, without the*
27 *necessity of a warrant or subpoena.*

28 2. *A registrant shall retain a copy of any document prepared*
29 *for a client for not less than 3 years after the date of the last*
30 *service performed for the client. At the end of that period, unless*
31 *the client requests that the document be given to the client, the*
32 *document may be destroyed by the registrant. Any method of*
33 *destruction used by a registrant must ensure the complete*
34 *destruction of the document.*

35 **Sec. 19.** 1. *A registrant shall provide a signed receipt to a*
36 *client for each payment made to the registrant by the client. The*
37 *receipt must be printed or typewritten on the letterhead of the*
38 *registrant and must include the name, business address and*
39 *telephone number, registration number and taxpayer*
40 *identification number of the registrant.*

41 2. *Within 30 days after the date of the last service performed*
42 *for a client, and at least monthly while services continue to be*
43 *performed for the client, a registrant shall furnish the client with a*
44 *billing statement. The statement must be printed or typewritten on*



1 *the letterhead of the registrant, must be in the native language of*
2 *the client and must include:*

3 *(a) The name, business address and telephone number,*
4 *registration number and taxpayer identification number of the*
5 *registrant;*

6 *(b) A description of each task performed for the client by the*
7 *registrant or at the direction of the registrant during the period*
8 *covered by the statement;*

9 *(c) The date on which the task was performed;*

10 *(d) The amount of time spent in performing the task;*

11 *(e) The amount charged to the client for the task;*

12 *(f) A statement of any amounts charged to the client for*
13 *photocopies, telephone toll charges, filing fees or other costs,*
14 *categorizing each such cost;*

15 *(g) A statement of the total amount charged to the client for all*
16 *services performed and costs incurred, identifying and deducting*
17 *any amount previously paid by the client; and*

18 *(h) The name and business telephone number of a person who*
19 *may be contacted by the client if the client disputes or has a*
20 *question about the statement.*

21 **Sec. 20. A registrant shall not:**

22 *1. After the date of the last service performed for a client,*
23 *retain any fees or costs for services not performed or costs not*
24 *incurred.*

25 *2. Make, orally or in writing:*

26 *(a) A promise of the result to be obtained by the filing or*
27 *submission of any document, unless the registrant has some basis*
28 *in fact for making the promise;*

29 *(b) A statement that the registrant has some special influence*
30 *with or is able to obtain special treatment from the court or agency*
31 *with which a document is to be filed or submitted; or*

32 *(c) A false or misleading statement to a client if the registrant*
33 *knows that the statement is false or misleading or knows that the*
34 *registrant lacks a sufficient basis for making the statement.*

35 *3. In any advertisement or written description of the*
36 *registrant or the services provided by the registrant, or on any*
37 *letterhead or business card of the registrant, use the term "legal*
38 *aid," "legal services," "law office," "notary public," "notary,"*
39 *"licensed," "attorney," "lawyer" or any similar term, in English*
40 *or in any other language, which implies that the registrant:*

41 *(a) Offers services without charge if the registrant does not do*
42 *so; or*

43 *(b) Is an attorney authorized to practice law in this State.*

44 *4. Negotiate with another person concerning the rights or*
45 *responsibilities of a client, communicate the position of a client to*



1 another person or convey the position of another person to a
2 client.

3 5. Appear on behalf of a client in a court proceeding or other
4 formal adjudicative proceeding, unless the registrant is ordered to
5 appear by the court or presiding officer.

6 6. Provide any advice, explanation, opinion or
7 recommendation to a client about possible legal rights, remedies,
8 defenses, options or the selection of documents or strategies,
9 except that a registrant may provide to a client published factual
10 information, written or approved by an attorney, relating to legal
11 procedures, rights or obligations.

12 7. Seek or obtain from a client a waiver of any provision of
13 this chapter. Any such waiver is contrary to public policy and void.

14 **Sec. 21.** 1. In addition to the regulations which the
15 Secretary of State is required to adopt pursuant to this chapter, the
16 Secretary of State may adopt any other regulations necessary to
17 carry out the provisions of this chapter.

18 2. The Secretary of State shall:

19 (a) Establish a toll-free telephone number which may be used
20 by any person to make a complaint about a registrant or an
21 alleged violation of this chapter.

22 (b) Post on the Internet website of the Secretary of State
23 information concerning making such a complaint, which must
24 include the telephone number established pursuant to
25 paragraph (a).

26 **Sec. 22.** 1. If the Secretary of State obtains information
27 that a provision of this chapter or a regulation or order adopted or
28 issued pursuant thereto has been violated by a registrant or
29 another person, the Secretary of State may conduct or cause to be
30 conducted an investigation of the alleged violation.

31 2. If, after investigation, the Secretary of State determines
32 that a violation has occurred, the Secretary of State may:

33 (a) Serve, by certified mail addressed to the person who has
34 committed the violation, a written order directing the person to
35 cease and desist from the conduct constituting the violation. The
36 order must notify the person that any willful violation of the order
37 may subject the person to prosecution and criminal penalties
38 pursuant to section 25 of this act.

39 (b) If a registrant has committed the violation, begin
40 proceedings pursuant to section 23 of this act to revoke or suspend
41 the registration of the registrant.

42 (c) Refer the alleged violation to the Attorney General or a
43 district attorney for commencement of a civil action against the
44 person pursuant to section 24 of this act.



1 (d) Refer the alleged violation to the Attorney General or a
2 district attorney for prosecution of the person pursuant to section
3 25 of this act.

4 (e) Take any combination of the actions described in this
5 subsection.

6 **Sec. 23.** 1. The Secretary of State may deny, suspend,
7 revoke or refuse to renew the registration of any person who
8 violates a provision of this chapter or a regulation or order
9 adopted or issued pursuant thereto. Except as otherwise provided
10 in subsection 2, a suspension or revocation may be imposed only
11 after a hearing.

12 2. The Secretary of State shall immediately revoke the
13 registration of a registrant upon the receipt of an official
14 document or record showing:

15 (a) The entry of a judgment or conviction; or

16 (b) The occurrence of any other event,

17 ↪ that would disqualify the registrant from registration pursuant
18 to subsection 2 of section 7 of this act.

19 **Sec. 24.** 1. Upon referral by the Secretary of State, the
20 Attorney General or the district attorney of the county in which
21 the defendant resides or maintains a place of business may bring
22 an action in the name of the State of Nevada in a court of
23 competent jurisdiction:

24 (a) For injunctive relief against any person who violates or
25 threatens to violate a provision of this chapter or a regulation or
26 order adopted or issued pursuant thereto;

27 (b) For the recovery of a civil penalty against the defendant of
28 not less than \$100 or more than \$5,000 for each such violation;

29 (c) For an order directing restitution to be made by the
30 defendant to any person who suffers pecuniary loss as a result of
31 such a violation; or

32 (d) For any combination of the remedies described in this
33 subsection.

34 2. Any civil penalty recovered pursuant to this section must
35 be paid to the Secretary of State and deposited in the State General
36 Fund.

37 3. If the court determines that the State of Nevada is the
38 prevailing party in an action brought pursuant to this section, the
39 court shall award the State the costs of suit and reasonable
40 attorney's fees incurred in the action.

41 **Sec. 25.** 1. A person who willfully violates a provision of
42 this chapter or a regulation or order adopted or issued pursuant
43 thereto:

44 (a) For the first offense within the immediately preceding 5
45 years, is guilty of a misdemeanor.



1 (b) For a second or subsequent offense within the immediately
2 preceding 5 years, is guilty of a gross misdemeanor and shall be
3 punished by imprisonment in the county jail for not more than 1
4 year, or by a fine of not more than \$10,000, or by both fine and
5 imprisonment.

6 2. In addition to the penalties prescribed by subsection 1, the
7 court may order a person described in that subsection to pay
8 restitution to any person who has suffered a pecuniary loss as a
9 result of the violation.

10 3. For the purposes of subsections 1 and 2, evidence that a
11 person has been served with an order by the Secretary of State
12 pursuant to section 22 of this act before the date of the alleged
13 violation is evidence that the alleged violation is intentional if it
14 involves a repetition or a continuation of conduct of the kind
15 described in the order.

16 Sec. 26. Notwithstanding the provisions of sections 22 to 25,
17 inclusive, of this act, any person who suffers a pecuniary loss as a
18 result of a violation of this chapter or a regulation or order
19 adopted or issued pursuant thereto by a registrant or other person
20 may bring an action against that person in any court of competent
21 jurisdiction and may recover the sum of \$500 or twice the amount
22 of the pecuniary loss sustained, whichever is greater. If the court
23 determines that the plaintiff is the prevailing party in an action
24 brought pursuant to this section, the court shall award the
25 plaintiff the costs of suit and reasonable attorney's fees incurred
26 in the action.

27 Sec. 27. The provisions of this chapter do not:

28 1. Authorize the practice of law by any person who is not an
29 active member of the State Bar of Nevada or otherwise authorized
30 to practice law in this State; or

31 2. Prohibit a person from representing or otherwise acting for
32 himself or herself in a legal matter without the services of an
33 attorney.

34 Sec. 28. 1. This act becomes effective:

35 (a) Upon passage and approval for the purposes of adopting
36 regulations and performing any other preparatory administrative
37 tasks that are necessary to carry out the provisions of this act; and

38 (b) On January 1, 2014, for all other purposes.

39 2. Sections 10 and 11 of this act expire by limitation on the
40 date on which the provisions of 42 U.S.C. § 666 requiring each state
41 to establish procedures under which the state has authority to
42 withhold or suspend, or to restrict the use of professional,
43 occupational and recreational licenses of persons who:



- 1 (a) Have failed to comply with a subpoena or warrant relating to
- 2 a proceeding to determine the paternity of a child or to establish or
- 3 enforce an obligation for the support of a child; or
- 4 (b) Are in arrears in the payment for the support of one or more
- 5 children,
- 6 ➤ are repealed by the Congress of the United States.

