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FIRST REPRINT

A.B. 207

ASSEMBLY BILL NO. 207—ASSEMBLYMEN FRIERSON, BENITEZ-
THOMPSON; ASSEFA AND MONROE-MORENO

FEBRUARY 18, 2019

Referred to Committee on Judiciary

SUMMARY—Revises various provisions relating to business entities. (BDR 7-146)

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

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

AN ACT relating to business entities; revising provisions concerning certain records required to be kept by certain business entities; revising provisions relating to the breach of a fiduciary duty by a director or officer of a corporation; revising provisions relating to the ability of a stockholder to dissent in certain circumstances; revising the definition of the term “issuing corporation” as it relates to the acquisition of a controlling interest therein; authorizing stockholders of a corporation to approve an amendment to the articles of incorporation in writing; requiring written notice to certain stockholders after the dissolution of a corporation approved by written consent of the stockholders thereof; revising provisions relating to the individual liability of a person acting as the alter ego of a corporation and applying such provisions to limited-liability companies; revising provisions concerning the indemnification of certain persons by a corporation; establishing provisions relating to the duties owed to certain limited-liability companies and certain other persons by a manager or managing member of the limited-liability company; establishing provisions relating to a series of members of a limited-liability company; establishing the circumstances under which the merger of a publicly traded corporation without the vote of the stockholders is authorized; revising provisions relating to limitations on the right of a stockholder to dissent; making various other changes relating to business entities; and providing other matters properly relating thereto.



* A B 2 0 7 R 1 *

Legislative Counsel's Digest:

1 Existing law establishes various provisions relating to business entities,
2 including private corporations, nonprofit corporations and limited-liability
3 companies. (Chapters 78, 82 and 86 of NRS) This bill revises certain provisions
4 relating to such specific business entities and makes certain other changes generally
5 relating to business entities.

6 **Section 1** of this bill authorizes a private corporation to include a forum
7 selection clause within its articles of incorporation or bylaws.

8 **Sections 2, 17 and 22** of this bill revise provisions relating to certain records
9 required to be kept by a private corporation, nonprofit corporation and limited-
10 liability company, respectively, and provide that if such records are not made
11 available for inspection within this State after a demand by certain persons, such a
12 person may serve a demand upon the registered agent of the private corporation,
13 nonprofit corporation or limited-liability company, as applicable, that the records
14 be sent to the person or the agent or attorney thereof.

15 **Section 3** of this bill revises the acts that constitute a breach of the fiduciary
16 duty of a director or officer of a corporation for the purpose of determining whether
17 the director or officer is individually liable to the corporation or its stockholders or
18 creditors for damages.

19 **Sections 4-6** of this bill revise provisions relating to the ability of a stockholder
20 who is obligated, as a result of certain corporate action, to accept money or scrip
21 rather than receive a fraction of a share in exchange for the cancellation of all their
22 outstanding shares to dissent.

23 **Section 11** of this bill revises the definition of the term "issuing corporation"
24 for the purposes of provisions relating to the acquisition of a controlling interest
25 therein.

26 **Section 12** of this bill authorizes stockholders of a corporation to approve an
27 amendment to the articles of incorporation in writing instead of being required to
28 approve such an amendment at a meeting under certain circumstances. **Section 13**
29 of this bill provides that if the dissolution of a corporation is approved by written
30 consent of the stockholders of a corporation, the corporation is required to notify
31 each stockholder whose written consent was not solicited of the dissolution in
32 writing not later than 10 days after the effective date of the dissolution.

33 **Section 14** of this bill revises provisions relating to the individual liability of a
34 person acting as the alter ego of a corporation, and **section 19** of this bill makes
35 such provisions applicable to limited-liability companies.

36 **Sections 15 and 16** of this bill revise provisions concerning the indemnification
37 of certain persons by a corporation. **Section 15** establishes the requirements
38 pursuant to which a determination that indemnification is proper must be made and
39 authorizes a corporation to indemnify a person if such a determination is made.
40 **Section 16** establishes the circumstances under which a corporation is required to
41 indemnify a person.

42 **Section 20** of this bill establishes provisions relating to the duties owed by a
43 manager or managing member of a limited-liability company to the limited-liability
44 company, to any series of the limited-liability company, to any member or to
45 another person that is a party to or otherwise bound by the operating agreement.
46 **Section 31** of this bill provides that the provisions of **section 20** apply only to
47 certain limited-liability companies.

48 **Sections 21 and 23-25** of this bill establish provisions relating to a series of
49 members of a limited-liability company. **Section 23** of this bill authorizes a series
50 to exercise the powers and privileges granted by the provisions of law governing
51 limited-liability companies.

52 **Section 27** of this bill establishes the circumstances under which the merger of
53 a publicly traded corporation without the vote of the stockholders is authorized and
54 also establishes other provisions relating to such a merger.



55 **Section 28** of this bill revises provisions relating to the right of a stockholder to
56 dissent from certain corporate actions and to obtain payment of the fair value of the
57 stockholder's shares and provides that a stockholder who is entitled to dissent and
58 obtain payment is prohibited from challenging the corporate action creating the
59 entitlement unless the action is unlawful or constitutes or is the result of actual
60 fraud against the stockholder or the domestic corporation. **Section 29** of this bill
61 revises provisions relating to limitations on the right of a stockholder to dissent.

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

1 **Section 1.** Chapter 78 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *1. The articles of incorporation or bylaws of a corporation*
4 *may require, to the extent not inconsistent with any applicable*
5 *jurisdictional requirements, that any, all or certain internal*
6 *actions must be brought solely or exclusively in the court or courts*
7 *specified in the requirement, which must include at least one court*
8 *in this State. Unless otherwise expressly set forth in the articles of*
9 *incorporation or bylaws, such a requirement must not be*
10 *interpreted as prohibiting any corporation from consenting, or*
11 *requiring any corporation to consent, to any alternative forum in*
12 *any instance.*

13 *2. The provisions of this section do not create or authorize*
14 *any cause of action against a corporation or its directors or*
15 *officers.*

16 *3. As used in this section:*

17 *(a) "Court" means any court of:*

18 *(1) This State, including, without limitation, those courts in*
19 *any county having a business court, as that term is defined in*
20 *NRS 13.050;*

21 *(2) A state other than this State; or*

22 *(3) The United States.*

23 *(b) "Internal action" means any action, suit or proceeding:*

24 *(1) Brought in the name or right of the corporation or on*
25 *its behalf, including, without limitation, any action subject to*
26 *NRS 41.520;*

27 *(2) For or based upon any breach of any fiduciary duty*
28 *owed by any director, officer, employee or agent of the corporation*
29 *in such capacity; or*

30 *(3) Arising pursuant to, or to interpret, apply, enforce or*
31 *determine the validity of, any provision of this title, the articles of*
32 *incorporation, the bylaws or any agreement entered into pursuant*
33 *to NRS 78.365 to which the corporation is a party or a stated*
34 *beneficiary thereof.*



1 **Sec. 2.** NRS 78.105 is hereby amended to read as follows:

2 78.105 1. A corporation shall keep a copy of the following
3 records at its principal office or with its custodian of records whose
4 name and street address are available at the corporation's registered
5 office:

6 (a) A copy certified by the Secretary of State of its articles of
7 incorporation, and all amendments thereto;

8 (b) A copy certified by an officer of the corporation of its
9 bylaws and all amendments thereto; and

10 (c) A stock ledger or a duplicate stock ledger, revised annually
11 not later than 60 days after the date by which an annual list is
12 required to be filed pursuant to NRS 78.150, containing *only* the
13 names, alphabetically arranged, of all persons who are stockholders
14 of record of the corporation, showing their places of residence, if
15 known, and the number of shares held by them respectively.

16 2. Any person who has been a stockholder of record of a
17 corporation for at least 6 months immediately preceding the
18 demand, or any person holding, or thereunto authorized in writing
19 by the holders of, at least 5 percent of all of its outstanding shares,
20 upon at least 5 days' written demand is entitled to inspect in person
21 or by agent or attorney, during usual business hours, the records
22 required by subsection 1 and make copies therefrom. Holders of
23 voting trust certificates representing shares of the corporation must
24 be regarded as stockholders for the purpose of this subsection. *Every*
25 *corporation that neglects or refuses to keep the records required*
26 *by subsection 1 open for inspection, as required in this subsection,*
27 *shall forfeit to the State the sum of \$25 for every day of such*
28 *neglect or refusal.*

29 3. If the records required by subsection 1 are ~~kept outside of~~
30 *not made available for inspection at a location within* this State ~~;~~
31 *a) pursuant to a proper demand made pursuant to subsection 2,*
32 *the stockholder or other person* ~~entitled to inspect those records~~
33 *demanding the inspection* may serve a demand ~~to inspect the~~
34 ~~records~~ upon the corporation's registered agent ~~that the records~~
35 *to be inspected be sent to the demanding stockholder or other*
36 *person or the agent or attorney thereof.* Upon such a ~~request,~~
37 *demand,* the corporation shall send copies of the requested records
38 ~~required by subsection 1,~~ either in paper or electronic form, to
39 the stockholder , ~~or~~ other person , *agent or attorney* entitled to
40 inspect the requested records within 10 business days after service
41 of the ~~request~~ *demand* upon the registered agent. ~~Every~~
42 ~~corporation that neglects or refuses to keep the records required by~~
43 ~~subsection 1 open for inspection, as required in this subsection, shall~~
44 ~~forfeit to the State the sum of \$25 for every day of such neglect or~~
45 ~~refusal.~~



1 ~~—3.1~~ 4. If any corporation willfully neglects or refuses to make
2 any proper entry in the stock ledger or duplicate copy thereof, or
3 neglects or refuses to permit an inspection of the records required by
4 subsection 1 upon demand by a person entitled to inspect them, or
5 refuses to permit copies to be made therefrom, as provided in
6 subsection 2, the corporation is liable to the person injured for all
7 damages resulting to the person therefrom.

8 ~~{4.1}~~ 5. In every instance where an attorney or other agent of
9 the stockholder seeks the right of inspection, the demand must be
10 accompanied by a power of attorney signed by the stockholder
11 authorizing the attorney or other agent to inspect on behalf of the
12 stockholder.

13 ~~{5.1}~~ 6. The right to copy records under subsection 2 includes,
14 if reasonable, the right to make copies by photographic, xerographic
15 or other means.

16 ~~{6.1}~~ 7. The corporation may impose a reasonable charge to
17 recover the costs of labor and materials and the cost of copies of any
18 records provided to the stockholder.

19 **Sec. 3.** NRS 78.138 is hereby amended to read as follows:

20 78.138 1. The fiduciary duties of directors and officers are to
21 exercise their respective powers in good faith and with a view to the
22 interests of the corporation.

23 2. In exercising their respective powers, directors and officers
24 may, and are entitled to, rely on information, opinions, reports,
25 books of account or statements, including financial statements and
26 other financial data, that are prepared or presented by:

27 (a) One or more directors, officers or employees of the
28 corporation reasonably believed to be reliable and competent in the
29 matters prepared or presented;

30 (b) Counsel, public accountants, financial advisers, valuation
31 advisers, investment bankers or other persons as to matters
32 reasonably believed to be within the preparer's or presenter's
33 professional or expert competence; or

34 (c) A committee on which the director or officer relying thereon
35 does not serve, established in accordance with NRS 78.125, as to
36 matters within the committee's designated authority and matters on
37 which the committee is reasonably believed to merit confidence,

38 ↪ but a director or officer is not entitled to rely on such
39 information, opinions, reports, books of account or statements if the
40 director or officer has knowledge concerning the matter in question
41 that would cause reliance thereon to be unwarranted.

42 3. Except as otherwise provided in subsection 1 of NRS
43 78.139, directors and officers, in deciding upon matters of business,
44 are presumed to act in good faith, on an informed basis and with a
45 view to the interests of the corporation. A director or officer is not



1 individually liable for damages as a result of an act or failure to act
2 in his or her capacity as a director or officer except ~~under~~
3 ~~circumstances~~] as described in subsection 7.

4 4. Directors and officers, in exercising their respective powers
5 with a view to the interests of the corporation, may:

6 (a) Consider all relevant facts, circumstances, contingencies or
7 constituencies, including, without limitation:

8 (1) The interests of the corporation's employees, suppliers,
9 creditors or customers;

10 (2) The economy of the State or Nation;

11 (3) The interests of the community or of society;

12 (4) The long-term or short-term interests of the corporation,
13 including the possibility that these interests may be best served by
14 the continued independence of the corporation; or

15 (5) The long-term or short-term interests of the corporation's
16 stockholders, including the possibility that these interests may be
17 best served by the continued independence of the corporation.

18 (b) Consider or assign weight to the interests of any particular
19 person or group, or to any other relevant facts, circumstances,
20 contingencies or constituencies.

21 5. Directors and officers are not required to consider, as a
22 dominant factor, the effect of a proposed corporate action upon any
23 particular group or constituency having an interest in the
24 corporation.

25 6. The provisions of subsections 4 and 5 do not create or
26 authorize any causes of action against the corporation or its directors
27 or officers.

28 7. Except as otherwise provided in NRS 35.230, 90.660,
29 91.250, 452.200, 452.270, 668.045 and 694A.030, or unless the
30 articles of incorporation or an amendment thereto, in each case filed
31 on or after October 1, 2003, provide for greater individual liability, a
32 director or officer is not individually liable to the corporation or its
33 stockholders or creditors for any damages as a result of any act or
34 failure to act in his or her capacity as a director or officer unless:

35 (a) The ~~trier of fact determines that the~~] presumption
36 established by subsection 3 has been rebutted; and

37 (b) It is proven that:

38 (1) The director's or officer's act or failure to act constituted
39 a breach of his or her fiduciary duties as a director or officer; and

40 (2) Such breach involved intentional misconduct, fraud or a
41 knowing violation of law.

42 8. This section applies to all cases, circumstances and matters ,
43 ~~unless otherwise provided in the articles of incorporation, or an~~
44 ~~amendment thereto,~~] including, without limitation, any change or



1 potential change in control of the corporation ~~[]~~ *unless otherwise*
2 *provided in the articles of incorporation or an amendment thereto.*

3 **Sec. 4.** NRS 78.205 is hereby amended to read as follows:

4 78.205 1. A corporation is not obligated to but may sign and
5 deliver a certificate for or including a fraction of a share.

6 2. In lieu of signing and delivering a certificate for a fraction of
7 a share, a corporation may:

8 (a) Pay to any person otherwise entitled to become a holder of a
9 fraction of a share an amount in cash based on a per share value, and
10 that value or the method of determining that value must be specified
11 in the articles, plan of reorganization, plan of merger or exchange,
12 resolution of the board of directors, or other instrument pursuant to
13 which the fractional share would otherwise be issued;

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

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

28 3. ~~[Any]~~ *If any* proposed corporate action ~~[that]~~ *pursuant to*
29 *this section* would result in only money being paid or scrip being
30 issued to stockholders who:

31 (a) Before the proposed corporate action becomes effective, *in*
32 *the aggregate* hold 1 percent or more of the outstanding shares of
33 the affected class or series; and

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

36 ~~↳ [is-subject-to] any stockholder who is obligated, as a result of~~
37 ~~the corporate action taken pursuant to this section, to accept~~
38 ~~money or scrip rather than receive a fraction of a share in~~
39 ~~exchange for the cancellation of all the stockholder's outstanding~~
40 ~~shares, may dissent in accordance with~~ the provisions of NRS
41 92A.300 to 92A.500, inclusive, ~~[. If the proposed corporate action~~
42 ~~is subject to those provisions, any stockholder who is obligated to~~
43 ~~accept money or scrip rather than receive a fraction of a share~~
44 ~~resulting from the action taken pursuant to this section may dissent~~
45 ~~in accordance with those provisions]~~ and obtain payment of the fair



1 value of the fraction of a share to which the stockholder would
2 otherwise be entitled.

3 **Sec. 5.** NRS 78.2055 is hereby amended to read as follows:

4 78.2055 1. Unless otherwise provided in the articles of
5 incorporation, a corporation that desires to decrease the number of
6 issued and outstanding shares of a class or series held by each
7 stockholder of record at the effective date and time of the change
8 without correspondingly decreasing the number of authorized shares
9 of the same class or series may do so if:

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

13 (b) The proposal is approved by the vote of stockholders holding
14 a majority of the voting power of the affected class or series, or such
15 greater proportion as may be provided in the articles of
16 incorporation, regardless of limitations or restrictions on the voting
17 power of the affected class or series.

18 2. If the proposal required by subsection 1 is approved by the
19 stockholders entitled to vote, the corporation may reissue its stock in
20 accordance with the proposal after the effective date and time of the
21 change.

22 3. Except as otherwise provided in this subsection, if a
23 proposed decrease in the number of issued and outstanding shares of
24 any class or series would adversely alter or change any preference,
25 or any relative or other right given to any other class or series of
26 outstanding shares, then the decrease must be approved by the vote,
27 in addition to any vote otherwise required, of the holders of shares
28 representing a majority of the voting power of each class or series
29 whose preference or rights are adversely affected by the decrease, or
30 such greater proportion as may be provided in the articles of
31 incorporation, regardless of limitations or restrictions on the voting
32 power of the adversely affected class or series. The decrease does
33 not have to be approved by the vote of the holders of shares
34 representing a majority of the voting power of each class or series
35 whose preference or rights are adversely affected by the decrease if
36 the articles of incorporation specifically deny the right to vote on
37 such a decrease.

38 4. ~~Any proposal to decrease the number of issued and~~
39 ~~outstanding shares of any class or series, if any, that includes~~
40 ~~provisions pursuant to which~~ *If any proposed corporate action*
41 *pursuant to this section would result in* only money ~~[will be]~~ *being*
42 *paid or scrip [will be] being* issued to stockholders who:

43 (a) Before the decrease in the number of shares becomes
44 effective, *in the aggregate* hold 1 percent or more of the outstanding
45 shares of the affected class or series; and



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

14 **Sec. 6.** NRS 78.207 is hereby amended to read as follows:

15 78.207 1. Unless otherwise provided in the articles of
16 incorporation, a corporation that desires to change the number of
17 shares of a class or series, if any, of its authorized stock by
18 increasing or decreasing the number of authorized shares of the
19 class or series and correspondingly increasing or decreasing the
20 number of issued and outstanding shares of the same class or series
21 held by each stockholder of record at the effective date and time of
22 the change, may, except as otherwise provided in subsections 2 and
23 3, do so by a resolution adopted by the board of directors, without
24 obtaining the approval of the stockholders. The resolution may also
25 provide for a change of the par value, if any, of the same class or
26 series of the shares increased or decreased. After the effective date
27 and time of the change, the corporation may issue its stock in
28 accordance therewith.

29 2. A proposal to increase or decrease the number of authorized
30 shares of any class or series, if any, that includes provisions
31 pursuant to which only money will be paid or scrip will be issued to
32 stockholders who:

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

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

38 ↪ must be approved by the vote of stockholders holding a majority
39 of the voting power of the affected class or series, or such greater
40 proportion as may be provided in the articles of incorporation,
41 regardless of limitations or restrictions on the voting power thereof.

42 3. Except as otherwise provided in this subsection, if a
43 proposed increase or decrease in the number of authorized shares of
44 any class or series would adversely alter or change any preference or
45 any relative or other right given to any other class or series of



1 outstanding shares, then the increase or decrease must be approved
2 by the vote, in addition to any vote otherwise required, of the
3 holders of shares representing a majority of the voting power of
4 each class or series whose preference or rights are adversely
5 affected by the increase or decrease, regardless of limitations or
6 restrictions on the voting power thereof. The increase or decrease
7 does not have to be approved by the vote of the holders of shares
8 representing a majority of the voting power in each class or series
9 whose preference or rights are adversely affected by the increase or
10 decrease if the articles of incorporation specifically deny the right to
11 vote on such an increase or decrease.

12 4. ~~Any proposal to increase or decrease the number of~~
13 ~~authorized shares of any class or series, if any, that includes~~
14 ~~provisions pursuant to which~~ *If any proposed corporate action*
15 *pursuant to this section would result in* only money ~~will be~~ *being*
16 paid or scrip ~~will be~~ *being* issued to stockholders who:

17 (a) Before the increase or decrease in the number of shares
18 becomes effective, *in the aggregate* hold 1 percent or more of the
19 outstanding shares of the affected class or series; and

20 (b) Would otherwise be entitled to receive a fraction of a share
21 in exchange for the cancellation of all of their outstanding shares,
22 ~~is subject to~~ *any stockholder who is obligated, as a result of*
23 *the corporate action taken pursuant to this section, to accept*
24 *money or scrip rather than receive a fraction of a share in*
25 *exchange for the cancellation of all the stockholder's outstanding*
26 *shares, may dissent in accordance with* the provisions of NRS
27 92A.300 to 92A.500, inclusive, ~~If the proposal is subject to those~~
28 ~~provisions, any stockholder who is obligated to accept money or~~
29 ~~scrip rather than receive a fraction of a share resulting from the~~
30 ~~action taken pursuant to this section may dissent in accordance with~~
31 ~~those provisions~~ and obtain payment of the fair value of the fraction
32 of a share to which the stockholder would otherwise be entitled.

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

34 78.288 1. Except as otherwise provided in subsection 2 and
35 the articles of incorporation, a board of directors may authorize and
36 the corporation may make distributions to ~~its stockholders,~~ *the*
37 *holders of any class or series of the corporation's shares*, including
38 distributions on shares that are partially paid.

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

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

42 (b) Except as otherwise specifically allowed by the articles of
43 incorporation, the corporation's total assets would be less than the
44 sum of its total liabilities plus the amount that would be needed, if
45 the corporation were to be dissolved ~~at~~ *immediately after* the time



1 of *the* distribution, to satisfy the preferential rights upon *such*
2 dissolution of stockholders whose preferential rights are superior to
3 those receiving the distribution.

4 3. The board of directors may base a determination that a
5 distribution is not prohibited pursuant to subsection 2 on:

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

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

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

11 4. The effect of a distribution pursuant to subsection 2 must be
12 measured:

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

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

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

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

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

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

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

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

30 6. Indebtedness of a corporation, including indebtedness issued
31 as a distribution, is not considered a liability for purposes of
32 determinations pursuant to subsection 2 if its terms provide that
33 payment of principal and interest are made only if and to the extent
34 that payment of a distribution to stockholders could then be made
35 pursuant to this section. If the indebtedness is issued as a
36 distribution, each payment of principal or interest must be treated as
37 a distribution, the effect of which must be measured on the date the
38 payment is actually made.

39 *7. This section does not apply to any distribution in*
40 *liquidation pursuant to NRS 78.590.*

41 *8. The provisions of chapter 112 of NRS do not apply to any*
42 *distribution made by a corporation in accordance with this*
43 *chapter.*

44 **Sec. 8.** (Deleted by amendment.)



Sec. 9. NRS 78.315 is hereby amended to read as follows:

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

2. Unless otherwise restricted by the articles of incorporation or bylaws, any action required or permitted to be taken at a meeting of the board of directors or of a committee thereof may be taken without a meeting if, before or after the action, a written consent thereto is signed by all the members of the board or of the committee, except that such written consent is not required to be signed by:

(a) A common or interested director who abstains in writing from providing consent to the action. If a common or interested director abstains in writing from providing consent:

(1) The fact of the common directorship, office or financial interest must be known to the board of directors or committee before a written consent is signed by all the members of the board of the committee.

(2) Such fact must be described in the written consent.

(3) The board of directors or committee must approve, authorize or ratify the action in good faith by unanimous consent without counting the abstention of the common or interested director.

(b) A director who is a party to an action, suit or proceeding who abstains in writing from providing consent to the action of the board of directors or committee. If a director who is a party to an action, suit or proceeding abstains in writing from providing consent on the basis that he or she is a party to an action, suit or proceeding, the board of directors or committee must:

(1) Make a determination pursuant to NRS ~~78.751~~ 78.7502 that indemnification of the director is proper under the circumstances.

(2) Approve, authorize or ratify the action of the board of directors or committee in good faith by unanimous consent without counting the abstention of the director who is a party to an action, suit or proceeding.

3. Unless otherwise restricted by the articles of incorporation or bylaws, members of the board of directors or the governing body of any corporation, or of any committee designated by such board or body, may participate in a meeting of the board, body or committee through electronic communications, videoconferencing,



1 teleconferencing or other available technology if the corporation has
2 implemented reasonable measures to:

3 (a) Verify the identity of each person participating through such
4 means as a director or member of the governing body or committee,
5 as the case may be; and

6 (b) Provide the directors or members a reasonable opportunity to
7 participate in the meeting and to vote on matters submitted to the
8 directors or members, as the case may be, including an opportunity
9 to communicate and to read or hear the proceedings of the meeting
10 in a substantially concurrent manner with such proceedings.

11 4. Participation in a meeting pursuant to subsection 3
12 constitutes presence in person at the meeting.

13 **Sec. 10.** NRS 78.320 is hereby amended to read as follows:

14 78.320 1. Unless this chapter, the articles of incorporation or
15 the bylaws provide for different proportions:

16 (a) A majority of the voting power, which includes the voting
17 power that is present in person or by proxy, regardless of whether
18 the proxy has authority to vote on ~~all matters,~~ any matter,
19 constitutes a quorum for the transaction of business; and

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

24 2. Unless otherwise provided in the articles of incorporation or
25 the bylaws, any action required or permitted to be taken at a meeting
26 of the stockholders may be taken without a meeting if, before or
27 after the action, a written consent thereto is signed by stockholders
28 holding at least a majority of the voting power, except that if a
29 different proportion of voting power is required for such an action at
30 a meeting, then that proportion of written consents is required.

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

33 4. Unless otherwise restricted by the articles of incorporation
34 or bylaws, stockholders may participate in a meeting of stockholders
35 through electronic communications, videoconferencing,
36 teleconferencing or other available technology if the corporation has
37 implemented reasonable measures to:

38 (a) Verify the identity of each person participating through such
39 means as a stockholder; and

40 (b) Provide the stockholders a reasonable opportunity to
41 participate in the meeting and to vote on matters submitted to the
42 stockholders, including an opportunity to communicate, and to read
43 or hear the proceedings of the meetings in a substantially concurrent
44 manner with such proceedings.



1 5. ~~[If authorized in]~~ *Unless otherwise restricted by* the articles
2 of incorporation or bylaws, a meeting of stockholders may be held
3 solely by remote communication pursuant to subsection 4.

4 6. Participation in a meeting pursuant to subsection 4
5 constitutes presence in person at the meeting.

6 7. Unless this chapter, the articles of incorporation or the
7 bylaws provide for different proportions, if voting by a class or
8 series of stockholders is permitted or required:

9 (a) A majority of the voting power of the class or series that is
10 present in person or by proxy, regardless of whether the proxy has
11 authority to vote on all matters, constitutes a quorum for the
12 transaction of business; and

13 (b) An act by the stockholders of each class or series is approved
14 if a majority of the voting power of a quorum of the class or series
15 votes for the action.

16 **Sec. 11.** NRS 78.3788 is hereby amended to read as follows:

17 78.3788 “Issuing corporation” means a corporation, *as of any*
18 *date*, which is organized in this State and which:

19 1. Has 200 or more stockholders of record, at least 100 of
20 whom have *had* addresses in this State appearing on the stock ledger
21 of the corporation ~~[]~~ *at all times during the 90 days immediately*
22 *preceding such date*; and

23 2. Does business in this State directly or through an affiliated
24 corporation.

25 **Sec. 12.** NRS 78.390 is hereby amended to read as follows:

26 78.390 1. Except as otherwise provided in NRS 77.340 ~~[]~~ *or*
27 *78.209 or chapter 92A of NRS*, every amendment to the articles of
28 incorporation must be made in the following manner:

29 (a) The board of directors must adopt a resolution setting forth
30 the amendment proposed and ~~[either call a special meeting of the~~
31 ~~stockholders entitled to vote on the amendment or direct that]~~
32 *submit* the proposed amendment ~~[be considered at the next annual~~
33 ~~meeting of]~~ *to* the stockholders ~~[entitled to vote on the amendment.]~~
34 *for approval.*

35 (b) ~~[At the meeting, of which notice must be given to each~~
36 ~~stockholder entitled to vote pursuant to the provisions of this~~
37 ~~section, a vote of the stockholders entitled to vote in person or by~~
38 ~~proxy must be taken for and against the proposed amendment. If it~~
39 ~~appears upon the canvassing of the votes that]~~ *If* stockholders
40 holding shares in the corporation ~~[entitling them to exercise]~~
41 *representing* at least a majority of the voting power, or such greater
42 proportion of the voting power as may be required in the case of a
43 vote by classes or series, as provided in subsections 2 and 4, or as
44 may be required by the provisions of the articles of incorporation,
45 have ~~[voted in favor of]~~ *approved* the amendment, an officer of the



1 corporation shall sign a certificate setting forth the amendment, or
2 setting forth the articles of incorporation as amended, and the vote
3 by which the amendment was adopted.

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

6 2. Except as otherwise provided in this subsection, if any
7 proposed amendment would adversely alter or change any
8 preference or any relative or other right given to any class or series
9 of outstanding shares, then, *in addition to any approval otherwise*
10 *required*, the amendment must be approved by the ~~[vote, in addition~~
11 ~~to the affirmative vote otherwise required, of the]~~ holders of shares
12 representing a majority of the voting power of each class or series
13 adversely affected by the amendment regardless of limitations or
14 restrictions on the voting power thereof. The amendment does not
15 have to be approved by ~~[the vote of]~~ the holders of shares
16 representing a majority of the voting power of each class or series
17 whose preference or rights are adversely affected by the amendment
18 if the articles of incorporation specifically deny the right to vote on
19 such an amendment.

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

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

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

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

42 7. If a certificate filed pursuant to subsection 1 specifies a later
43 effective date and if the resolution of the stockholders approving the
44 proposed amendment provides that the board of directors may
45 abandon the proposed amendment pursuant to subsection 5, the



1 board of directors may terminate the effectiveness of the certificate
2 by resolution and by filing a certificate of termination with the
3 Secretary of State that:

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

6 (b) Identifies the certificate being terminated;

7 (c) States that, pursuant to the resolution of the stockholders, the
8 board of directors is authorized to terminate the effectiveness of the
9 certificate;

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

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

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

14 **Sec. 13.** NRS 78.580 is hereby amended to read as follows:

15 78.580 1. If the board of directors of any corporation
16 organized under this chapter decides that the corporation should be
17 dissolved, the board may adopt a resolution to that effect.

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

20 3. If the corporation has issued stock, the directors must
21 recommend the dissolution to the stockholders. The board of
22 directors may condition its submission of the proposal for
23 dissolution on any lawful basis. ~~The~~ *Unless the dissolution is to*
24 *be approved by written consent pursuant to NRS 78.320, the*
25 *corporation shall notify each stockholder, whether or not entitled to*
26 *vote on dissolution, of the proposed dissolution and the stockholders*
27 *entitled to vote must approve the dissolution. If the dissolution is*
28 *approved by written consent pursuant to subsection 2 of NRS*
29 *78.320, the corporation shall notify each stockholder whose*
30 *written consent was not solicited of the dissolution, in writing, not*
31 *later than 10 days after the effective date of the dissolution.*

32 4. If the dissolution is approved by the directors or both the
33 directors and stockholders, as respectively provided in subsections 2
34 and 3, the corporation shall file with the Secretary of State a
35 certificate signed by an officer of the corporation setting forth that
36 the dissolution has been approved by the directors, or by the
37 directors and the stockholders, and a list of the names and addresses,
38 either residence or business, of the corporation's president, secretary
39 and treasurer, or the equivalent thereof, and all of its directors.

40 5. The dissolution takes effect at the time of the filing of the
41 certificate of dissolution with the Secretary of State or upon a later
42 date and time as specified in the certificate, which date must be not
43 more than 90 days after the date on which the certificate is filed. If a
44 certificate of dissolution specifies a later effective date but does not



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

3 **Sec. 14.** NRS 78.747 is hereby amended to read as follows:

4 78.747 1. Except as otherwise *specifically* provided by
5 ~~[specific]~~ statute ~~[.]~~ *or agreement*, no ~~[stockholder, director or~~
6 ~~officer of]~~ *person other than* a corporation is individually liable for
7 a debt or liability of the corporation ~~[.]~~ unless the ~~[stockholder,~~
8 ~~director or officer]~~ *person* acts as the alter ego of the corporation.

9 2. A ~~[stockholder, director or officer]~~ *person* acts as the alter
10 ego of a corporation *only* if:

11 (a) The corporation is influenced and governed by the
12 ~~[stockholder, director or officer;]~~ *person;*

13 (b) There is such unity of interest and ownership that the
14 corporation and the ~~[stockholder, director or officer]~~ *person* are
15 inseparable from each other; and

16 (c) Adherence to the ~~[corporate fiction of a separate]~~ *notion of*
17 *the corporation being an* entity *separate from the person* would
18 sanction fraud or promote a manifest injustice.

19 3. The question of whether a ~~[stockholder, director or officer]~~
20 *person* acts as the alter ego of a corporation must be determined by
21 the court as a matter of law.

22 **Sec. 15.** NRS 78.7502 is hereby amended to read as follows:

23 78.7502 1. A corporation may indemnify *pursuant to this*
24 *subsection* any person who was or is a party or is threatened to be
25 made a party to any threatened, pending or completed action, suit or
26 proceeding, whether civil, criminal, administrative or investigative,
27 except an action by or in the right of the corporation, by reason of
28 the fact that the person is or was a director, officer, employee or
29 agent of the corporation, or is or was serving at the request of the
30 corporation as a director, officer, employee or agent of another
31 corporation, partnership, joint venture, trust or other enterprise,
32 against expenses, including attorneys' fees, judgments, fines and
33 amounts paid in settlement actually and reasonably incurred by the
34 person in connection with the action, suit or proceeding if the
35 person:

36 (a) Is not liable pursuant to NRS 78.138; or

37 (b) Acted in good faith and in a manner which he or she
38 reasonably believed to be in or not opposed to the best interests of
39 the corporation, and, with respect to any criminal action or
40 proceeding, had no reasonable cause to believe the conduct was
41 unlawful.

42 ➔ The termination of any action, suit or proceeding by judgment,
43 order, settlement, conviction or upon a plea of nolo contendere or its
44 equivalent, does not, of itself, create a presumption that the person is
45 liable pursuant to NRS 78.138 or did not act in good faith and in a



1 manner which he or she reasonably believed to be in or not opposed
2 to the best interests of the corporation, or that, with respect to any
3 criminal action or proceeding, he or she had reasonable cause to
4 believe that the conduct was unlawful.

5 2. A corporation may indemnify *pursuant to this subsection*
6 any person who was or is a party or is threatened to be made a party
7 to any threatened, pending or completed action or suit by or in the
8 right of the corporation to procure a judgment in its favor by reason
9 of the fact that the person is or was a director, officer, employee or
10 agent of the corporation, or is or was serving at the request of the
11 corporation as a director, officer, employee or agent of another
12 corporation, partnership, joint venture, trust or other enterprise
13 against expenses, including amounts paid in settlement and
14 attorneys' fees actually and reasonably incurred by the person in
15 connection with the defense or settlement of the action or suit if the
16 person:

17 (a) Is not liable pursuant to NRS 78.138; or

18 (b) Acted in good faith and in a manner which he or she
19 reasonably believed to be in or not opposed to the best interests of
20 the corporation.

21 ↪ Indemnification *pursuant to this section* may not be made for
22 any claim, issue or matter as to which such a person has been
23 adjudged by a court of competent jurisdiction, after exhaustion of
24 ~~any~~ *any* appeals *taken* therefrom, to be liable to the corporation or
25 for amounts paid in settlement to the corporation, unless and only to
26 the extent that the court in which the action or suit was brought or
27 other court of competent jurisdiction determines upon application
28 that in view of all the circumstances of the case, the person is fairly
29 and reasonably entitled to indemnity for such expenses as the court
30 deems proper.

31 3. ~~[To the extent that]~~ *Any discretionary indemnification*
32 *pursuant to this section, unless ordered by a court or advanced*
33 *pursuant to subsection 2 of NRS 78.751, may be made by the*
34 *corporation only as authorized in each specific case upon a*
35 *determination that the indemnification of* a director, officer,
36 employee or agent of a corporation ~~[has been successful on the~~
37 ~~merits or otherwise in defense of any action, suit or proceeding~~
38 ~~referred to in subsections 1 and 2, or in defense of any claim, issue~~
39 ~~or matter therein, the corporation shall indemnify him or her against~~
40 ~~expenses, including attorneys' fees, actually and reasonably incurred~~
41 ~~by him or her in connection with the defense.]~~ *is proper under the*
42 *circumstances. The determination must be made by:*

43 (a) *The stockholders;*



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

4 (c) *Independent legal counsel, in a written opinion, if:*

5 (1) *A majority vote of a quorum consisting of directors who*
6 *were not parties to the action, suit or proceeding so orders; or*

7 (2) *A quorum consisting of directors who were not parties*
8 *to the action, suit or proceeding cannot be obtained.*

9 **Sec. 16.** NRS 78.751 is hereby amended to read as follows:

10 78.751 1. ~~Any discretionary indemnification pursuant to~~
11 ~~NRS 78.7502, unless ordered by a court or advanced pursuant to~~
12 ~~subsection 2, may be made by the~~ A corporation ~~only as~~
13 ~~authorized in the specific case upon a determination that~~
14 ~~indemnification of the~~ *shall indemnify any person who is a*
15 *director, officer, employee or agent to the extent that the person is*
16 ~~proper in the circumstances. The determination must be made:~~

17 ~~—(a) By the stockholders;~~

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

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

24 ~~—(d) If a quorum consisting of directors who were not parties to~~
25 ~~the action, suit or proceeding cannot be obtained, by independent~~
26 ~~legal counsel in a written opinion.]~~ *successful on the merits or*
27 *otherwise in defense of:*

28 (a) *Any threatened, pending or completed action, suit or*
29 *proceeding, whether civil, criminal, administrative or investigative,*
30 *including, without limitation, an action by or in the right of the*
31 *corporation, by reason of the fact that the person is or was a*
32 *director, officer, employee or agent of the corporation, or is or was*
33 *servng at the request of the corporation as a director, officer,*
34 *employee or agent of another corporation, partnership, joint*
35 *venture, trust or other enterprise; or*

36 (b) *Any claim, issue or matter therein,*

37 *↪ against expenses actually and reasonably incurred by the*
38 *person in connection with defending the action, including, without*
39 *limitation, attorney's fees.*

40 2. ~~The~~ *Unless otherwise restricted by the* articles of
41 *incorporation, the bylaws or an agreement made by the corporation,*
42 *the corporation may provide that pay the expenses of officers and*
43 *directors incurred in defending a civil or criminal action, suit or*
44 *proceeding* ~~must be paid by the corporation~~ *as they are incurred*
45 *and in advance of the final disposition of the action, suit or*



1 proceeding, upon receipt of an undertaking by or on behalf of the
2 director or officer to repay the amount if it is ultimately determined
3 by a court of competent jurisdiction that the director or officer is not
4 entitled to be indemnified by the corporation. *The articles of*
5 *incorporation, the bylaws or an agreement made by the*
6 *corporation may require the corporation to pay such expenses*
7 *upon receipt of such an undertaking.* The provisions of this
8 subsection do not affect any rights to advancement of expenses to
9 which corporate personnel other than directors or officers may be
10 entitled under any contract or otherwise by law.

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

14 (a) Does not exclude any other rights to which a person seeking
15 indemnification or advancement of expenses may be entitled under
16 the articles of incorporation or any bylaw, agreement, vote of
17 stockholders or disinterested directors or otherwise, for either an
18 action in the person's official capacity or an action in another
19 capacity while holding office, except that indemnification, unless
20 ordered by a court pursuant to NRS 78.7502 or for the advancement
21 of expenses made pursuant to subsection 2, may not be made to or
22 on behalf of any director or officer ~~if a final adjudication~~
23 ~~establishes that the director's or officer's acts or omissions~~
24 ~~involved~~ *finally adjudged by a court of competent jurisdiction,*
25 *after exhaustion of any appeals taken therefrom, to be liable for*
26 *intentional misconduct, fraud or a knowing violation of [the] law ,*
27 *and such misconduct, fraud or violation* was material to the cause
28 of action.

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

32 4. *Unless the articles of incorporation, the bylaws or an*
33 *agreement made by a corporation provide otherwise, if a person is*
34 *entitled to indemnification or the advancement of expenses from*
35 *the corporation and any other person, the corporation is the*
36 *primary obligor with respect to such indemnification or*
37 *advancement.*

38 5. A right to indemnification or to advancement of expenses
39 arising under a provision of the articles of incorporation or any
40 bylaw is not eliminated or impaired by an amendment to such
41 provision after the occurrence of the act or omission that is the
42 subject of the civil, criminal, administrative or investigative action,
43 suit or proceeding for which indemnification or advancement of
44 expenses is sought, unless the provision in effect at the time of such



1 act or omission explicitly authorizes such elimination or impairment
2 after such ~~action~~ *act* or omission has occurred.

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

6 **Sec. 17.** NRS 82.181 is hereby amended to read as follows:

7 82.181 1. A corporation shall keep a copy of the following
8 records at its principal office or with its custodian of records whose
9 name and street address are available at the corporation's registered
10 office:

11 (a) A copy, certified by the Secretary of State, of its articles and
12 all amendments thereto;

13 (b) A copy, certified by an officer of the corporation, of its
14 bylaws and all amendments thereto; and

15 (c) If the corporation has members, a members' ledger or a
16 duplicate members' ledger, revised annually, containing *only* the
17 names, alphabetically arranged, of all persons who are members of
18 the corporation, showing their places of residence, if known, and the
19 class of membership held by each.

20 2. A corporation must maintain the records required by
21 subsection 1 in written form or in another form capable of
22 conversion into written form within a reasonable time.

23 3. A director or any person who has been a member of record
24 of a corporation for at least 6 months, or at least 5 percent of the
25 members of the corporation, upon at least 5 days' written demand, is
26 entitled to inspect in person or by agent or attorney, during usual
27 business hours, the members' ledger or duplicate ledger and to make
28 copies therefrom. *Every corporation that neglects or refuses to*
29 *keep the members' ledger or duplicate copy thereof open for*
30 *inspection, as required by this subsection, shall forfeit to the State*
31 *the sum of \$25 for every day of such neglect or refusal.*

32 4. If the records required by subsection 1 are ~~kept outside of~~
33 ~~not made available for inspection at a location within~~ this State ~~;~~
34 ~~a~~ *pursuant to a proper demand pursuant to subsection 3, the*
35 director or other person ~~entitled to inspect those records~~
36 *demanding the inspection* may serve a demand ~~to inspect the~~
37 ~~records~~ *upon the corporation's registered agent* ~~that the records~~
38 *to be inspected be sent to the demanding director or other person*
39 *or the agent or attorney thereof.* Upon such a ~~request,~~ *demand,*
40 the corporation shall send copies of the requested records ~~;~~
41 *required by subsection 1,* either in paper or electronic form, to the
42 director , ~~or~~ other person , *agent or attorney* entitled to inspect
43 the requested records within 10 business days after service of the
44 ~~request~~ *demand* upon the registered agent. ~~Every corporation that~~
45 ~~neglects or refuses to keep the members' ledger or duplicate copy~~



~~thereof open for inspection, as required in this subsection, shall forfeit to the State the sum of \$25 for every day of such neglect or refusal.~~

~~4.]~~ 5. An inspection authorized by subsection 3 *or* 4 may be denied to a member or other person upon the refusal of the member or other person to furnish to the corporation an affidavit that the inspection is not desired for any purpose not relating to his or her interest as a member, including, but not limited to, those purposes set forth in subsection ~~5.~~

~~5.]~~ 6.

6. It is a defense to any action to enforce the provisions of this section or for charges, penalties or damages under this section that the person suing has used or intends to use the list for any of the following purposes:

(a) To solicit money or property from the members unless the money or property will be used solely to solicit the votes of members;

(b) For any commercial purpose or purpose in competition with the corporation;

(c) To sell to any person; or

(d) For any other purpose not related to his or her interest as a member.

~~6.]~~ 7. This section does not impair the power or jurisdiction of any court to compel the production for examination of the books of a corporation in any proper case.

~~7.]~~ 8. In every instance where an attorney or other agent of the director or member seeks the right of inspection, the demand must be accompanied by a power of attorney signed by the director or member authorizing the attorney or other agent to inspect on behalf of the director or member.

~~8.]~~ 9. The right to copy records under subsection 3 includes, if reasonable, the right to make copies by photographic, xerographic or other means.

~~9.]~~ 10. The corporation may impose a reasonable charge, covering costs of labor, materials and copies of any records provided to the member or director.

Sec. 18. Chapter 86 of NRS is hereby amended by adding thereto the provisions set forth as sections 19 and 20 of this act.

Sec. 19. 1. *Except as otherwise specifically provided by statute or agreement, no person other than the limited-liability company is individually liable for a debt or liability of the limited-liability company unless the person acts as the alter ego of the limited-liability company.*

2. A person acts as the alter ego of a limited-liability company only if:



1 (a) *The limited-liability company is influenced and governed*
2 *by the person;*

3 (b) *There is such unity of interest and ownership that the*
4 *limited-liability company and the person are inseparable from*
5 *each other; and*

6 (c) *Adherence to the notion of the limited-liability company*
7 *being an entity separate from the person would sanction fraud or*
8 *promote manifest injustice.*

9 3. *The question of whether a person acts as the alter ego of a*
10 *limited-liability company must be determined by the court as a*
11 *matter of law.*

12 **Sec. 20.** *The duties of a manager or managing member of a*
13 *limited-liability company to the limited-liability company, to any*
14 *series of the limited-liability company, to any member or to*
15 *another person that is a party to or otherwise bound by the*
16 *operating agreement are only:*

17 1. *The implied contractual covenant of good faith and fair*
18 *dealing; and*

19 2. *Such other duties, including, without limitation, fiduciary*
20 *duties, if any, as are expressly prescribed by the articles of*
21 *organization or the operating agreement.*

22 **Sec. 21.** NRS 86.131 is hereby amended to read as follows:

23 86.131 The provisions of this chapter apply to commerce with
24 foreign nations and among the several states. It is the intention of
25 the Legislature by enactment of this chapter that the legal existence
26 of limited-liability companies formed under this chapter , *and any*
27 *series thereof*, be recognized beyond the limits of this State and that,
28 subject to any reasonable requirement of registration, any such
29 company transacting business outside this State be granted
30 protection of full faith and credit under Section 1 of Article IV of
31 the Constitution of the United States.

32 **Sec. 22.** NRS 86.241 is hereby amended to read as follows:

33 86.241 1. Each limited-liability company shall continuously
34 keep at its principal office in this State or with its custodian of
35 records whose name and street address are available at its registered
36 office, unless otherwise provided by an operating agreement, the
37 following:

38 (a) A current list of the full name and last known business
39 address of each member and manager, separately identifying the
40 members in alphabetical order and the managers, if any, in
41 alphabetical order;

42 (b) A copy of the filed articles of organization and all
43 amendments thereto, together with signed copies of any powers of
44 attorney pursuant to which any record has been signed; and



1 (c) Copies of any then effective operating agreement of the
2 company.

3 2. Each member of a limited-liability company is entitled to
4 obtain from the company, from time to time upon reasonable
5 demand, for any purpose reasonably related to the interest of the
6 member as a member of the company:

7 (a) The records required to be maintained pursuant to
8 subsection 1;

9 (b) True and, in light of the member's stated purpose, complete
10 records regarding the activities and the status of the business and
11 financial condition of the company;

12 (c) Promptly after becoming available, a copy of the company's
13 federal, state and local income tax returns for each year;

14 (d) True and complete records regarding the amount of cash and
15 a description and statement of the agreed value of any other property
16 or services contributed by each member and which each member
17 has agreed to contribute in the future, and the date on which each
18 became a member; and

19 (e) Other records regarding the affairs of the company as is just
20 and reasonable under the circumstances and in light of the member's
21 stated purpose for demanding such records.

22 ↪ The right to obtain records under this subsection includes, if
23 reasonable, the right to make copies or abstracts by photographic,
24 xerographic, electronic or other means.

25 3. Each manager of a limited-liability company managed by a
26 manager or managers is entitled to examine from time to time upon
27 reasonable demand, for a purpose reasonably related to the
28 manager's rights, powers and duties as such, the records described
29 in subsection 2.

30 4. Any demand by a member or manager under subsection 2 or
31 3 is subject to such reasonable standards regarding at what time and
32 location and at whose expense records are to be furnished as may be
33 set forth in the articles of organization or in an operating agreement
34 adopted or amended as provided in subsection ~~[7]~~ 8, or, if no such
35 standards are set forth in the articles of organization or operating
36 agreement, the records must be provided or made available for
37 examination, as the case may be, during ordinary business hours, ~~at~~
38 ~~the company's principal office in this State and~~ at the expense of
39 the demanding member or manager.

40 5. If ~~[such]~~ *the* records ~~[are maintained outside of]~~ *subject to a*
41 *demand pursuant to subsection 2 or 3 are not available to obtain*
42 *or made available for examination, as applicable, at a location*
43 *within this State [] upon a reasonable demand made pursuant to*
44 *subsection 2 or 3,* the manager or member may serve a demand ~~[for~~
45 ~~the records]~~ upon the limited-liability company's registered agent []



1 *that the records to be obtained or examined be sent to the*
2 *demanding manager or member.* Upon ~~receipt of~~ such a demand ,
3 the limited-liability company shall send copies of the requested
4 records ~~§~~ *described in subsection 2* either in paper or electronic
5 form to the manager or member within 10 business days after the
6 demand is served upon the registered agent.

7 ~~§~~ 6. Any demand by a member or manager under this
8 section must be in writing and must state the purpose of such
9 demand. When a demanding member seeks to obtain or a manager
10 seeks to examine the records described in subsection 2, the
11 demanding member or manager must first establish that:

12 (a) The demanding member or manager has complied with the
13 provisions of this section respecting the form and manner of making
14 a demand for obtaining or examining such records; and

15 (b) The records sought by the demanding member or manager
16 are reasonably related to the member's interest as a member or the
17 manager's rights, powers and duties as a manager, as the case may
18 be.

19 ~~§~~ 7. In every instance where an attorney or other agent of a
20 member or manager seeks to exercise any right arising under this
21 section on behalf of such member or manager, the demand must be
22 accompanied by a power of attorney signed by the member or
23 manager authorizing the attorney or other agent to exercise such
24 rights on behalf of the member or manager.

25 ~~§~~ 8. The rights of a member to obtain or a manager to
26 examine records as provided in this section may be restricted or
27 denied entirely in the articles of organization or in an operating
28 agreement adopted by all of the members or by the sole member or
29 in any subsequent amendment adopted by all of the members at the
30 time of amendment.

31 **Sec. 23.** NRS 86.281 is hereby amended to read as follows:

32 86.281 A limited-liability company organized and existing
33 pursuant to this chapter , *or any series thereof*, may exercise the
34 powers and privileges granted by this chapter and may:

- 35 1. Sue and be sued, complain and defend, in its name;
- 36 2. Purchase, take, receive, lease or otherwise acquire, own,
37 hold, improve, use and otherwise deal in and with real or personal
38 property, or an interest in it, wherever situated;
- 39 3. Sell, convey, mortgage, pledge, lease, exchange, transfer and
40 otherwise dispose of all or any part of its property and assets;
- 41 4. Lend money to and otherwise assist its members;
- 42 5. Purchase, take, receive, subscribe for or otherwise acquire,
43 own, hold, vote, use, employ, sell, mortgage, lend, pledge or
44 otherwise dispose of, and otherwise use and deal in and with shares,
45 member's interests or other interests in or obligations of domestic or



1 foreign limited-liability companies, domestic or foreign
2 corporations, joint ventures or similar associations, general or
3 limited partnerships or natural persons, or direct or indirect
4 obligations of the United States or of any government, state,
5 territory, governmental district or municipality or of any
6 instrumentality of it;

7 6. Make contracts and guarantees and incur liabilities, borrow
8 money at such rates of interest as the company may determine, issue
9 its notes, bonds and other obligations and secure any of its
10 obligations by mortgage or pledge of all or any part of its property,
11 franchises and income;

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

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

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

20 10. Cease its activities and ~~[surrender its articles of~~
21 ~~organization;]~~ *terminate its existence in accordance with this*
22 *chapter;*

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

25 12. Hold a license issued pursuant to the provisions of chapter
26 463 of NRS.

27 **Sec. 24.** NRS 86.301 is hereby amended to read as follows:

28 86.301 Except as otherwise provided in this chapter, ~~[its]~~ *the*
29 articles of organization or ~~[its]~~ *the* operating agreement, no debt
30 may be contracted or liability incurred by or on behalf of a limited-
31 liability company ~~[]~~ *or any series thereof* except by:

32 1. One or more managers of a company *or series* which is
33 managed by a manager or managers;

34 2. Any member of a company *or series* which is managed by
35 its members;

36 3. Any agent, officer, employee or other representative of the
37 company *or series, as* authorized in the operating agreement or in
38 another writing by a manager or managers, if the company *or series*
39 is managed by a manager or managers; or

40 4. Any agent, officer, employee or other representative of the
41 company *or series* authorized in the operating agreement or in
42 another writing by a member ~~[]~~ *thereof,* if the company *or series*
43 is managed by its members.



1 **Sec. 25.** NRS 86.321 is hereby amended to read as follows:
2 86.321 The contributions to capital of a member to a limited-
3 liability company *or series* may be in cash, property or services
4 rendered, or a promissory note or other binding obligation to
5 contribute cash or property or to perform services.

6 **Sec. 26.** NRS 86.531 is hereby amended to read as follows:
7 86.531 1. Except in the case of a dissolution pursuant to NRS
8 86.490, as soon as practicable after the dissolution of a limited-
9 liability company, articles of dissolution must be prepared and
10 signed setting forth:

- 11 (a) The name of the limited-liability company;
12 (b) That the company has been ~~for will be~~ dissolved; and
13 (c) The effective date and time of the dissolution, which may not
14 be later than the effective date and time of the articles of dissolution.

15 2. The articles of dissolution must be signed by:

- 16 (a) A manager of the company, if management of the company
17 is vested in a manager;
18 (b) A member of the company, if management of the company
19 is not vested in a manager; or
20 (c) The personal representative of the last remaining member, if
21 there is no remaining manager or member, unless otherwise
22 provided in the articles of organization or operating agreement.

23 **Sec. 27.** Chapter 92A of NRS is hereby amended by adding
24 thereto a new section to read as follows:

25 1. *Unless otherwise expressly required by the articles of*
26 *incorporation, no vote of the stockholders of a publicly traded*
27 *corporation is necessary to authorize a merger in which the*
28 *publicly traded corporation is a constituent entity if the plan of*
29 *merger expressly permits or requires the merger to be effected*
30 *under this section and:*

31 (a) *The ownership threshold requirement is satisfied without*
32 *any offer, subject to the provisions of subsection 2; or*

33 (b) *The ownership threshold requirement is satisfied in whole*
34 *or in part by way of an offer and the plan of merger requires that:*

35 (1) *The merger must be effected as soon as practicable*
36 *following the consummation of the offer if the merger is effected*
37 *under this section; and*

38 (2) *Each outstanding share of each class or series of stock*
39 *of the publicly traded corporation that is the subject of, and not*
40 *irrevocably accepted for purchase or exchange in, the offer must*
41 *be converted in such merger into, or into the right to receive, the*
42 *same amount and kind of cash, property, rights or securities to be*
43 *paid for shares of such class or series of stock of the publicly*
44 *traded corporation irrevocably accepted for purchase or exchange*
45 *in the offer. The plan of merger may expressly provide that the*



1 *requirements of this subparagraph must not apply to specified*
2 *categories of excluded shares.*

3 2. *If a merger pursuant to this section is to be effectuated*
4 *without any offer:*

5 (a) *The ownership threshold requirement must be satisfied*
6 *without counting the voting power of any shares of the stock of the*
7 *publicly traded corporation acquired from the publicly traded*
8 *corporation, or any of the directors, officers, affiliates or*
9 *associates thereof, within the 6 months immediately preceding the*
10 *adoption of the plan of merger; and*

11 (b) *The publicly traded corporation must provide notice of the*
12 *merger to all of its stockholders not less than 30 days before the*
13 *effective date of the merger.*

14 3. *This section does not apply to circumvent or contravene*
15 *the provisions of NRS 78.378 to 78.3793, inclusive, or NRS 78.411*
16 *to 78.444, inclusive.*

17 4. *As used in this section:*

18 (a) *“Affiliate” has the meaning ascribed to it in NRS 78.412.*

19 (b) *“Associate” has the meaning ascribed to it in NRS 78.413.*

20 (c) *“Consummation” means the irrevocable acceptance for*
21 *purchase or exchange of shares tendered pursuant to an offer.*

22 (d) *“Excluded shares” means:*

23 (1) *Rollover shares; and*

24 (2) *Shares of the publicly traded corporation that are*
25 *owned beneficially or of record at the commencement of an offer*
26 *by:*

27 (I) *The publicly traded corporation;*

28 (II) *The constituent entity making the offer;*

29 (III) *Any person who owns, directly or indirectly, all of*
30 *the outstanding equity interests of the constituent entity making*
31 *the offer; or*

32 (IV) *Any direct or indirect wholly owned subsidiary of*
33 *any of the foregoing.*

34 (e) *“Offer” means an offer made by the other constituent*
35 *entity in the merger for all of the outstanding shares of each class*
36 *or series of stock of the publicly traded corporation listed on a*
37 *national securities exchange, on the terms provided in the plan of*
38 *merger that, absent this section, would be entitled to vote on the*
39 *adoption of the plan of merger. The other constituent entity in the*
40 *merger may, but is not required to, engage in the consummation*
41 *of separate offers for separate classes or series of the stock of the*
42 *publicly traded corporation. An offer may, but is not required to:*

43 (1) *Exclude any excluded shares; and*



1 (2) *Be conditioned on the tender of a minimum number or*
2 *proportion of shares of any class or series of the stock of the*
3 *publicly traded corporation.*

4 (f) *“Owned affiliate” means, with respect to a constituent*
5 *entity, any other person who owns, directly or indirectly, all of the*
6 *outstanding equity interests of the constituent entity, or any direct*
7 *or indirect wholly owned subsidiary of the constituent entity or*
8 *other person.*

9 (g) *“Ownership threshold requirement” means that the voting*
10 *power of the stock of the publicly traded corporation otherwise*
11 *owned beneficially or of record by the other constituent entity in*
12 *the merger or any of the owned affiliates of the other constituent*
13 *entity, together with the voting power of any rollover shares and*
14 *any shares irrevocably accepted for purchase or exchange*
15 *pursuant to any offer and received before the expiration of the*
16 *offer by the agent or depositary appointed to facilitate*
17 *the consummation of the offer, equals at least that proportion of*
18 *the voting power of the stock, and of each class or series thereof,*
19 *of the publicly traded corporation that, absent this section, would*
20 *be required to approve the plan of merger under this chapter and*
21 *the articles of incorporation and bylaws of the publicly traded*
22 *corporation. For the purposes of this paragraph, shares are*
23 *received:*

24 (1) *If the shares are certificated shares, upon physical*
25 *receipt by the agent or depositary of a stock certificate with an*
26 *executed letter of transmittal or other instrument of transfer;*

27 (2) *If the shares are uncertificated shares held of record by*
28 *a clearing corporation as nominee, upon transfer into the account*
29 *of the agent or depositary by way of an agent’s message; and*

30 (3) *If the shares are uncertificated shares held of record by*
31 *a person other than a clearing corporation as nominee, upon*
32 *physical receipt by the agent or depositary of an executed letter of*
33 *transmittal or other instrument of transfer.*

34 (h) *“Publicly traded corporation” means a domestic*
35 *corporation that has a class or series of voting shares which is a*
36 *covered security under section 18(b)(1)(A) or (B) of the Securities*
37 *Act of 1933, 15 U.S.C. § 77r(b)(1)(A) or (B), as amended.*

38 (i) *“Rollover shares” means any shares of any class or series*
39 *of the capital stock of the publicly traded corporation that are the*
40 *subject of a written agreement requiring such shares to be*
41 *contributed or otherwise transferred to the other constituent entity*
42 *in the merger or any of the owned affiliates of the other*
43 *constituent entity in exchange for shares or other equity interest in*
44 *the other constituent entity or any of its owned affiliates. Shares*
45 *must cease to be rollover shares if, as of the effective time of the*



1 *merger, the shares have not been contributed or otherwise*
2 *transferred pursuant to the written agreement.*

3 **Sec. 28.** NRS 92A.380 is hereby amended to read as follows:

4 92A.380 1. Except as otherwise provided in NRS 92A.370
5 and 92A.390 and subject to the limitation in paragraph (f), any
6 stockholder is entitled to dissent from, and obtain payment of the
7 fair value of the stockholder's shares in the event of any of the
8 following corporate actions:

9 (a) Consummation of a plan of merger to which the domestic
10 corporation is a constituent entity:

11 (1) If approval by the stockholders is required for the merger
12 by NRS 92A.120 to 92A.160, inclusive, or the articles of
13 incorporation, regardless of whether the stockholder is entitled to
14 vote on the plan of merger; ~~for~~

15 (2) If the domestic corporation is a subsidiary and is merged
16 with its parent pursuant to NRS 92A.180 ~~for~~; or

17 (3) *The domestic corporation is a constituent entity in a*
18 *merger pursuant to section 27 of this act.*

19 (b) Consummation of a plan of conversion to which the
20 domestic corporation is a constituent entity as the corporation whose
21 subject owner's interests will be converted.

22 (c) Consummation of a plan of exchange to which the domestic
23 corporation is a constituent entity as the corporation whose subject
24 owner's interests will be acquired, if the stockholder's shares are to
25 be acquired in the plan of exchange.

26 (d) Any corporate action taken pursuant to a vote of the
27 stockholders to the extent that the articles of incorporation, bylaws
28 or a resolution of the board of directors provides that voting or
29 nonvoting stockholders are entitled to dissent and obtain payment
30 for their shares.

31 (e) Accordance of full voting rights to control shares, as defined
32 in NRS 78.3784, only to the extent provided for pursuant to
33 NRS 78.3793.

34 (f) Any corporate action not described in this subsection ~~that~~
35 ~~will result in~~ *pursuant to which* the stockholder ~~receiving~~ *would*
36 *be obligated, as a result of the corporate action, to accept* money or
37 scrip ~~instead of~~ *rather than receive* a fraction of a share *in*
38 *exchange for the cancellation of all the stockholder's outstanding*
39 *shares*, except where the stockholder would not be entitled to
40 receive such payment pursuant to NRS 78.205, 78.2055 or 78.207.
41 A dissent pursuant to this paragraph applies only to the fraction of a
42 share, and the stockholder is entitled only to obtain payment of the
43 fair value of the fraction of a share.

44 2. A stockholder who is entitled to dissent and obtain payment
45 pursuant to NRS 92A.300 to 92A.500, inclusive, ~~may~~ *must* not



1 challenge the corporate action creating the entitlement unless the
2 action is unlawful or ~~fraudulent with respect to~~ *constitutes or is*
3 *the result of actual fraud against* the stockholder or the domestic
4 corporation.

5 3. Subject to the limitations in this subsection, from and after
6 the effective date of any corporate action described in subsection 1,
7 no stockholder who has exercised the right to dissent pursuant to
8 NRS 92A.300 to 92A.500, inclusive, is entitled to vote his or her
9 shares for any purpose or to receive payment of dividends or any
10 other distributions on shares. This subsection does not apply to
11 dividends or other distributions payable to stockholders on a date
12 before the effective date of any corporate action from which the
13 stockholder has dissented. If a stockholder exercises the right to
14 dissent with respect to a corporate action described in paragraph (f)
15 of subsection 1, the restrictions of this subsection apply only to the
16 shares to be converted into a fraction of a share and the dividends
17 and distributions to those shares.

18 **Sec. 29.** NRS 92A.390 is hereby amended to read as follows:

19 92A.390 1. There is no right of dissent ~~with respect to a plan~~
20 ~~of merger, conversion or exchange~~ *pursuant to paragraph (a), (b),*
21 *(c) or (f) of subsection 1 of NRS 92A.380* in favor of stockholders
22 of any class or series which is:

23 (a) A covered security under section 18(b)(1)(A) or (B) of the
24 Securities Act of 1933, 15 U.S.C. § 77r(b)(1)(A) or (B), as
25 amended;

26 (b) Traded in an organized market and has at least 2,000
27 stockholders and a market value of at least \$20,000,000, exclusive
28 of the value of such shares held by the corporation's subsidiaries,
29 senior executives, directors and beneficial stockholders owning
30 more than 10 percent of such shares; or

31 (c) Issued by an open end management investment company
32 registered with the Securities and Exchange Commission under the
33 Investment Company Act of 1940, 15 U.S.C. §§ 80a-1 et seq., as
34 amended, and which may be redeemed at the option of the holder at
35 net asset value,

36 ↪ unless the articles of incorporation of the corporation issuing the
37 class or series or the resolution of the board of directors approving
38 the plan of merger, conversion or exchange expressly provide
39 otherwise.

40 2. The applicability of subsection 1 must be determined as of:

41 (a) The record date fixed to determine the stockholders entitled
42 to receive notice of and to vote at the meeting of stockholders to act
43 upon the corporate action requiring dissenter's rights; or

44 (b) The day before the effective date of such corporate action if
45 there is no meeting of stockholders.



1 3. Subsection 1 is not applicable and dissenter's rights are
2 available pursuant to NRS 92A.380 for the holders of any class or
3 series of shares who are required by the terms of the corporate
4 action ~~[requiring dissenter's rights]~~ to accept for such shares
5 anything other than ~~[cash or shares of any class or any series of~~
6 ~~shares of any corporation, or any]~~ :

7 (a) Cash;

8 (b) *Any security or other proprietary interest of any other entity,*
9 *including, without limitation, shares, equity interests or contingent*
10 *value rights,* that satisfies the standards set forth in subsection 1 at
11 the time the corporate action becomes effective ~~[]~~; or

12 (c) *Any combination of paragraphs (a) and (b).*

13 4. There is no right of dissent for any holders of stock of the
14 surviving domestic corporation if the plan of merger does not
15 require action of the stockholders of the surviving domestic
16 corporation under NRS 92A.130.

17 5. There is no right of dissent for any holders of stock of the
18 parent domestic corporation if the plan of merger does not require
19 action of the stockholders of the parent domestic corporation under
20 NRS 92A.180.

21 **Sec. 30.** NRS 92A.410 is hereby amended to read as follows:

22 92A.410 1. If a proposed corporate action creating
23 dissenter's rights is submitted to a vote at a stockholders' meeting,
24 the notice of the meeting must state that stockholders are, are not or
25 may be entitled to assert dissenter's rights under NRS 92A.300 to
26 92A.500, inclusive. If the domestic corporation concludes that
27 dissenter's rights are or may be available, a copy of NRS 92A.300
28 to 92A.500, inclusive, must accompany the meeting notice sent to
29 those ~~[record]~~ stockholders *of record* entitled to exercise dissenter's
30 rights.

31 2. If the corporate action creating dissenter's rights is taken by
32 written consent of the stockholders or without a vote of the
33 stockholders, the domestic corporation shall notify in writing all
34 stockholders *of record* entitled to assert dissenter's rights that the
35 action was taken and send them the dissenter's notice described in
36 NRS 92A.430.

37 **Sec. 31.** The amendatory provisions of section 20 of this act
38 apply to a limited-liability company that filed its original articles of
39 organization:

40 1. On or after October 1, 2019; or

41 2. Before October 1, 2019, if the limited-liability company:

42 (a) Voluntarily elects to be governed by the provisions of
43 section 20 of this act; or

44 (b) Was managed by a sole member before October 1, 2019,
45 and:



- 1 (1) Becomes managed by one or more managers on or after
- 2 October 1, 2019; or
- 3 (2) Admits one or more additional members on or after
- 4 October 1, 2019.

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