MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON JUDICIARY

Seventy-Ninth Session
March 16, 2017

The Committee on Judiciary was called to order by Chairman Steve Yeager at 8:08 a.m. on Thursday, March 16, 2017, in Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda (Exhibit A), the Attendance Roster (Exhibit B), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/79th2017.

COMMITTEE MEMBERS PRESENT:

Assemblyman Steve Yeager, Chairman
Assemblyman James Ohrenschall, Vice Chairman
Assemblyman Elliot T. Anderson
Assemblywoman Lesley E. Cohen
Assemblyman Ozzie Fumo
Assemblyman Ira Hansen
Assemblywoman Sandra Jauregui
Assemblywoman Lisa Krasner
Assemblywoman Brittney Miller
Assemblyman Keith Pickard
Assemblyman Tyrone Thompson
Assemblywoman Jill Tolles
Assemblyman Justin Watkins
Assemblyman Jim Wheeler

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Assemblyman John C. Ellison, Assembly District No. 33

STAFF MEMBERS PRESENT:

Diane C. Thornton, Committee Policy Analyst
Devon Isbell, Committee Secretary
Melissa Loomis, Committee Assistant

OTHERS PRESENT:

Richard G. Barrows, Attorney, Wilson Barrows Salyer Jones, Elko, Nevada
Erven T. Nelson, Attorney, Hyperion Advisors, Las Vegas, Nevada
Raffi A. Nahabedian, Attorney, Las Vegas, Nevada
Peter D. Krueger, representing Capitol Partners, Reno, Nevada
Matthew A. Taylor, Director, Nevada Registered Agent Association
Kerrie Kramer, representing The Cupcake Girls, Las Vegas, Nevada
Jonathan P. Leleu, representing The Cupcake Girls, Las Vegas, Nevada
Bart Pace, Chief Deputy District Attorney, Clark County District Attorney's Office
Jason D. Guinasso, representing Awaken, INC, Reno, Nevada
John J. Piro, Deputy Public Defender, Clark County Public Defender's Office
Sean B. Sullivan, Deputy Public Defender, Washoe County Public Defender's Office
John T. Jones, Jr., Chief Deputy District Attorney, Legislative Liaison, Clark County District Attorney's Office; and representing the Nevada District Attorneys Association

Chairman Yeager:
[Roll was taken and protocol was explained.] Good morning. Welcome to day 39 of this legislative session and the first day of March Madness, which may be why our crowd is a little smaller than usual. We have two bills on the agenda today. At this time, I am going to open up the hearing on Assembly Bill 123, which revises provisions governing limited-liability companies.

Assembly Bill 123: Revises provisions governing limited-liability companies. (BDR 7-531)

Assemblyman John C. Ellison, Assembly District No. 33:
I represent Assembly District No. 33, which includes Elko, Eureka, and White Pine Counties and part of Lincoln County. Today I have two guests with me who will be testifying: Richard Barrows from Wilson Barrows Salyer Jones, and former Assemblyman Erven Nelson. Mr. Barrows has been my attorney for several years.

I am here this morning to introduce Assembly Bill 123, which clarifies the power of the series created within a limited-liability company (LLC). Nevada is one of the dozen or so states that allow a series of limited-liability companies, which are master LLCs that shelter a number of independent, operating LLCs underneath. Current law under *Nevada Revised Statutes* (NRS) 86.311 creates uncertainties as to whether or not priorities can be held in the name of a series LLC filed with the Office of the Secretary of State.

Assembly Bill 123 tightens up the language, allowing a series LLC to own property in its own name. Lines 28 through 37 on page 2 of the bill clarify that the series LLC can sue and be sued; enter into contract, and purchase; sell, or otherwise convey real or personal property in its own name. Lines 8 through 27 on page 4 further clarify how series LLCs deal with acquiring, owning, and conveying real and personal property. Series LLCs are a useful tool in the states that allow them, and this bill will help Nevada stay competitive with other business-friendly states like Delaware.

We submitted a friendly amendment (Exhibit C), which Mr. Barrows will explain in more detail. This amendment makes clarifications to section 1 of the bill.

Chairman Yeager:
Thank you Assemblyman Ellison. Mr. Barrows, welcome to the Committee and please proceed with your testimony.

Richard G. Barrows, Attorney, Wilson Barrows Salyer Jones, Elko, Nevada:
I am with the Elko law firm of Wilson Barrows Salyer Jones. I have lived in Elko all my life, and I have been practicing law there since 1973. I have been helping my clients form LLCs in northern Nevada since they were authorized by the Legislature in 1991. In 2005, the Legislature authorized the creation of series LLCs, and I have assisted my clients in gaining the benefits of the series LLC since then (Exhibit D).

I would like to start by talking about some of the terminology used in the statutes. The term "company" is defined in NRS 86.061 and refers to a company whose articles of organization are filed with the Secretary of State. Whenever statute uses the phrase "the company," it means the company filed with the Secretary of State that may be known by various common names such as a container company, master LLC, or parent LLC. The word "series" refers to the LLC, which is formed NOT by filing with the Secretary of State. The purpose of the series LLC is to avoid having to file with the Secretary of State, both on creation and annually. When you file and organize a master LLC with the Secretary of State, you have to check a box that says something to the effect of, "This is a series LLC." That creates confusion, because in my mind the series is the one or more "baby" LLCs created underneath the master LLC.

The reason for writing this bill, or at least the request to Assemblyman Ellison, is that for years I—and many others throughout the state including Erven Nelson—have created a series by an operating agreement and have transferred or conveyed Nevada real estate to that series through the operating agreement. A recent ruling in Elko involving one of my clients and the street vacation statute illustrates the need for A.B. 123. My client in this case was a series LLC that owned land adjoining the street. The street vacation statute says that if the street is vacated, it becomes owned down the middle by the owners on both sides of the street. In my client's case, the city attorney opined that, because of the current language in NRS 86.311 my client, the series LLC, could not take title to that vacated street. I found this to be an alarming statement, and I talked to Assemblyman Ellison about it.

We began by simply drafting an amendment to NRS 86.311 saying that a series can hold title to property in its own name. When the Legislative Counsel Bureau drafted A.B. 123, I believe they looked at Delaware, which amended its series statutes in 2007 to allow the Delaware series to own the title to real estate and other property. Delaware also added in the items that are discussed in section 1 of this bill, which are to sue and be sued, make contracts, et cetera. I certainly did not object to that additional language. I think it is good language.

There is an additional issue, which was brought to my attention yesterday. I received a call from an attorney in Las Vegas who was the victim on the losing side of a ruling in district court in Clark County, in which the Clark County judge ruled that a series LLC could only be created by filing with the Secretary of State, which was not done in this case (Exhibit E). To my knowledge, however, a series LLC has never been created this way by anybody in this state. As a result of the ruling, the members of the series LLC were found to have personal liability.

I believe that existing law—and my written testimony supports this in detail (Exhibit D)—already allows a series to own real estate. However, I seek A.B. 123 for clarification to avoid the uncertain title aspects of what the city attorney in Elko said. I also believe the existing law, since 2005, has always stated that the method of creating a series LLC is to adopt an operating agreement for that series LLC, and not file anything with the Secretary of State. That was the original purpose of the series LLC in 2005.

With that background, I would like to refer to the friendly amendment, which Assemblyman Ellison offered this morning. It amends section 1, subsection 2 of A.B. 123 to read, "A series may be created, without the filing of articles of organization for the series with the Secretary of State, by the adoption of a written operating agreement . . . ." (Exhibit C). The amendment also states that, once created, a series may sue and be sued, et cetera, and hold title to real estate and other property.

Are there any questions from the Committee?

Chairman Yeager:
Thank you for your testimony. Mr. Nelson, did you want to provide some testimony before we open up for questions?

Erven T. Nelson, Attorney, Hyperion Advisors, Las Vegas, Nevada:
I am here today, not as a paid lobbyist but as a practicing lawyer. I live in Las Vegas, and I have practiced law in Nevada since 1983; so I have 10 years less experience than Mr. Barrows. This has been the focus of my practice for a number of years, and I would say, "Ditto," to everything Mr. Barrows said, particularly his written testimony that has been submitted (Exhibit D) and the amendment (Exhibit C) to A.B. 123.

If you will indulge me, I will tell you a story about a client of mine. A client came to me a couple of years ago and said he owned ten rental properties in Las Vegas. I said that was great, and asked him how he owned them. The client told me all the businesses were owned

in his trust. All of them were held in one trust with no divisions between any of them. Talk about putting all of your eggs in one basket—all of the properties would be liable for damage to any one of the properties. Let us say, for example, that a professional basketball player visited my client's property on Elm Street and fell down and broke his or her back. The damages could be in the millions, and my client may not have enough insurance to cover all of that. That professional basketball player could sue for his or her damages and would have all ten properties to look at to go collect the judgment. As you know, LLC stands for "limited-liability company." The whole reason LLCs were invented or established decades ago was to have the benefits of a corporation—which protects the shareholders assets—but also the flow-through taxation of a partnership.

Subchapter S corporations are similar. Limited-liability companies are even better in many ways than a Subchapter S, because any type of entity can be a member, which is the terminology used to describe a shareholder or partner of the LLC. Limited-liability companies are a great thing; and Nevada, along with Wyoming, Delaware, and a few other states, was a kind of vanguard of them. Thousands and thousands of LLCs have been established in Nevada. Nevada makes a lot of money off LLCs, and many businesses come to our state because of them.

I told my client that I did not think he should own all of those properties in just one trust, because somebody could sue the trust and get all of the properties if their damages were big enough. My client said he did not want to create a LLC for every property because it would cost him too much money, and he would have to file separately for each property. I explained that since 2005, we have had a series LLC in Nevada. I told my client he could file one LLC with the Secretary of State, which some people refer to as the master LLC, the mothership, or the container LLC. Part of the problem with current legislation is that the terminology becomes too confusing, not only for lay people, but even for some attorneys, who do not really understand LLCs.

Anyhow, I told my client that I wanted to set up a Nevada LLC and that we would check the box when we filed the articles with the Secretary of State, stating that it was a series LLC. Then we would file the articles of organization, and we would pay that fee once. I explained that we would pay the annual fees on that LLC—just on the first one—every year. It would be just like a pie that we could slice into as many slices as we wanted. If he had a property on Elm Street, we could call it the Elm Street Series. If he had a property on Adam Street, we would call it the Adam Street Series. We would create a separate deed for each property and deed the properties to each respective series, just like slicing up a pie. We would then have what is called a "corporate veil" for limited liability so that, going back to the professional basketball player, if he or she was injured on one property and the insurance proceeds at that property were exhausted, the injured person could get all of the assets in that series that would be one rental property, but they could not go to the other nine. That is the beauty of the series LLC, and Nevada has been a vanguard of this for years.

Assembly Bill 123 purports to clarify what most practitioners in this area have always thought the law supported. This bill clarifies that each series, or each slice of the pie, can own its own property, buy and sell property, sue or be sued, but does not have to separately

file an articles of organization with the Secretary of State or pay the annual fees. Each separate series, or each slice of pie, can be created through an operating agreement, which is similar to a partnership agreement. Each one can have its own partnership agreement, can own its own property, and can have different types of owners. That has always been my understanding of the law. I have set up a lot of these, and like Mr. Barrows, I was very surprised to hear people were attacking this. I think this bill will clear up any ambiguities. As Mr. Barrows said, a judge in Clark County recently ruled that if you want a series to stand by its own, you have to file separate articles of organization with the Secretary of State. I can see how, if you read the language of NRS Chapter 86 very strictly, you could come to that conclusion. I think it is the wrong conclusion, and the friendly amendment will take care of that. I urge this Committee to vote for it. Thank you.

Chairman Yeager:
Thank you for your testimony, Mr. Nelson. I can certainly appreciate, as a practitioner of law myself, thinking the law is one way and being told later, by a court, that it is not, so I thank you for bringing this bill to us.

Assemblyman Pickard:
I happen to have benefitted from series LLCs on both sides of law school. I was a developer before law school and afterwards, before I began strictly practicing family law, I did a little bit of real estate-related work. I find it alarming that a Clark County judge would rule that way, because as I am looking at the Secretary of State's website I do not see a way to file a series LLC through their office. Is there a way? All I see is the opportunity to file initial articles of organization. Am I missing something here? Can the Secretary of State even accept a filing for a series LLC?

Richard Barrows:
I believe the judge ruled that NRS 86.151 states that a limited-liability company is formed by filing articles of organization with the Secretary of State, and that the series statute does not say anything different, so they must be formed the same way. I was not part of that lawsuit, but I think the answer to that is found in the definitions of "company," and "limited-liability company" in NRS 86.061. This statute states that it is the company that is organized by filing articles with the Secretary of State. But NRS 86.296, which talks about series, does not say "organized;" it says "created." I agree with you. You cannot file an operating agreement with the Secretary of State. You would have to file articles of organization for the series with the Secretary of State, which eliminates the whole point of the series in the first place.

Assemblywoman Cohen:
Can you address "piercing the corporate veil"? If this bill passes, will it change protections for the public when it comes to that type of issue? Is there a possibility of hiding assets within a corporation or series?

Richard Barrows:
In my opinion the, answer is no; it will not change anything. Whatever the law is, piercing the corporate veil of an LLC would still apply to a series LLC, which I view as a separate legal entity.

Erven Nelson:
Could I address that also? I think that when it comes to piercing the corporate veil, you would just go through the same step for each separate series, each subdivision. The statute says that if you want to have a series, each series has to have its own accounting as well as the other typical things you would look at when you try to pierce a corporate veil. This is the law right now. If the series had not been following the corporate formalities of separate checking accounts and things like that, you could pierce the corporate veil. That is how it has always been, and I do not think this bill changes that.

Assemblywoman Cohen:
Thank you.

Assemblyman Hansen:
I view this from a different angle. I have a strong distaste in my mouth, frankly, for LLCs, going back to the economic collapse in 2006 to 2008. I watched as a series of developers used each of their separate subdivisions—that a whole series of contractors were working on—as separate companies. They would bankrupt those companies but the actual group—it was a group of attorneys—never paid a nickel. The group stayed in business through the whole process while they kept bankrupting their LLCs. I saw a whole series of small contractors, frankly, lose their shirts while the people that were actually the ones running the show walked away with no debt, for the most part. I do not know if this bill applies to this situation, but to speak to Assemblywoman Cohen's concept, where is the public protected in this process? I am glad that developers can have this protection through the corporate veil, but what about the ordinary people who are doing business with these corporations? What reasonable protections do they have? Because I saw businesses using these types of series of corporate entities to avoid paying their legitimate debts. The small guys were absolutely shafted in this process. I hope the next economic collapse does not happen for a long time, but it was clear to me that the process of setting up LLCs was done in such a way as to ensure that the main corporations and their assets were completely protected while the small guys did not really have a way to get in there and deal with the problem. If you could answer that, I would appreciate it.

Richard Barrows:
I think Erven Nelson has a separate answer from me. My answer is that this can happen, does happen, and has happened since the authorization of corporations 200 years ago. The authorization of series and the authorization of series holding real estate does not change that. It will remain exactly the same with or without this bill.

Assemblyman Hansen:
Thank you. This is a bigger question because I am not an attorney but I am somebody that has seen, in my opinion, the abuse of this process. When we are talking about protecting the public, the public that I am thinking of are not necessarily attorneys that form corporations and are big hotshot developers, but the average rank-and-file Nevadans who have small businesses and are trying to make a living. When regular people find themselves up against corporate entities in these sorts of circumstances, they have no shot of collecting. The corporations walk away from the situation. I watched numerous small companies go bankrupt during that whole process while watching the developers walk away scot-free and then open, in some cases, under another LLC.

Chairman Yeager:
Mr. Nelson, did you want to add anything?

Erven Nelson:
I would concur with what Mr. Barrows said. As to Assemblyman Hansen's question, that is the way it has been for about 400 years, since corporations started in Europe. Part of the reason that corporations were established was so people would be willing to invest. Suppose you invested $100 in Google, as a shareholder—you would not want to be liable for all of Google's debts, but you would have been if Google were organized as a general partnership. Corporations were invented to have a corporate veil separating the assets of the company from the assets of the owners so that people who were hurt by a corporation could claim all the assets of the company but could not go after individual shareholders—and a company like Google may have 10,000 shareholders. That is the theory behind corporations. Because of bankruptcy laws and because of assignment for the benefit of creditors laws—as well as other laws in every state in the country—what you are talking about can happen. Assembly Bill 123 does not really change that at all. This particular amendment does not change it either.

Assemblyman Hansen:
I agree with you. Maybe we have done it a certain way for 400 years, but that does not mean that it is ultimately the correct thing to do. One of the things we do in this body is we try to make things better. While I have no doubt that this bill is great for the corporations and the people who are limited partners in them, there are also people who are legitimately owed by corporations. I have watched them walk away and then, essentially, reopen under another name, completely walk away from all the debts they owed and bankrupt smaller operators who had contracts with these businesses.

Erven Nelson:
Can I respond quickly?

Chairman Yeager:
Sure, go ahead.

Erven Nelson:
Assemblyman Hansen and I are friends. He says that he is not a lawyer, but I know he knows a lot about the law because he schooled me on a few things last session. What Assemblyman Hansen is talking about is correct. That can happen. That situation can happen without a corporation. Even an individual in business can file bankruptcy and get rid of his or her debts, unless those debts were incurred through fraud.

A number of my clients who use LLCs are what many people would call small, mom-and-pop businesses. I have a client that had some dance studios. The client put each dance studio into a separate LLC so that if a patron was injured at one location, it would not affect all of the assets in the others. Whether that is right is a policy issue, but that is how it is. It is the same situation found with chain restaurants such as Taco Bell. The owners put each separate location in its own series or in its own LLC as a business-planning exercise as well as to reduce their insurance costs.

Assemblyman Ellison:
A long time ago, I had several different businesses, and I ran into a problem. I had a little laundromat, a little construction place, a little plaza, and several different rentals. A woman went into one of my businesses and faked a fall. I am thankful I had security cameras that caught this, as she wanted to sue that company and everything else I owned. When that happened I realized that I needed to separate my businesses, because if it had not been for my surveillance system I would have been sued for a false accident. I went to Richard Barrows and told him that I needed to do something to protect myself. I have eight LLCs under my umbrella. I did that to protect my children, not to avoid paying somebody.

Assemblyman Elliot T. Anderson:
It is always an exciting day when we can talk about piercing the corporate veil. Out of curiosity, you mentioned that some courts had muddied things up a bit. Can you provide some decisions illustrating this, whether they are published or not? I would be interested in reading exactly what the courts said, as it is better for me to take that in and see exactly what was said than to continue without having read it. I would appreciate that, if you could provide examples to me.

Richard Barrows:
I would be happy to do that. Do you want me to give you the citation right now or leave a copy with the secretary?

Assemblyman Elliot T. Anderson:
You could either provide the citation to me, or you could provide it to the secretary and she can send it to the entire Committee. I am sure there are a few people on the Committee who would be interested in reading it.

Assemblyman Watkins:
I want to follow up with what my colleague, Assemblyman Hansen, was saying. Maybe this is the right time to ask some questions concerning series LLCs. I do not see anything in

A.B. 123 that would require each series LLC to be sufficiently capitalized. If the law only requires the mothership to be capitalized, we are creating a scenario in which all the baby LLCs have no assets to go after, and we have limited their liability to just that series LLC. We have fostered an environment where what happened in the last economic crash may happen again in the next. If we are going to provide these protections to the series, maybe we should require the capitalization of each of the series so that, while a plaintiff cannot go after the assets of the entire series, there will still be assets in the one particular entity and not just in the mothership. Can you address this concern? Am I reading the bill correctly?

Erven Nelson:
I think there are a couple of answers to that. One of the factors we look at when trying to pierce the corporate veil is undercapitalization, as you are aware. The issue of capitalization is already a part of the law. That is one of the things we check off. We will say that the business did not keep its bank accounts separate, it comingled its assets and it was not properly capitalized; if we can establish enough of these factors in court, we will win our case. I can see your point: you do not want to have companies or series out there doing business without any means to take care of their debts. I guess the answer to your question would be that we pierce the corporate veil and go after all of the business entities. There is no incentive to set up a new series if there are no assets to put into it.

Assemblyman Watkins:
Let us use your dance studio example where there are 20 dance studios throughout the series and each of them is worth $100,000. The series LLC owns title, but it has no other assets of any kind. The mothership LLC runs all the administration, has all the payroll liability, and all the profits that are generated out of each of the series LLCs are held at the mothership level. Essentially all the real assets are held at the mothership level other than title to property. As you know, if you are trying to go after somebody, title to property is probably the least likely asset you will ever recover, because the title is already secured, typically, by a mortgage. You are next in line, if you are in line at all, because the mortgage may exceed the whole liability of the property. Under the scenario I mentioned, I would simply keep everything in the mothership, push down the one asset, the title—that is it—and protect myself. I would protect all my profits, my employees, protect everything, and the worst thing that will probably ever happen to me is that the bank will decide to foreclose on that one piece of property. In my experience, piercing the corporate veil is a Hail Mary, at best, or one in a thousand at best. Is my assessment accurate?

Richard Barrows:
First, the existing law requires that separate and distinct records are maintained for the series and the assets associated with the series. Second, all of the profits and losses for those assets are assets or liabilities of that individual series.

Assemblyman Watkins:
In my series LLC, all of my dance studios pay lease to my mothership LLC in order to exhaust all the profits through paying the lease. All the records for property are kept separately for each series LLC, but each is just a shell. There is nothing there other than title to property, which is already leveraged.

Richard Barrows:
With respect, I think that situation can happen in corporations and in non-series LLCs as well.

Chairman Yeager:
Are there any other questions from the Committee? I do not see any. Thank you for the presentation. At this time, I will open up testimony in support for A.B. 123. We will start in Las Vegas, and then we will come back up to Carson City.

Raffi A. Nahabedian, Attorney, Las Vegas, Nevada:
I am an attorney down in Las Vegas, and I have been a resident of this great state since 2004. I am here in support of Assemblyman Ellison's A.B. 123, given the dire need to incorporate clarification and purpose and intent of NRS 86.296. I will incorporate all of the testimony provided by the sponsors, the attorneys who have already testified, and the comments they have made. The whole intent of this statute, really, was to make Nevada competitive in the Union. As we all know, each state vies for businesses to come to their individual states.

Back in 2000, the state of Nevada made a quest to be the state that companies and people would come to for economic prosperity. Part of that endeavor was the enactment of NRS 86.296, which took its full effect in 2005, and the Research Library of the Legislative Counsel Bureau has many documents in support of the development of this statute. The Legislative Counsel Bureau set forth additions in 2005, which had been added to statute in Delaware. Delaware, by the way, is probably the most business-friendly state in the Union, and Delaware was the first state to enact a series statute. Assembly Bill 123 seeks to clarify the language in statute so our citizens and businesses operating here can become economically viable. The clarifications in A.B. 123 provide for this economic viability.

I would also like to state that I recently experienced the situation (Exhibit E) that the friendly amendment seeks to remedy, and I want to ensure that our Legislature can change, or incorporate, necessary language into the statute. I think it is necessary for people to understand that subsequent series LLCs, which are derived from an initial LLC, are not required to file articles of organization, and this is what the Secretary of State advises. The issue arises in Delaware's statute that includes the language "notwithstanding provisions to the contrary." The reason why that language is critical and needs to be incorporated into our statute is that we must ensure interpretation of our laws is very clear. When a judge or a layperson reads the statute, he or she must find the language clear and understandable to mean that even though this section requires businesses to file articles of organization with the Secretary of State, this provision within the statute says, "notwithstanding that statute"

and that allows businesses to bypass filing articles of organization with the Secretary of State. That was the main thrust and purpose behind the enactment of NRS 86.296.

Around a dozen other jurisdictions—such as Texas, Delaware, and Illinois—enacted series statutes to provide for greater business opportunities for the citizens of their states as well as to make their state more attractive to outside businesses that wanted to come in to participate within the state's boundaries.

I second everything that was testified to earlier, and I totally support the amendments proposed by Assemblyman Ellison in A.B. 123. I respectfully ask that this Legislature also incorporate the necessary language to make certain that any interpretation of the statute is very clear that there is no need to file or register the articles of organization of the subsequent series or the series that emanate from the initial series. I would advise every member of the Assembly that if they were to contact the Secretary of State's Office right now, that office would advise them of the same based upon the advice of the Office of the Attorney General. There is currently nothing, however, that codifies that. I thank you for your time and attention, and if there are any questions, I will answer them for you.

Chairman Yeager:
Are there any questions from the Committee? I do not see any. Thank you for your testimony, sir. We will come back up to Carson City.

Peter D. Krueger, representing Capitol Partners, Reno, Nevada:
I am here in support of both the bill and the amendment from a small business standpoint. I represent our company, Capitol Partners, which has numerous small business clients. It is this flexibility that needs to be codified for our members. We are in a transition period in many businesses, especially in convenience store and petroleum businesses, where family businesses are selling out. Second- and third-generation family business owners just do not find the companies created by their mothers and fathers many years ago as something that interests them. These owners are looking to sell the business as well as the assets. Codifying these changes for series LLCs helps these business owners do that. Mergers and acquisitions are another big part of what we see in the business landscape. The protection provided by being in a series, from a liability standpoint, can increase the value of a company that is attempting to sell. This truly does matter to small businesses, it matters to the individuals who are trying to sell those businesses, and it just simply makes good sense in our judgment to clarify what I know was the intention of this legislative body back in 2005.

Assemblyman Wheeler:
I was waiting for a non-lawyer to come up and testify. In response to Assemblyman Anderson and Assemblyman Watkins, I know that when I was running a business, we always made sure that the companies we contracted with had the assets needed to follow through with and complete our contracts before we entered into business with them. That is current law and that is common sense in business. As far as piercing the corporate veil, you do not really have to do that as a businessperson, do you, if you make sure the company you are contracting with has the assets before you enter into the contract?

Peter Krueger:
As a non-attorney, I am going to give you my best shot at that. I think you described due diligence. Every businessperson, every man and woman who enters the business arena, has to do their due diligence. Sadly, many do not, and they end up in trouble. That is not to say, though, that when times are good and businesses are looking to contract, expand, or do whatever function they need to do, sometimes that due diligence is not done. I believe that responsibility lies with the business owner, and I do not see that this bill, in any way, changes that. We know that piercing the corporate veil, and all the things we have been talking about this morning, are the reason that the men and women who are on this panel, members of this legislative body, and those practicing law throughout the state of Nevada have job security forever. I am happy for them, but I think it is necessary for business owners to do their due diligence.

Chairman Yeager:
Are there any other questions from the Committee? I do not see any. Is there anybody else who would like to testify in support of A.B. 123? [There was no one.] Would anyone like to testify in opposition to A.B 123? [There was no one.] Is there anyone who is neutral on A.B. 123?

Matthew A. Taylor, Director, Nevada Registered Agent Association:
I am one of the directors for the Nevada Registered Agent Association. We support and agree that this language goes along with the original intent when series LLCs were created. I am not here to support or argue the points of whether series LLCs are a good idea or not. I do have a concern, though, in that I do not believe A.B. 123 includes specific naming provisions for the individual series within a series LLC. If we are going to create the ability for individual series to bring a lawsuit or take title to property, that means that series LLCs have the right to be sued, and the public has a right to be able to clearly identify that those series are a part of an overhead LLC or a particular LLC. If series LLCs are named something completely different from the parent LLC—for example, ABC LLC has a series that is named XYZ Properties—if the name is not registered anywhere with the state, if it does not have a registered agent, if there is no process to identify that that is part of a particular LLC or a series of LLC, I have concerns about how that would actually work from a logistical standpoint. How would you deliver a proper service of process? I am not saying that there is not a mechanism to address this—I am not an expert on series LLCs—but I have concerns about whether there should be some type of registration process to list that series as tied to an LLC, or that there is a naming protocol that identifies series a as part of a particular LLC.

Chairman Yeager:
Thank you for your testimony. Are you able to speak to the current law? Under the current law, how would somebody find the name of the LLC? I think what you are saying is that there is no filing that someone could go to from the Secretary of State, but as a practical matter, do you have any comment on how one would go about finding the name?

Matthew Taylor:
For a traditional LLC or a traditional corporation, there is a database online, at the Secretary of State's Office, where one can search by name to find an LLC's official name, find out who the registered agent is, and what the business's address is for service of process. To my knowledge, there is no process which allows for the same research for a series LLC. That is our one concern on this issue.

Assemblyman Watkins:
If we were to enact this bill, as you read it, do you believe there would be no filing requirement? Do you believe this would make it more difficult for somebody to do their due diligence on an LLC with whom they were purportedly contracting with?

Matthew Taylor:
I do not know. I know that it is common practice for people to name XYZ LLC series 1, series 2, or Adams Street Series. That is the traditional practice. My concern, however, is that just because that is the traditional practice does not mean it is a requirement, and there is the potential for someone to deviate from a standard naming protocol. A naming protocol, a specific registration requirement, or requiring each series to have a registered agent could probably address that concern. That is my thought.

Chairman Yeager:
Are there any other questions? I do not see any. Is there anyone else in the neutral position on this bill? [There was no one.] I invite the sponsors to come back up and provide concluding remarks.

Assemblyman Ellison:
Mr. Barrows can speak to this better than I can. Every one of my LLCs is under my and my wife's name, and we name our series after the name of the property and the address. I also have to file with the Internal Revenue Service. Plus all of my accounts are separate and the bookkeeping is separate. They are totally separate, individual businesses. I would like Mr. Barrows to please address these issues and concerns.

Richard Barrows:
To address the previous speaker's question, I believe the series LLC is analogous to the general partnership, which is allowed to hold title to real estate in the state of Nevada. General partnerships are not required to file anything in the state of Nevada, and the way that the law handled this, historically, for a hundred years, is by the filing of a certificate of fictitious name under NRS Chapter 602, which advises the public who it is that is doing business under that fictitious name.

Chairman Yeager:
Do you have a follow-up question, Assemblyman Watkins?

Assemblyman Watkins:
Under a general partnership, is there a partner who maintains liability individually?

Richard Barrows:
I believe you are referring to a limited partnership, which is required to have a general partnership. In a purely general partnership, whether there are 2 partners or 50, all 50 of the general partners are personally liable for all obligations of the partnership. This is one reason why corporations were invented in the first place.

Chairman Yeager:
Do you have any additional testimony?

Richard Barrows:
I would simply urge you to support this bill, which will benefit the residents of the state of Nevada, allow them to receive the benefits of the series LLC, and allow Nevada to stay competitive with the state of Delaware in business entity formation.

Chairman Yeager:
Mr. Nelson, do you have any concluding remarks?

Erven Nelson:
No, thank you.

Chairman Yeager:
Thank you for being here this morning and for your presentation of this bill. We will formally close the hearing on A.B. 123, and we will formally open the hearing on Assembly Bill 243, which revises provisions relating to victims of sex trafficking and involuntary servitude.

Assembly Bill 243: Revises provisions relating to victims of sex trafficking and involuntary servitude. (BDR 14-444)

Kerrie Kramer, representing The Cupcake Girls, Las Vegas, Nevada:
Assembly Bill 243 was brought forth to correct an issue that has come up in practice when helping survivors of sex trafficking vacate their convictions. In 2015, I worked with Assemblyman Anderson on Assembly Bill 108 of the 78th Session to expand the law to include trespass and loitering to the convictions survivors of human sex trafficking may have vacated from their record. Assembly Bill 243 came about after speaking with attorneys who have represented survivors and have run into opposition in trying to consolidate the convictions into district court. As it stands, the law requires survivors to vacate their conviction in the court and courtroom in which they were convicted. This process is cumbersome and difficult, especially considering many of these survivors no longer live in Nevada. The intent of A.B. 243 is to consolidate jurisdiction, thereby allowing the attorneys representing these survivors to have the opportunity to adequately represent their client in a court of competent jurisdiction, while making it easier on the survivors to move on from a life they did not choose and in which they are no longer involved.

Since A.B. 243 was drafted, I have had multiple conversations with the Clark and Washoe County District Attorney's Offices, the Clark County Public Defender's Office, and other attorneys that have represented survivors in these cases. Within those conversations, a couple of concerns have been raised, and it is my hope that the amendment we submitted to the Committee will alleviate some of those concerns (Exhibit F). The first concern we had was notice. We found out, over the course of our discussions with the bill's opposition, that certain agencies were not receiving notice of the petition from the trafficked individual or the motion to consolidate into one jurisdiction. We would like to add that all prosecuting agencies, law enforcement agencies, and the Central Repository for Nevada Records of Criminal History are noticed so that, should they want to file a motion in opposition and be heard they can, regardless of the jurisdiction.

The second, and perhaps more important, piece of the amendment is concurrent jurisdiction. When we originally wrote this bill, we wanted to consolidate everything into district court, as district court seems to be a clearinghouse and the easiest way for the attorneys and the survivors to have their voices and their petitions heard. In speaking with attorneys that represent these survivors before the court, however, it came to our attention that it may be better to have the flexibility to consolidate all of these convictions and the petitions heard within the court that heard it initially, or in district court.

We submitted the amendment, and I think the most important thing is to remember that these individuals are trafficked individuals. These individuals were not willingly participating or engaging in this activity. They are coming forward, trying to move on with their lives. Especially in Las Vegas, and speaking with the other volunteers I work with at The Cupcake Girls, one of the biggest barriers that these individuals face is when they attempt to enter the work force again, they often have multiple convictions stemming from loitering, trespass, or solicitation, and they do not necessarily have a prostitution record. Employers, especially in Las Vegas where trafficking is a very large issue, automatically know that these women have been prostitutes or have been convicted of prostitution or engaging in prostitution when they see these convictions. The most important thing to remember is that it was not their choice. This is not something that they engaged in willingly; this is something they were forced to do so that somebody could make money off them. I think that allowing concurrent jurisdiction and notice and the ability for attorneys and survivors to consolidate their convictions and have them heard and vacated in one court will help these individuals tremendously.

Chairman Yeager:
Thank you for your presentation Ms. Kramer. Could you give us a little background on The Cupcake Girls and what that organization does?

Kerrie Kramer:
The Cupcake Girls is an organization that has been in Las Vegas for the last five or six years. They are a resource organization for all individuals in the adult entertainment and sex industry, with a focus on victims and survivors of human trafficking. We do not have an aftercare program within the state of Nevada, and the goal of The Cupcake Girls is to help

provide aftercare for these victims. They have a licensed social worker on staff, and they provide help with resumé building. The Cupcake Girls have partnered with community attorneys, dentists, and doctors to get these women the care that they need in health care, legal services, et cetera. That is their goal. They work a lot with The Shade Tree. They do not have the capability to house trafficked victims at this point; however, that is something that they are working on. They work very closely with the Las Vegas Metropolitan Police Department (LVMPD) at this point. When victims of trafficking are identified by LVMPD, the department can and has called The Cupcake Girls as a measure to get them some aftercare once they are out.

Assemblyman Elliot T. Anderson:
I had a question about your amendment for concurrent jurisdiction. It looks like the amendment would completely undo the changes you are requesting in the original bill. Can you help me understand exactly how that would operate in practice with the amendment? Would you have two court cases going on at once? What exactly is contemplated by the concurrent jurisdiction amendment?

Kerrie Kramer:
I have spoken with the district attorney's offices and other attorneys who have represented these types of cases. Their concern is, if the original convictions were heard in justice court, for example, and all the cases were consolidated into one motion before the district court, some of the institutional knowledge from the court that originally heard the case could be lost. The biggest goal of this bill, and what I would love it to have, is one clearinghouse—whether it is district court, justice court, or both—that could consolidate the convictions into one motion to be heard before one court. This way these survivors and their attorneys would not be required to go to each court where these individuals were originally convicted, which is how it operates now without the ability to consolidate.

Assemblyman Elliot T. Anderson:
So the intent of your amendment is to still have one court, whether it be justice court, which might be the case if you have a number of misdemeanor citations for trespassing, but if you also have one felony from district court, you could take wherever the preponderance of the convictions are and then move everything into that court. Do I understand your amendment correctly?

Kerrie Kramer:
Yes.

Chairman Yeager:
Are there any other questions from the Committee? [There were none.] Mr. Leleu, did you want to provide any testimony?

Jonathan P. Leleu, representing The Cupcake Girls, Las Vegas, Nevada:
Not at all. Ms. Kramer steals my thunder every time I sit next to her.

Chairman Yeager:
At this time we will open up the hearing for testimony in support of A.B. 243.

Bart Pace, Chief Deputy District Attorney, Clark County District Attorney's Office:
We are completely in support of the principles and philosophies underlying the statute as it currently exists, but we are not in support of the amendments.

Chairman Yeager:
Mr. Pace, I think we should wait until opposition, and we will take your testimony at that time.

Jason D. Guinasso, representing Awaken, INC, Reno, Nevada:
I am an attorney for Awaken, a nonprofit dedicated to increasing awareness and education surrounding the issue of commercial sexual exploitation. They provide housing and restoration for victims of sex trafficking. I support A.B. 243 because it will streamline the process for vacating judgments against victims of sex trafficking. I have personal experience with the application of the underlying statute, having been one of the first attorneys to apply the statute in justice court.

I represented a woman who is now a resident of California who had been a victim of sex trafficking in the late 1990s and early 2000s. She was convicted of prostitution-related charges including trespass, and she was convicted in different justice courts in Las Vegas—I believe one was in Department 8 and one in Department 11. When she contacted my office through one of the nonprofits fighting against sex trafficking in Las Vegas, she explained that as a result of her convictions and her failure to follow through on her probation connected with those convictions, she was facing contempt charges in both courts. This happened because she fled the state to escape the person who had trafficked her.

The challenge for me, as her attorney, was trying to address both charges in two different departments. In one department, I was able to talk to a city attorney who was very reasonable and helped facilitate the process of vacating that judgment with little to no effort. I went to the other justice court a few hours later and did not receive the same courtesy from the city attorney there. The second judge was, in fact, hostile to our position that the judgments against my client should be vacated. The big challenges in that second proceeding were helping the judge to understand that there was a statute that allowed him to vacate the judgment and to understand that my client was a victim and not a criminal.

In the end, we had to have the hearing continued, and I was ordered to brief the matter. I was ordered to bring witnesses in to establish the fact that my client had, in fact, been sex trafficked. As you can imagine, this process was very difficult for my client. She was in Southern California attempting to get a job with a professional organization, but the conviction on her record stigmatized her. I am grateful that after we were able to brief the matter for this judge, he understood the merits of our position. Ultimately, he vacated the judgment against my client, who is now gainfully employed and providing for her

ten-year-old son without the stigma of prostitution-related charges from her victimization operating as a scarlet letter of shame.

The efforts to streamline the process as articulated in A.B. 243 will serve to make the vacating process easier. Assembly Bill 243 will help victims of sex trafficking like my client rebuild their lives. I think the proposed amendment is important, particularly with regard to concurrent jurisdiction, because I do not think the intent of the bill is to divest the justice courts of jurisdiction. I would like to point out that the justice courts and municipal courts hear about 80 percent of the prostitution, solicitation, and trespassing cases, whereas district courts hear approximately 20 percent of these cases. That is a rough estimate based on my personal experience rather than hard numbers. I think allowing one court or another to act as the clearinghouse for all of these charges without divesting one court or another from having jurisdiction to hear and decide these matters is a wise way to streamline the process. I think the point of A.B. 243 is to help attorneys like me, so we are not in several different courts, trying to make the same arguments, and potentially getting different results. In the cases I handled, I could have had one charge vacated and the other not. That would have been an absurd result, given that the intent of the statute is to wipe these women's records clean, because they are not criminals but victims.

Chairman Yeager:
Thank you for your testimony. Are there any questions for Mr. Guinasso? [There were none.] Is there anybody else in support of A.B. 243?

John J. Piro, Deputy Public Defender, Clark County Public Defender's Office:
We support this measure. I think it is a good measure that will provide a faster route for victims of sex trafficking to seal their records and put their past behind them much faster than the regular sealing process allows for. As we have talked about many times in the Committee, the sealing process is long and arduous, and I think if you are a victim of sex trafficking, you should not have to put yourself through that process—especially if you have provided evidence that you are indeed a victim of sex trafficking.

I looked through the sealing statutes because the Nevada District Attorneys Association and the Clark County District Attorney's Office keep saying that measures like A.B. 243 should be placed under the sealing statute. The last time we discussed this issue was on Tuesday, during the hearing on Assembly Bill 259. Assemblyman Anderson commented that, if we were to think of it conceptually, this issue is like placing people convicted of specific crimes into different silos. On Tuesday, we discussed moving marijuana defendants to one silo; now we are talking about moving victims of sex trafficking to an area of the law that expedites the record-sealing process. I hope this session we can fix the sealing process.

I think it is important to bear in mind that keeping these types of hearings in the district court, as proposed in Ms. Kramer's amendment, is helpful for these victims because it is a one-stop shop. Just so the Committee is aware, in Clark County and Las Vegas alone, there are three different municipal courts, three different justice courts, and the district court where record-sealing petitions are filed. However, none of the municipal courts or the justice courts

talk to each other, so theoretically, if you had a person who was arrested for solicitation in Henderson Municipal Court, Henderson Justice Court, Las Vegas Justice Court, and Las Vegas Municipal Court, they would have to file four different petitions to get their records sealed. They would have to pay filing fees four different times or get the filing fees waived. They would have to go through the process four different times to get it done. I think that is an unreasonable burden to place on somebody who has been a victim of a crime.

That being said, I did not read anything in the sealing statutes that precludes this process from occurring under the statutes proposed by the sponsors of this bill. I think we can move forward with this. It will be a change in the law for sure, but it will be a good change and a welcome change at this point in time.

Chairman Yeager:
Are there any questions for Mr. Piro? [There were none.] Mr. Sullivan, did you want to add testimony?

Sean B. Sullivan, Deputy Public Defender, Washoe County Public Defender's Office:
I echo Mr. Piro's sentiment. It is extremely arduous for these petitioners, these victims of sex trafficking, to come back repeatedly to the courts—whether it is to one, two, three, or four courts—for consolidation purposes, to have these matters removed.

Unfortunately, we do not do record sealing at the Washoe County Public Defender's Office like Mr. Piro does. I wish we did, and maybe someday we will. When we defend clients on the front line for the particular crimes they may be charged with, one of the misnomers is that these women chose to enter into sex trafficking. That simply is not the case, and I wanted to point that out. Many of these women were 14 or 15 years old when they met the wrong person and were forced into this lifestyle. I reach out to family members, decent family members, who give me the background of these individuals and indicate to me that they lost their relative to this underworld of sex trafficking, and they have been missing them for years. They are now trying to reconnect with their relative, although they do not know where their loved one is. To give victims a process—after they are out of the industry, when they are trying to be gainfully employed, go back and get their education, and follow up with the wraparound services we hear about—it is a wonderful thing. We want to consolidate the process and give victims an avenue for getting out of the system completely. We want victims to move on with their lives and put their lives back together. For these reasons, the Washoe County Public Defender's Office supports this measure and any measure that streamlines the process for removing these convictions from the record.

John Piro:
I would like to make one more point. I think we made this point previously, and I will say it again. Section 1, subsection 7 says, "If the district court grants a motion made pursuant to subsection 5, the court . . . May take any additional action that the court deems appropriate under the circumstances." That means that there are other statutes that give the courts permission to seal records even when the charges involve crimes not mentioned in

Nevada Revised Statutes (NRS) Chapters 179 and 179A, depending on what specific programs the offender went through. I think the court already has that ability. I think one of the arguments against granting the court this ability is that not all the agencies are receiving proper notice of the sealing. However, if these cases are presented in front of the district court, it is incumbent on the petitioner and the lawyers representing the petitioner to seal the record and to make sure that all interested parties and agencies receive appropriate notice. I do not think that is too big of a hurdle to clear through this process, either.

Chairman Yeager:
Mr. Piro, is the issue of notice accounted for in the amendment? I think it requires notice when a petition is initially filed so that if the court takes additional action, at least the prosecuting agency and the other parties listed in the amendment would have notice of the proceeding.

John Piro:
Yes.

Chairman Yeager:
I have one more question for you. I am not sure if you know the answer to this, but the existing law is not overly specific as to where jurisdiction is appropriate. You mentioned, for example, that there are 14 different justices of the peace in Las Vegas Justice Court. Under current law, do you believe that the petitioner would be required to file the petition in the actual department where they were convicted, or would he or she simply file in justice court and somehow the case would find its way to the right place?

John Piro:
No, I do not think it would be necessary for victims to file a petition in the exact justice court with the exact justice of the peace where they were convicted. However, if a client has one conviction at North Las Vegas Justice Court and one conviction at Las Vegas Justice Court, he or she would have to file two different petitions. The victim could not just file at Las Vegas Justice Court and get the process done. Even though it is all one justice system in Clark County, the judges will still make victims file in both places.

Chairman Yeager:
Thank you for that. I see that we have Mr. Guinasso back up at the table. Mr. Piro and Mr. Sullivan, if you could stay for a moment. I know I have a question for you. We will allow Mr. Guinasso to, perhaps, add to your experience.

Jason Guinasso:
I had to file separate petitions in both Department 8 and Department 11 of the justice court. I was not allowed to file a general petition and let it percolate its way through the system. That was my experience in trying to seal my client's record. Granted, I think that I was the first to file such a petition in the state of Nevada, so nobody really knew exactly what to do, but under existing law, I had to file in both of the justice courts where the original convictions were issued.

Assemblywoman Krasner:
My question is for Mr. Piro and Mr. Sullivan. You talked about 13- and 14-year-old girls who were trafficked and former prostitutes. Obviously we want to help children, but does A.B. 243 apply to just a certain age—18 or 21—or does it also apply to someone who is 40 or 50, who has participated in this their whole life? I did not see an age in the bill. Could you please comment on that?

John Piro:
The bill's sponsors may be better equipped to address whom this bill includes, but I did not see an age requirement, nor would I expect one. I think a person can be a victim of sex trafficking at any age.

Kerrie Kramer:
Thank you for the question. Our intent is to have any survivor, any victim, have the ability to vacate their convictions if they are able. That is the intent of A.B. 243. We never contemplated an age restriction or anything like that. I do not believe there is an age restriction anywhere in statute, and that is not our intent. Our intent is to encompass anyone who has the ability to file a petition to vacate.

Sean Sullivan:
If it was treated as a delinquent matter, by the time the person turns 21 the record is supposed to be automatically sealed. Whether that is done properly has yet to be seen. I hope we fully answered your question.

Chairman Yeager:
I would like to note for the record that if you take a look at the original bill on line 23, page 2, it states, "The defendant makes a motion under this subsection with due diligence after the defendant has ceased being a victim of trafficking or involuntary servitude or has sought services . . . ." There is at least some kind of time requirement there, and I think the judge would be in a position to decide whether that was made in a diligent way. If the concern is that someone would wait years and years and years, and then come back, I believe there would have to be some kind of showing under the current law.

Are there any further questions for Mr. Piro or Mr. Sullivan? [There were none.] Is there anyone else in support of A.B. 243? [There was no one.] We will open up the hearing for opposition testimony.

John T. Jones, Jr., Chief Deputy District Attorney, Legislative Liaison, Clark County District Attorney's Office; and representing the Nevada District Attorneys Association:
We are here in opposition to A.B. 243, but I want to state for the record that we are supportive of the intent behind this bill. I, myself, worked in the Juvenile Division of the Clark County District Attorney's Office, and for a period of years I handled the sexually exploited youth calendar in that office—it is the program that Judge Voy set up. I understand that these are victims of sex trafficking.

Our organization, the Nevada District Attorneys Association, supported Assembly Bill 6 of the 76th Session that put this provision into the NRS. We supported Assembly Bill 108 of the 78th Session, Assemblyman Anderson's bill, and in fact, our association worked with him to add crimes to this statute. I understand the intent behind this bill; however, after speaking with practitioners in this area, I believe we need to move this provision from NRS 176.515 to the sealing statute in NRS 179.245.

Nevada Revised Statutes (NRS) 176.515 is a criminal statute. It deals with criminal law and with specific criminal cases. When we talk about NRS 179.245, we are talking about a civil petition to seal. There is a major distinction between these two. That is why, similar to my testimony in opposition to Assembly Bill 259, this is a matter of where this is best placed in the law. One clearinghouse, filed with a civil petition, can take care of exactly what the sponsors of this bill want to do.

I also want to point out that our amendment (Exhibit G) takes care of the district court issue, with respect to filing in multiple jurisdictions for multiple convictions. I appreciate Ms. Kramer, Mr. Leleu, and The Cupcake Girls for bringing this bill forward. I think there is room to maneuver. I understand, after speaking with people and listening to others, that the sealing process can be arduous. We at the Nevada District Attorneys Association are willing to help expedite that process and make it smoother, but this is the same argument we made with A.B. 259. We are conflating a motion to vacate in a criminal case with a civil petition to seal. You can have your conviction vacated in the criminal case, but it is still viewable by members of the public and it is not sealed. When people say "vacate" and "seal" interchangeably, these are two entirely different things that should not be used interchangeably. Again, just because you have vacated a conviction does not mean the record is sealed.

Mr. Chairman, with your permission I have Bart Pace in Clark County. He is the Chief Deputy District Attorney and handles the sealing caseload for Clark County. If I may defer the remainder of my testimony to him, I would appreciate it.

Bart Pace:
The Clark County District Attorney's Office is invested in assisting victims of human sex trafficking. During the recent formation of the community court, our office reached out through Justice Barker to Break these Chains—Live Free to find appropriate service providers in Clark County. As a result, we brought SEEDS of Hope of the Salvation Army of Southern Nevada into the community court to assist in bringing about change in these women's lives. We worked directly with SEEDS of Hope and communicated with them that we would be willing to assist women charged with prostitution-related crimes in not only the sealing of their records, but the vacation of judgments in all of their cases through the appointed defense counsel in community court.

I want to point out how important this has been. More than one-third of the community court calendar every week is women with prostitution-related arrests. Our goal is, through our offer of the opportunity to have their records vacated and sealed, to give these victims the motivation and the assistance they need to stay in the saddle and work through the changes they need to make in their lives so they may free themselves from this lifestyle and captivity.

This statute is very important to the Clark County District Attorney's Office. I want to make it clear for the record that I am able to help these women under the statute as it is currently written, but I think we can do better. Our goal is to help these women, or men, make changes in their lives and clear up their records so they no longer have the stigma of prostitution. The current statute is weak on record-sealing and no one really knows what subsection 7(b) of NRS 176.515 means. It does not give any information as to how to apply record-sealing through that statute.

I have not seen the amendments. The testimony I have heard today seems very different from the proposed amendment I picked up when I entered the room this morning. The process of creating a notice requirement for all of the prosecution agencies, all of the police agencies, and all of the record organizations throughout the state, followed by completing the hearing process and providing orders to each of those jurisdictions and agencies just recreates the record-sealing statute without any experience behind it. In other words, it will become just as cumbersome as our current system, and we will have fewer professionals who understand how to work with record-sealing than currently work in this area. We have numerous professionals and defense counsel in Clark County who know exactly how to apply the record-sealing statute and can assist these women in this process. By adding the ability to vacate convictions to the record-sealing statute, we will be providing a greater tool to these women.

I want to discuss some of the abuses that have occurred under the current sealing statute. Some of the amendments I heard testified to today may address those issues, but I am not exactly sure. The Clark County District Attorney's Office is only aware of three motions filed to set aside convictions—we know there are others out there—and this problem arises because the current statute does not really address notice. In reality, NRS 176.515 reopens a trial with new evidence. Obviously, anytime you move in a trial case with new evidence, you need to notice the other party. At issue is that some of the attorneys who have filed these motions have made statements on the record that the district attorney's office does not need notice about these hearings.

The abuses that have occurred are that we have not received notice of these hearings. I think the Committee needs to take this into consideration. There are problems even when we get paperwork on our front door. When our office receives notice, that paperwork is often handed to a Clark County District Attorney's Office staff member who is not involved in the case. These notices often involve motions in multiple justice and municipal courts, and basically require a new trial. In addition, these motions are filed as civil cases in district court and served upon whatever department of the Clark County District Attorney's Office they think might be able to best address this. It is confusing when the motion comes in the

door, and I do not think that the effort to notice has always been the moving party's problem—it is just the defect of trying to do this within a new trial statute. In light of this, we may also want to look at NRS 4.370 subsection 3 if we truly want to open up and isolate jurisdiction within the district courts because of the assignments of original jurisdiction regarding misdemeanor offenses.

There are three cases of which our office is aware and I have dealt with directly. In the first case, we never received notice. I heard about it after the fact. That defendant, based on her affidavit alone and without an evidentiary hearing, was granted a vacation of her convictions and had her record sealed. I am sorry to say that that particular individual has been arrested five times since the granting of that petition, so I doubt that she was adequately serviced by treatment providers in preparation for her petition to have her records set aside. She is still heavily involved in the industry in Clark County. In the second case, there was no evidentiary hearing held because the district court found that it did not have jurisdiction to entertain the motion. When the motion came down to the justice court, we stipulated to the setting aside of the record and stipulated to the sealing of the record. In the third case, when the court determined that the district court had jurisdiction to hear the petition, the district court refused to hold an evidentiary hearing as to whether the individual had been a victim of trafficking, if she had taken advantage of services available, or if she even left that lifestyle.

I want to make it clear that in every single one of these cases, the record-sealing has been faulty. In one case, there has been no record-sealing done, even though the petition to seal records was granted. In the other cases the record-sealing is incomplete. Our office has never been served with an order to seal those individuals' records, so the setting aside and the granting of the order to seal records was literally a waste of time for these individuals, and we do not want to see that happen. We at the district attorney's office want to see the process complete. That takes people who are experts and know what they are doing to not only get those records in each of those courts set aside but to also get the records sealed—not only with the arresting agency, not only with the prosecuting agency, not only with the justice court or municipal court, but with all the agencies in the state which have access to those records, and to the public that has access to those records as well. We need a complete process and that is why the addition of allowing vacation of judgment within the record-sealing statute would be more beneficial to these victims.

I am not sure I understand what a previous speaker meant when he said that there has never been an evidentiary hearing, or that a municipal court judge gave him a hard time about evidence. I am not sure I understand. The statute in which these motions to set aside is couched requires an evidentiary proceeding, and it requires a reopening of the trial.

As Mr. Jones indicated earlier, this is not about what we are going to do with the person, the individual, the victim of these crimes. This argument is not about that at all. Hopefully, the victims have addressed their issues themselves through the assistance of treatment providers and family who they have hopefully reconnected with. What this issue is about is all the paperwork that has been spread throughout the state of Nevada and that continues to stigmatize victims in their efforts to obtain jobs and move on in their lives. It is our goal, as

the Clark County District Attorney's Office, to assist victims in the process of providing notice to everybody who may have a stake in the issue and getting every case that we can into one courtroom. Our goal is to stipulate for sealing—as we do in 70 to 80 percent of all of our record-sealing cases, and I think that the percentage will increase—and to help victims get that paperwork sealed appropriately throughout the state of Nevada.

When I say that our office will probably have an increased opportunity to stipulate, I mean that I really do believe that most women who engage in prostitution, at some point during their time working as a prostitute, are the victims of some of the coercive actions that are specifically delineated in the federal definition of human trafficking. I just do not think we will find resistance to moving these cases through the system quickly. We are in the process now, in all of the prosecutors' offices at the Clark County District Attorney's Office, with Barbara Buckley, as well as with many of the legislators in this Committee refining and improving the record-sealing statute to allow stipulations from multiple jurisdictions into one court to speed up the paperwork and reduce the amount of paperwork that needs to be filed with these cases. In the end, this is not going to be about whether or not a woman was a prostitute. It is not going to be about whether this person has made an effort to change their lives; it is going to be about helping them get to the final goal of minimizing the effect of this record—that is viewable in every jurisdiction—on their lives, so they can move forward.

As mentioned before, none of the organizations talk to each other. We must have a formal process that brings all of those organizations together and to have them not only seal the records, but report their sealing of the records. All these organizations need to not only set aside the judgment but report their setting aside of the judgment so that, at the end of the day, when a victim walks out of their attorney's office with the final report, the victim knows that it has been done, it has all been taken care of, and that they can go to any employer and lawfully state that they have never been arrested, charged, or convicted of a crime.

Chairman Yeager:
If I may interrupt, I think we are getting a little bit far afield on some of these issues, and I know we have some questions up here. I think you made a great case for needing to reform the record-sealing process in your testimony. You talked about how difficult it is, and I think that is one of the concerns that we have here today. Obviously, we will get to that in a future bill.

Before I get to some other questions from the Committee, I have a question for Mr. Jones. You mentioned in your testimony there were a couple of bills from prior sessions that the Nevada District Attorney's Office supported. I noted that today your position was that this language should not be in NRS Chapter 176 but it should be in NRS Chapter 179. Is that a new position, or were those concerns raised in the prior bills? Could you shed some light on if this is the first time that has been raised and how that came about?

John Jones:
It was after these two bills were put into law and we started seeing these motions that we found out that where they are placed in NRS Chapter 176 is causing problems. I think you heard Mr. Pace articulate the problems with process that we are seeing based on where these particular provisions are placed in the NRS. I think this demonstrates that we support the intent behind A.B. 243, but I think in terms of process, this provision is better placed within the sealing statute.

Assemblyman Elliot T. Anderson:
I am having trouble wrapping my head around what seems to be a form issue. I do not really understand what difference it makes as far as where this language is organized in the NRS. I do not really understand the distinction that is being made between civil and criminal. I believe it is very nebulous to try to define the process as one or the other because it is not exactly a criminal case. But it is also not really a civil issue when you are talking about sealing a criminal record and all the justice stakeholders are involved in it. I do not think anyone up here would have a problem with beefing up the process and notice provisions, regardless of where it is organized in the NRS. Outside of notice, what is the issue with NRS Chapter 176?

John Jones:
I will defer to Mr. Pace, as he is the practitioner in this area. Again, NRS Chapter 176 deals with a specific criminal trial that occurred which you are moving to vacate, whereas NRS Chapter 179 deals specifically with the civil process to seal a record. Within NRS Chapter 179 are whole litanies of things that must occur in order to ensure that the actual sealing is completed through to the end. In other words, sealing is complete when every agency that has that record has been given the order to seal. That process is not outlined in NRS Chapter 176, and Mr. Pace testified that has caused gaps. There are people who believe, because their conviction is vacated, that they are done with the process, when in fact there is a whole other process that needs to be engaged in to make sure that not only is the conviction vacated, but the case is also sealed. Mr. Pace may wish to expand on that, if you will allow him.

Chairman Yeager:
Mr. Pace, if you have something to add, that would be fine. I would just encourage you to keep your comments brief if you are able to.

Bart Pace:
Mr. Jones hit the nail on the head. If we beef up NRS Chapter 179, we are basically going to be creating two separate record-sealing statutes to properly serve these victims. One will include the ability to vacate judgments, but in the end, it will be a whole new record-sealing statute. The record-sealing statute is complicated and difficult, and we are trying to streamline it because of the nature of the beast. We are trying to wrangle all the paperwork in these cases. We will ultimately be creating two separate record-sealing statutes, one of which allows for setting aside of convictions, but we are attempting this within a statute that

really lends itself to the retrying of a case through an evidentiary process. In the record-sealing statute, evidence is rarely the issue.

Assemblyman Elliot T. Anderson:
Considering the way the record-sealing process is now, I have real heartburn about moving it over to the record-sealing NRS until we can see some clarity on what those changes are going to be. That is a to-be-continued conversation, and I would not wish the record-sealing process on any victim at all. It is such a pain. I think the idea behind A.B. 243 was accepting that these women are generally a lot different from common criminals. Mr. Pace, please do not get me wrong, because I understand it is hard to sit here and talk about every single victim. I understand that you have had different experiences than the ones we have been contemplating, and I hear your frustrations over what seems to be an abuse of discretion on evidentiary hearings. That is neither here nor there for us, if the law already requires an evidentiary hearing. I just hope that this conversation, if you are really insistent on keeping all of these processes in the record-sealing statute, could be a to-be-continued idea until we have some reform in the record-sealing process.

John Jones:
I think the issue you are alluding to is one of the reasons why our criminal justice statute is, quite frankly, such a mess. Even though the ultimate goal of A.B. 243 is to seal a case, the way we read it, it seems as though we are saying we do not like our current record-sealing statute, so we are going to create a whole new scheme in a different part of the NRS to accomplish the exact same thing. The Nevada District Attorneys Association seeks to reform the sealing process, put this statute where it belongs—in the sealing statute—and clean it up. I think saying that we do not like sealing so we are not going to put this sealing issue in a sealing statute, that we are going to shove it somewhere else, is one of the reasons why our criminal justice system is as confusing as it is.

Assemblyman Elliot T. Anderson:
I guess I prefer placing a Band-Aid on the issues you have with NRS Chapter 176 until we get the sealing statute reformed. This might have to be a multi-session kind of issue. Perhaps we could include some "bare notice" provision, if you are having problems in NRS Chapter 176, and add some clarity to what the stakeholders can agree to in NRS Chapter 179. Certainly, I hear you, and I do not want to make the statute any more confusing if that is possible. It just seems that it is such a huge process to contemplate reorganizing the NRS. That is what I am trying to get at. I just want to see results before we start reorganizing.

Chairman Yeager:
I have a follow-up question on that as well. My understanding is that in the context of veterans court, which I think is in NRS Chapter 176A and mental health court in particular, there are already record-sealing provisions built into those programs that are apart from what we find in NRS Chapter 179. Is your position that those programs, likewise, should be moved to record-sealing, or is there some reason that it is okay to have those provisions in the context of the diversionary courts but not in the context of what we are trying to do here?

John Jones:
Again, I will defer to Mr. Pace because he is chief of the unit that handles both veterans court and the drug dependency diversion courts.

Bart Pace:
That is a very good question, Chairman Yeager. The issue there is that record-sealings that are being performed in those courts are probably not complete record-sealing processes, and they are therefore underserving the individuals who are receiving those record-sealings. This is due to a lack of expertise and a lack of statutory outline of how that process is to be carried through to the end.

As to whether or not these specialty courts should be treated differently—that is the first time I have been asked this question, and it is a good question. Specialty courts are complete package programs, meaning that DUI defendants, veterans defendants, and drug defendants receive a complete service package through the court system. These are treatment courts where we get to observe the individual through our processes, through our monitoring, and where we get to reward and sanction them for successes and failures. By the time they complete these programs that are rarely completed in less than a year and a half—no less than two years for mental health court—we have seen the individuals evolve through a process and make changes in their lives that we were able to monitor very well. The immediate reward of the sealing of those records is kind of the consummation of that process. I see a difference with this statute, as we are inviting prostitutes who have changed their lives to come in and prove to a court of law that they have changed their lives. They must prove to a court of law that they are a different person than they were before, which is probably not a service to those individuals.

Assemblyman Pickard:
Mr. Jones, I appreciate the fact that you have raised this issue again. As I understand it, there is a difference between vacation of a sentence and the sealing of records. They serve different purposes. One is to eliminate the conviction; the other is to provide some protection from public disclosure. Why would we want to eliminate the process to vacate and merely make it a sealing issue? Am I incorrect? Do vacations and sealings serve different purposes?

John Jones:
You are absolutely correct that they serve different purposes and in fact, our amendment speaks to that. We provide for a vacation and sealing in our amendment. We are adding a new section 8, and under that section, with respect to survivors of sex trafficking, we have allowed for the judge to both civilly vacate and seal the criminal record because there is a difference, and I think that is an important distinction. That was a good question.

Assemblyman Pickard:
You prefaced your prior comments by saying that we do criminal things in the criminal statute and civil things in the civil statute, but the vacation is a piece of the criminal statute. Why would we want to do the opposite of what you are complaining about?

John Jones:
Because, quite frankly, the sealing is the most important part and it is the most arduous part, as you have heard from numerous people testifying. The sealing is what actually removes the public record from websites and from inquiries from employment agencies. That, quite frankly, is the most important piece in terms of removing those records from public view. That is why we want to move the statute to where the process is delineated specifically; all parties know specifically what they are supposed to do to achieve the end result, which is the sealing of the record. We seek to move vacation of judgment to the sealing statute. I understand what you are saying, but quite frankly, the vacation of the record is the smaller piece of the bigger puzzle. The sealing is the process that is really the most important.

Assemblyman Ohrenschall:
We have heard before that Assemblyman Anderson, Chairman Yeager, Mr. Pace, Assemblyman McCurdy among others, were all at a record-sealing event several months ago. Not having done that before, it really left a tremendous impression on me as to how difficult a process it is—even for someone with convictions in the distant past who has turned their life around and really changed things—to successfully seal a record. I believe only one of the clients I represented that day successfully had their record sealed. I was thrilled to accomplish that, but it took the better part of eight or nine hours.

My question has to do with the amendment that the Nevada District Attorneys Association is presenting. It seems to me that the amendment makes it easier to get a record sealed if the victim of trafficking has had subsequent convictions for other things than a victim of trafficking who has not had more convictions. Perhaps I am misunderstanding it—and if I am please educate me—but that is the way I read the amendment. Considering how arduous this process is already, if this amendment makes the sealing process more arduous, I do not think this is the direction we want to go.

Bart Pace:
I am not sure I understand your question. Could you restate it in a different way? Why would subsequent arrests would make record sealing easier?

Assemblyman Ohrenschall:
I am looking at the Nevada District Attorneys Association's amendment (Exhibit G), and it is the language under section 8, subsection 11, the new language:

> Notwithstanding any other provision of law, the court issuing the judgment of conviction has exclusive jurisdiction to hear a petition to seal the criminal record that is made pursuant to subsection 8, unless the defendant's petition seeks to seal convictions from multiple jurisdictions in which case the motion may be made in District court.

Does that not make it more arduous and cumbersome for the victim of trafficking who has not picked up any other convictions versus the one who has? Let me know if I am misunderstanding that, but that is the way I read the amendment.

Bart Pace:
Perhaps further refinement of that section could clarify that, but the amendment is not referring to any subsequent arrest. The amendment allows jurisdiction to rise to the level of district court if their arrests blanket over justice court and municipal court jurisdictions. The amendment does not really say anything about how many arrests the victim has had. If the victim has had one arrest in justice court and one arrest in district court, our amendment allows the parties to stipulate to raising the jurisdiction to district court to take control of both convictions, but it does not really make it easier. In fact, the way the statute reads right now, you can just file a motion in the criminal case if you have one case and, without costs, get that conviction vacated. If you have multiple arrests, it is cheaper to file the petition to get your convictions vacated or set aside in justice court than it is to file in district court. The statute does not talk about subsequent arrests; it just talks about handling all the jurisdictions where the victim might have suffered an arrest and conviction.

John Jones:
May I follow up as well, Chairman Yeager? Remember, our amendment moves this process to the civil statute. Say a defendant has three or four convictions within Las Vegas Justice Court. Under NRS Chapter 176, we would argue that the defendant would have to file three separate motions in each of his or her individual cases. When we move this process to the sealing statute, the defendant would file one petition in Las Vegas Justice Court and move to seal those three records. I believe that is why you were reading the bill the way you were, but the defendant would still only be filing one motion. If all of the convictions were within one jurisdiction, the defendant would file one petition to vacate and seal in that jurisdiction. If you have convictions spread over multiple jurisdictions, you would file one petition to vacate and seal in the district court. Obviously, if you are uncomfortable with the language as we have proposed, we are willing to work with you to clean that up.

Assemblyman Ohrenschall:
Thank you very much.

Chairman Yeager:
I have a few questions. First, in your amendment you mention that exclusive jurisdiction essentially lies with the court issuing the judgment of conviction. Do you mean that to mean the actual court, as in the particular department and the particular judge where the conviction occurred, or are you just referring to the level of court?

John Jones:
We are just referring to the level of court, such as the Las Vegas Justice Court or the municipal court, as this would be a petition to seal.

Chairman Yeager:
Following up on that, I want to make clear for the record that the sealing that is contemplated under NRS Chapter 179 is a civil procedure, correct?

John Jones:
From what I have been told by our practitioners, yes. Sealing is a civil process. If this body has any issues and wants to streamline the process for this particular group of survivors of sex trafficking, we are more than willing to work with you to streamline the sealing process within the sealing statute. I want to tell everyone on this Committee we are willing to work with you. Our opinion is that this language is just better placed in the sealing statute.

Chairman Yeager:
I appreciate that, Mr. Jones, and I think that has been made pretty clear. I am just trying to figure out where the right place is to locate this in the statute. The way it exists right now in NRS Chapter 179, if someone were moving to vacate a conviction, I would assume that would occur in the criminal court because that is where the conviction occurred—whether municipal, justice, or district court. Is that correct?

John Jones:
The way I read it, yes, because you are talking about a specific court with a specific judgment of conviction that you are then moving to vacate.

Chairman Yeager:
With respect to the proposed subsection 11, where you bring the ability to vacate a conviction into the sealing statute, is that something brand new or does that already exist? I do not recall that being an option anywhere else in NRS Chapter 179, when we are talking about a civil sealing of records, that we are now bringing in a vacation of a criminal conviction. Is that something that would be new to NRS Chapter 179?

John Jones:
From what I understand, yes, that would be new to the civil statute. Our intent is to make one clearinghouse for these survivors of sex trafficking to both seal and vacate their records.

Chairman Yeager:
Under your amendment, could you foresee a situation where the civil judge, in the context of an NRS Chapter 179 petition, would agree to vacate a conviction but not seal the record?

John Jones:
In section 8, subsection 10 of our proposed amendment, we make clear that if the court grants a petition made pursuant to subsection 8, the court shall vacate the judgment and dismiss the accusatory plea. We are willing to work with you on this language, but the way we have written subsection 10, the court would not have a choice if the petitioner meets the standards set in subsection 8.

Chairman Yeager:
I understand that, but the concern is that we have heard how arduous and burdensome the record-sealing process can be. We will address record-sealing again in a future hearing. My concern is that if someone does not jump through the right hoops in NRS Chapter 179, they are not going to get either the vacation of the conviction or the sealing. While

I understand the problem with not having a sealing of the record, locating this in NRS Chapter 176 at least gives an applicant the ability to have the judgment vacated. Of course, they would have to go through the sealing. I just wondered if there is some sort of scenario, for instance, under your contemplated amendment, where a judge would be able to say, "You have not done the procedure right to seal your records, but I agree that it should be vacated." Can the judge go ahead and vacate and then work on the sealing of the record on the back end, or are those two things necessarily linked?

John Jones:
I think that is a great point, and we are willing to work with you on amendments to make it clear that we can still perhaps vacate if the sealing procedures are not up to par for one reason or another.

Chairman Yeager:
It seems that oftentimes judges are hesitant to do what is called a "partial sealing," meaning, if a victim has multiple convictions, the judge sort of wants to try to seal them all or not seal any. My concern is that I can foresee a scenario where we would have a trafficked individual with qualifying convictions under NRS Chapter 176 that could be sealed, but they also have other convictions that have nothing to do with being trafficked. Do you think, if we move this procedure to NRS Chapter 179, we could set something up where judges could perform partial sealings for crimes that resulted from being a victim of sex trafficking? I am concerned that the judge will see a large number of convictions, say they cannot seal them all, and then say that they cannot seal any of them. We will find ourselves in the same situation where a victim of trafficking cannot get the vacation and cannot get the sealing.

John Jones:
That is another great point, and again we are willing to work with you to formulate language to make that happen if this Committee so chooses.

Assemblyman Elliot T. Anderson:
I am looking at your amendment. What we are thinking about conceptually is a lot broader than what you have written down. Would you say that is accurate?

John Jones:
Are you referring to what the Chairman just asked me with respect to other issues? I would agree that perhaps the amendment needs more work, but I would also like to state that none of those issues you are referring to were addressed in the bill as written, either. As you can see, there is a lot of ambiguity in this area of the law, and what we as an association want more than anything is a clean, clear, concise process so these survivors of sex trafficking can accomplish exactly what they want, which is a vacation and sealing.

Assemblyman Elliot T. Anderson:
I think that would be a good thing; I just think we may not be able to get there this session, at least not until we reform the record-sealing portion. I think there is a lot of promise for that, considering we are all coming fresh off this experience and seeing how convoluted it can be. Do you think this is something that might take a couple of sessions?

John Jones:
I know there have been groups put together in Clark County—the groups that Mr. Pace alluded to, and Assemblyman Thompson sits on them; they have already put a lot of work into this issue. It is my understanding that another bill is coming later this session. I had a conversation with the Chairman prior to this hearing, saying that if we can work all of these issues as a part of the sealing of records reforms, you will find a willing partner with the Nevada District Attorneys Association.

Chairman Yeager:
Are there any further questions from the Committee? I do not see any. Thank you, Mr. Jones, for your testimony, and thank you, Mr. Pace, for being available down in Las Vegas to help us through this process. I am sure we will see you again in the future when we get a record-sealing bill. Is there anybody else who would like to testify in opposition to A.B. 243? [There was no one.] Is there anyone who would like to give neutral testimony? [There was no one.] I will invite Ms. Kramer and Mr. Leleu to make concluding remarks.

Kerrie Kramer:
We have talked to the district attorney's office, and we are more than willing to continue to work with them on their issues and concerns. Mr. Pace mentioned speaking with Barbara Buckley, and I wanted to mention that I had a nice conversation with the director of the pro bono cases in southern Nevada with the Legal Aid Center of Southern Nevada, as well as Barbara Buckley, on Friday. She let me know that while there are not currently a large number of these cases pending in southern Nevada, by June the Legal Aid Center will have a program in place wherein the victims of sex trafficking can receive legal advice as well as have their convictions vacated using the statute as it currently sits. I know that the district attorney's office is working with them, but I wanted to let everybody know that we, as well, are working with the Legal Aid Center to resolve these issues.

Chairman Yeager:
Thank you for your testimony and presentation here this morning, Ms. Kramer. I am encouraged that everyone who testified is interested in getting this right and making this process fair and streamlined for victims of trafficking. That is certainly what we are seeking to do. It sounds like we have a little bit more work to do, and that is okay; I would certainly make my woodshed available at any point to bring people together to talk about how best to do this. Again, I just want to thank you for bringing this bill to us this morning.

Kerrie Kramer:
Thank you again, Chairman and members of the Committee.

Chairman Yeager:
Okay. We will go ahead and close the hearing on A.B. 243. We have reached the point of the meeting where public comment is appropriate. If anyone would like to give public comment please come forward. Is there anyone in Las Vegas or Carson City for public comment? [There was no one.] That finishes our business for today. We have a meeting tomorrow morning, bright and early at 8 a.m. We have a couple of bills that will be heard, as well as a presentation from Justice Hardesty of the Nevada Supreme Court, so please be sure to be on time. We are adjourned [at 10:17 a.m.].

RESPECTFULLY SUBMITTED:

_____
Devon Isbell
Committee Secretary

APPROVED BY:

_____
Assemblyman Steve Yeager, Chairman

DATE: _____

EXHIBITS

Exhibit A is the Agenda.

Exhibit B is the Attendance Roster.

Exhibit C is a proposed amendment to Assembly Bill 123, presented by Assemblyman John C. Ellison, Assembly District No. 33; Richard G. Barrows, Attorney, Wilson Barrows Salyer Jones, Elko, Nevada; and Erven T. Nelson, Attorney, Hyperion Advisors.

Exhibit D is written testimony authored and submitted by Richard D. Barrows, Attorney, Wilson Barrows Salyer Jones, Elko, Nevada, dated March 13, 2017, regarding Assembly Bill 123.

Exhibit E is a document titled, "Grand Canal Shops II, LLC vs. AB Venetian, LLC," dated February 14, 2017, submitted by Raffi A. Nahabedian, Attorney, Las Vegas, Nevada.

Exhibit F is a letter and proposed amendment to Assembly Bill 243, written and presented by Kerrie Kramer, representing The Cupcake Girls, Las Vegas, Nevada.

Exhibit G is a proposed amendment to Assembly Bill 243, submitted by John T. Jones, Jr., Chief Deputy District Attorney, Legislative Liaison, Clark County District Attorney's Office; and representing the Nevada District Attorneys Association.