
ASSEMBLY BILL NO. 126—ASSEMBLYMAN NGUYEN

FEBRUARY 9, 2023

JOINT SPONSOR: SENATOR NGUYEN

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing business entities.
(BDR 7-762)

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

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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; authorizing certain business entities to correct an erroneously filed record with the Office of the Secretary of State; clarifying provisions concerning certain records required to be kept by certain business entities; clarifying provisions relating to certain actions available to a board of directors of a corporation; establishing the circumstances under which a corporation may decrease the number of certain issued and outstanding shares without a vote of the stockholders; revising provisions related to stock certificates; revising provisions governing restrictions on transfers of stock; authorizing a board of directors to require a confidentiality agreement with certain persons; revising the definition of the term “acquisition” for certain purposes; establishing the circumstances under which a corporation may change the name of the corporation without a vote of the stockholders; revising provisions governing the restatement of articles of incorporation; clarifying provisions relating to the sale of certain assets; revising various definitions relating to dissenter’s rights; making various other changes relating to business entities; and providing other matters properly relating thereto.



Legislative Counsel's Digest:

Existing law authorizes a corporation to correct certain inaccurate or defective records filed with the Secretary of the State. (NRS 78.0295) **Section 1** of this bill additionally authorizes a corporation to correct a record filed with the Secretary of State if the record is filed erroneously. **Sections 17-24** of this bill authorize certain other business entities to correct records filed with the Secretary of State under the same circumstances as corporations.

Existing law requires a private corporation to keep certain records and make such records available for inspection upon the demand of certain persons. (NRS 78.105, 78.257) **Sections 2 and 3** of this bill clarify the content of the affidavit required to be submitted with a demand to inspect such records. **Section 8** of this bill authorizes the board of directors of a corporation to require a confidentiality agreement with a stockholder or other person who submits a demand to inspect the books of account or financial statements of the corporation.

Sections 4, 9, 10 and 14 of this bill clarify the actions available to a board of directors with respect to the adoption or signing of plans, arrangements or instruments and protecting the interests of the corporation and its stockholders.

Section 5 of this bill authorizes a publicly traded corporation, with the approval of certain stockholders, to decrease the number of issued and outstanding shares of a class or series.

Existing law authorizes the board of directors of a corporation to issue certain uncertificated shares to stockholders. Existing law also requires the corporation to send to each stockholder to whom it issues an uncertificated share: (1) a written statement containing certain information; and (2) an annual statement confirming the information contained in the statement previously issued. (NRS 78.235) **Section 6** of this bill replaces the requirement that the corporation send such an annual statement with the requirement that the corporation send a confirming statement within 10 days after receiving a written request from a stockholder of such shares.

Section 7 of this bill revises provisions governing permissible restrictions on the transfer of shares of a corporation by clarifying the manner in which a transferee may be presumed to have knowledge of the restriction.

Section 11 of this bill adds an exception providing that an "acquisition" of a controlling interest in an issuing corporation does not include any acquisition of shares listed on a national securities exchange pursuant to a tender offer.

Existing law provides for an effective date of certain documents filed with the Secretary of State. (NRS 78.390) **Section 12** of this bill provides for a time at which such documents become effective. **Section 12** also authorizes the board of directors to change the name of a corporation without the approval of the stockholders, unless the articles of incorporation require such approval.

Section 13 of this bill clarifies that certain certificates of designation may be omitted from restated articles of incorporation.

Sections 15 and 29 of this bill make technical corrections to certain provisions by adding appropriate references to certain statutes to clarify that certain provisions of existing law are applicable to certain business entities.

Existing law requires a corporation to obtain the approval of stockholders before it may sell, lease or exchange all of its property and assets, unless otherwise provided in the articles of incorporation. (NRS 78.565) **Section 16** of this bill requires such approval by the stockholders before the corporation may sell, lease or exchange all or substantially all of its property and assets, unless otherwise provided in the articles of incorporation.

Sections 25-28, 30 and 31 of this bill repeal, reenact and reorganize the definitions of "advance notice statement" and "statement of intent" for the purposes of certain provisions relating to dissenters' rights.



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

Section 1. NRS 78.0295 is hereby amended to read as follows:

78.0295 1. A corporation may correct a record filed in the Office of the Secretary of State with respect to the corporation if the record contains an inaccurate description of a corporate action or if the record was defectively signed, attested, sealed, verified or acknowledged ~~[]~~, *including, without limitation, if the record was filed erroneously.*

2. To correct a record, the corporation must:

(a) Prepare a certificate of correction which:

(1) States the name of the corporation;

(2) Describes the record, including, without limitation, its filing date;

(3) Specifies the inaccuracy or defect ~~[]~~ *in the record, including, without limitation, if and to the extent applicable, the error in the filing of the record;*

(4) Sets forth ~~[the inaccurate or defective portion of the record in an accurate or corrected form;]~~ *such information as is necessary so as to clarify or otherwise remedy the inaccuracy or defect;* and

(5) Is signed by an officer of the corporation or, if no stock has been issued by the corporation, by the incorporator or a director of the corporation, or by some other person specifically authorized by the corporation to sign the certificate.

(b) Deliver the certificate to the Secretary of State for filing.

(c) Pay a filing fee of \$175 to the Secretary of State.

3. A certificate of correction is effective on the effective date of the record it corrects except as to persons relying on the uncorrected record and adversely affected by the correction. As to those persons, the certificate is effective when filed.

4. If a corporation has made a filing with the Secretary of State and the Secretary of State has not processed the filing and placed the filing into the public record, the corporation may cancel the filing by:

(a) Filing a statement of cancellation with the Secretary of State; and

(b) Paying the required fee pursuant to subsection 7 of NRS 78.785.

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

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



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

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

(c) A stock ledger or a duplicate stock ledger, revised annually not later than 60 days after the date by which an annual list is required to be filed pursuant to NRS 78.150, containing only the names, alphabetically arranged, of all persons who are stockholders of record of the corporation, showing their places of residence, if known, and the number of shares held by them respectively. A corporation is not required to keep a list of any person who is a beneficial owner of any shares who is not simultaneously the stockholder of record of such shares, or any other information concerning any person having an interest in the corporation, except for the stock ledger or duplicate stock ledger required by this paragraph. Absent manifest error or actual fraud, the stock ledger of the corporation, as maintained by the corporation or its designated transfer agent, shall conclusively determine the stockholders of record of the corporation.

2. Any person who has been a stockholder of record of a corporation for at least 6 months immediately preceding the demand, or any person holding, or thereunto authorized in writing by the holders of, at least 5 percent of all of its outstanding shares, upon at least 5 days' written demand, including the affidavit required pursuant to subsection 4, is entitled to inspect in person or by agent or attorney, during usual business hours, the records required by subsection 1 and make copies therefrom. Holders of voting trust certificates representing shares of the corporation must be regarded as stockholders for the purpose of this subsection. Every corporation that neglects or refuses to keep the records required by subsection 1 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.

3. If the records required by subsection 1 are not made available for inspection at a location within this State pursuant to a proper demand made pursuant to subsection 2, the stockholder or other person demanding the inspection may serve a demand upon the corporation's registered agent that the records to be inspected be sent to the demanding stockholder or other person or the agent or attorney thereof. Upon such a demand, the corporation shall send copies of the requested records required by subsection 1, either in paper or electronic form, to the stockholder, other person, agent or attorney entitled to inspect the requested records within 10 business days after service of the demand upon the registered agent.



4. Together with the written demand required pursuant to subsection 2, a stockholder or other person who wishes to inspect the records required by subsection 1 or make copies therefrom shall furnish an affidavit to the corporation stating that the inspection is not desired for a purpose which is in the interest of a business or object other than the business of the corporation and that the stockholder or other person has not at any time sold or offered for sale any list of stockholders of any domestic or foreign corporation or aided or abetted any person in procuring any such record of stockholders for any such ~~[purpose.]~~ *sale or offer for sale.*

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

6. In every instance where an attorney or other agent of the stockholder seeks the right of inspection, the demand must be accompanied by a power of attorney signed by the stockholder authorizing the attorney or other agent to inspect on behalf of the stockholder.

7. The right to copy records under subsection 2 includes, if reasonable, the right to make copies by photographic, xerographic or other means.

8. The corporation may impose a reasonable charge to recover the costs of labor and materials and the cost of copies of any records provided to the stockholder.

Sec. 3. NRS 78.107 is hereby amended to read as follows:

78.107 1. An inspection authorized by NRS 78.105 may be denied to a stockholder or other person upon the refusal of the stockholder or other person to furnish to the corporation the affidavit required pursuant to subsection 4 of NRS 78.105.

2. It is a defense to any action for penalties or damages under NRS 78.105 that the person suing has at any time sold, or offered for sale, any list of stockholders of the corporation, or any other corporation, or has aided or abetted any person in procuring any such stock list for any such ~~[purpose.]~~ *sale or offer for sale*, or that the person suing desired inspection for a purpose which is in the interest of a business or object other than the business of the corporation.

3. This section does not impair the power or jurisdiction of any court to compel the production for examination of the records required by subsection 1 of NRS 78.105 in any proper case. This subsection does not authorize or establish any right of inspection or



1 examination independent from the right of inspection or
2 examination authorized by NRS 78.105.

3 **Sec. 4.** NRS 78.195 is hereby amended to read as follows:

4 78.195 1. If a corporation desires to have more than one class
5 or series of stock, the articles of incorporation must prescribe, or
6 vest authority in the board of directors to prescribe, the classes,
7 series and the number of each class or series of stock and the voting
8 powers, designations, preferences, limitations, restrictions and
9 relative rights of each class or series of stock. If more than one class
10 or series of stock is authorized, the articles of incorporation or the
11 resolution of the board of directors adopted pursuant to a provision
12 of the articles must prescribe a distinguishing designation for each
13 class and series. The voting powers, designations, preferences,
14 limitations, restrictions, relative rights and distinguishing
15 designation of each class or series of stock must be described in the
16 articles of incorporation or the resolution of the board of directors
17 and the certificate of designation filed pursuant to subsection 1 of
18 NRS 78.195 before the issuance of shares of that class or series.

19 2. All shares of a class or series must have voting powers,
20 designations, preferences, limitations, restrictions and relative rights
21 identical with those of other shares of the same class or series and,
22 except to the extent otherwise provided in the description of the
23 series, with those of other series of the same class.

24 3. Unless otherwise provided in the articles of incorporation,
25 no stock issued as fully paid up may ever be assessed and the
26 articles of incorporation must not be amended in this particular.

27 4. The voting powers, designations, preferences, limitations,
28 restrictions and relative rights for the shares of a class or series of
29 stock may be made dependent upon any fact or event which may be
30 ascertained outside the articles of incorporation if the manner in
31 which a fact or event may operate upon the voting powers,
32 designations, preferences, limitations, restrictions and relative rights
33 is stated in the articles of incorporation. As used in this subsection,
34 “fact or event” includes, without limitation, the existence of a fact or
35 occurrence of an event, including, without limitation, a
36 determination or action by a person, the corporation itself or any
37 government, governmental agency or political subdivision of a
38 government.

39 5. ~~[The]~~ *Without limiting the provisions of NRS 78.138 or*
40 *78.139, the provisions of this section do not restrict the directors of*
41 *a corporation from taking action **not in circumvention or***
42 ***contravention of this title** to protect the **long-term or short-term***
43 *interests of the corporation ~~[and its]~~ **or the long-term or short-term***
44 ***interests of the corporation's** stockholders, including, but not*
45 *limited to, adopting or signing plans, arrangements or instruments*



that *issue*, grant or deny rights ~~[, privileges, power or authority]~~ *or options pursuant to NRS 78.200* to a holder or holders of a specified number of shares or percentage of share ownership or voting power ~~[,]~~, *for the purpose or having the effect of granting or denying rights, privileges, power or authority to any such holder or holders.*

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

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

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

(b) ~~[The]~~ *If the corporation is:*

(1) A publicly traded corporation, the proposal is approved by the stockholders of the affected class or series, regardless of limitations or restrictions on the voting power of the affected class or series; or

(2) Not a publicly traded corporation, the proposal is approved by the vote of stockholders holding a majority of the voting power of the affected class or series, or such greater proportion as may be provided in the articles of incorporation, regardless of limitations or restrictions on the voting power of the affected class or series.

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

3. Except as otherwise provided in this subsection, if a proposed decrease in the number of issued and outstanding shares of any class or series would adversely alter or change any preference, or any relative or other right given to any other class or series of outstanding shares, then the decrease must be approved by the vote, in addition to any vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series whose preference or rights are adversely affected by the decrease, or such greater proportion as may be provided in the articles of incorporation, regardless of limitations or restrictions on the voting power of the adversely affected class or series. The decrease does not have to be approved by the vote of the holders of shares representing a majority of the voting power of each class or series whose preference or rights are adversely affected by the decrease if



1 the articles of incorporation specifically deny the right to vote on
2 such a decrease.

3 4. If any proposed corporate action pursuant to this section
4 would result in only money being paid or scrip being issued to
5 stockholders who:

6 (a) Before the decrease in the number of shares becomes
7 effective, in the aggregate hold 1 percent or more of the outstanding
8 shares of the affected class or series; and

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

11 ➤ any stockholder who is obligated, as a result of the corporate
12 action taken pursuant to this section, to accept money or scrip rather
13 than receive a fraction of a share in exchange for the cancellation of
14 all the stockholder's outstanding shares, may dissent in accordance
15 with the provisions of NRS 92A.300 to 92A.500, inclusive, *and*
16 *sections 26 and 27 of this act* and obtain payment of the fair value
17 of the fraction of a share to which the stockholder would otherwise
18 be entitled.

19 **Sec. 6.** NRS 78.235 is hereby amended to read as follows:

20 78.235 1. Except as otherwise provided in subsection 4,
21 every stockholder is entitled to have a certificate, signed by officers
22 or agents designated by the corporation for the purpose, certifying
23 the number of shares in the corporation owned by the stockholder. A
24 corporation has no power to issue a certificate in bearer form, and
25 any such certificate that is issued is void and of no force or effect.

26 2. Whenever any certificate is countersigned or otherwise
27 authenticated by a transfer agent or transfer clerk, and by a registrar,
28 then a facsimile of the signatures of the officers or agents, the
29 transfer agent or transfer clerk or the registrar of the corporation
30 may be printed or lithographed upon the certificate in lieu of the
31 actual signatures. If a corporation uses facsimile signatures of its
32 officers and agents on its stock certificates, it cannot act as registrar
33 of its own stock, but its transfer agent and registrar may be identical
34 if the institution acting in those dual capacities countersigns or
35 otherwise authenticates any stock certificates in both capacities.

36 3. If any officer or officers who have signed, or whose
37 facsimile signature or signatures have been used on, any certificate
38 or certificates for stock cease to be an officer or officers of the
39 corporation, whether because of death, resignation or other reason,
40 before the certificate or certificates have been delivered by the
41 corporation, the certificate or certificates may nevertheless be
42 adopted by the corporation and be issued and delivered as though
43 the person or persons who signed the certificate or certificates, or
44 whose facsimile signature or signatures have been used thereon, had
45 not ceased to be an officer or officers of the corporation.



4. Unless otherwise provided in the articles of incorporation or bylaws, the board of directors may authorize the issuance of uncertificated shares of some or all of the shares of any or all of its classes or series. The issuance of uncertificated shares has no effect on existing certificates for shares until surrendered to the corporation, or on the respective rights and obligations of the stockholders. Unless otherwise provided by a specific statute, the rights and obligations of stockholders are identical whether or not their shares of stock are represented by certificates.

5. Within a reasonable time after the issuance of *uncertificated shares* or the transfer of *uncertificated* shares ~~{without certificates,}~~ *on the books of the corporation,* the corporation shall send the stockholder *of record* a written statement containing the information *that otherwise would be* required on the certificates *for such shares* pursuant to subsection 1. ~~{At least annually thereafter,}~~ *Within 10 days after receipt of a written request from a stockholder of record,* the corporation shall ~~{provide to its stockholders}~~ *send the stockholder* of record ~~{,}~~ a written statement confirming the information contained in the informational statement previously sent *to the stockholder of record* pursuant to this subsection.

6. Unless otherwise provided in the articles of incorporation or bylaws, a corporation may issue a new certificate of stock or, if authorized by the board of directors pursuant to subsection 4, uncertificated shares in place of a certificate previously issued by it and alleged to have been lost, stolen or destroyed. A corporation may require an owner or legal representative of an owner of a lost, stolen or destroyed certificate to give the corporation a bond or other security sufficient to indemnify it against any claim that may be made against it for the alleged loss, theft or destruction of a certificate, or the issuance of a new certificate or uncertificated shares.

Sec. 7. NRS 78.242 is hereby amended to read as follows:

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

2. A restriction on the transfer or registration of transfer of the stock of a corporation, or on the amount of a corporation's stock that may be owned by a person or group of persons, may be imposed by the articles of incorporation or by the bylaws or by an agreement among any number of stockholders or between or among one or more stockholders and the corporation. No restriction so imposed is



binding upon any stockholder with respect to the shares of stock owned by such stockholder at the time the restriction is adopted, regardless of any later effective time of such restriction, unless such stockholder is a party to the agreement or voted in favor of the restriction.

3. A restriction on the transfer or the registration of transfer of shares is valid and enforceable against ~~the~~ *a* transferee of the ~~stockholder~~ *shares* if the restriction is not prohibited by other law and ~~its~~ :

(a) *The restriction is set forth in the articles of incorporation;*

(b) *The existence of the restriction* is noted conspicuously on the front or back of the stock certificate or is contained in the statement of information required by NRS 78.235 ~~[- Unless so noted, a restriction is not enforceable against a person without]; or~~

(c) *The transferee otherwise has, or reasonably should have,* knowledge of the restriction.

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

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

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

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

(1) Consent to any proposed transfer of the stock;

(2) Approve the proposed transferee of stock; or

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

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

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

(1) To maintain the corporation's status when it is dependent on the number or identity of its stockholders, including, without limitation, the corporation's status as an electing small business corporation under subchapter S of chapter 1 of subtitle A of the



United States Internal Revenue Code, 26 U.S.C. §§ 1371 et seq., as amended, or any successor provision;

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

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

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

(5) For any other reasonable purpose.

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

Sec. 8. NRS 78.257 is hereby amended to read as follows:

78.257 1. Any person who has been a stockholder of record of any corporation and owns not less than 15 percent of all of the issued and outstanding shares of the stock of such corporation or has been authorized in writing by the holders of at least 15 percent of all its issued and outstanding shares, upon at least 5 days' written demand, including the affidavit *and confidentiality agreement, if applicable*, required pursuant to subsection 2, is entitled to inspect in person or by agent or attorney, during normal business hours, the books of account and ~~all~~ financial ~~records~~ *statements* of the corporation, to make copies ~~of records,~~ *thereof*, and to conduct an audit ~~of such records,~~ *thereof*. Holders of voting trust certificates representing 15 percent of the issued and outstanding shares of the corporation are regarded as stockholders for the purpose of this subsection. The right of stockholders to inspect the ~~corporate records~~ *books of account and financial statements of the corporation in accordance with this section* may not be limited in the articles or bylaws of any corporation.

2. Together with the written demand required pursuant to subsection 1, a person who wishes to exercise the rights set forth in subsection 1 shall furnish an affidavit to the corporation stating that the inspection, copies or audit is not desired for any purpose not related to his or her interest as a stockholder. *As a condition to the rights authorized by subsection 1, the board of directors may require the stockholder and each other person exercising rights set forth in subsection 1 to enter into and comply with a confidentiality agreement having such terms and scope as are*



1 *reasonably related to protecting the legitimate interests of the*
2 *corporation.*

3 3. All costs for making copies ~~[of records]~~ or conducting an
4 audit *pursuant to this section* must be borne by the person
5 exercising the rights set forth in subsection 1.

6 4. The rights authorized by subsection 1 may be denied ~~[to any~~
7 ~~stockholder upon]~~ *if the affidavit or confidentiality agreement*
8 *required pursuant to subsection 2 is not furnished to the*
9 *corporation, or if the stockholder or other person exercising rights*
10 *set forth in subsection 1 at any time has used or attempted to use,*
11 *or uses, attempts or threatens to use, any information obtained*
12 *from the corporation pursuant to this section for any purpose not*
13 *related to the stockholder's* ~~[refusal to furnish]~~ *interest in the*
14 *corporation* ~~[an affidavit required pursuant to subsection 2.]~~ *as a*
15 *stockholder, or if the stockholder or other person exercising rights*
16 *set forth in subsection 1 at any time, and in any capacity, has used*
17 *or attempted to use, or uses, attempts or threatens to use, any*
18 *information obtained from the corporation pursuant to this section*
19 *or otherwise for any improper purpose.* Any stockholder or other
20 person ~~[.]~~ exercising rights set forth in subsection 1 ~~[.]~~ who uses or
21 attempts to use information ~~[, records or other data]~~ obtained from
22 the corporation ~~[.]~~ *pursuant to this section* for any purpose not
23 related to the stockholder's interest in the corporation as a
24 stockholder ~~[.]~~ is guilty of a gross misdemeanor.

25 5. If any officer or agent of any corporation keeping ~~[records]~~
26 *books of account and financial statements* in this State *knowingly*
27 *and* willfully ~~[neglects or]~~ refuses to permit an inspection of ~~[the]~~
28 *such* books of account and financial ~~[records]~~ *statements* upon
29 demand by a person entitled to inspect them, or *knowingly and*
30 *willfully* refuses to permit an audit *of such books of account and*
31 *financial statements* to be conducted by such a person, as provided
32 in subsection 1, the corporation shall forfeit to the State the sum of
33 \$100 for every day of such ~~[neglect or]~~ refusal, and the corporation
34 ~~[, officer or agent thereof is jointly and severally]~~ *is* liable to the
35 person injured for all damages *directly* resulting to the person ~~[.]~~
36 *from such refusal.*

37 6. A stockholder who brings an action or proceeding to enforce
38 any right set forth in this section or to recover damages resulting
39 from its denial:

40 (a) Is entitled to costs and reasonable attorney's fees, if the
41 stockholder prevails; or

42 (b) Is liable for such costs and fees, if the stockholder does not
43 prevail,

44 ➡ in the action or proceeding.



7. Except as otherwise provided in this subsection, the provisions of this section do not apply to any corporation that furnishes to its stockholders a detailed, annual financial statement or any corporation that has filed during the preceding 12 months all reports required to be filed pursuant to section 13 or section 15(d) of the Securities Exchange Act, 15 U.S.C. §§ 78m or 78o(d). A person who owns, or is authorized in writing by the owners of, at least 15 percent of the issued and outstanding shares of the stock of a corporation that has elected to be governed by subchapter S of the Internal Revenue Code and whose shares are not listed or traded on any recognized stock exchange is entitled to inspect the books of the corporation pursuant to subsection 1 and has the rights, duties and liabilities provided in subsections 2 to 6, inclusive.

Sec. 9. NRS 78.350 is hereby amended to read as follows:

78.350 1. Unless otherwise provided in the articles of incorporation, or in the certificate of designation establishing the class or series of stock, every stockholder of record of a corporation is entitled at each meeting of stockholders thereof to one vote for each share of stock standing in his or her name on the records of the corporation. If the articles of incorporation, or the certificate of designation establishing the class or series of stock provides for more or less than one vote per share for any class or series of shares on any matter, every reference in this chapter to a majority or other proportion of stock shall be deemed to refer to a majority or other proportion of the voting power of all of the shares or those classes or series of shares, as may be required by the articles of incorporation, or in the certificate of designation establishing the class or series of stock or the provisions of this chapter.

2. Unless a period of more than 60 days or a period of less than 10 days is prescribed or fixed in the articles of incorporation, the board of directors may prescribe a period not exceeding 60 days before any meeting of the stockholders during which no transfer of stock on the books of the corporation may be made, or may fix a record date not more than 60 or less than 10 days before the date of any such meeting as the date as of which stockholders entitled to notice of and to vote at such meetings must be determined.

3. If a record date for a meeting of stockholders is fixed by the board of directors:

(a) The record date:

(1) Must be so fixed pursuant to a resolution adopted by the board of directors; and

(2) Must not precede the day on which the resolution is adopted by the board of directors, regardless of the effective date of the resolution.



(b) Only stockholders of record on the record date are entitled to notice of or to vote at the meeting.

4. If a record date for a meeting of stockholders is not fixed by the board of directors, the record date is at the close of business on the day before the day on which the first notice is given or, if notice is waived, at the close of business on the day before the meeting is held.

5. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders applies to any adjournment or postponement of the meeting unless the board of directors fixes a new record date for the adjourned or postponed meeting. The board of directors must fix a new record date if the meeting is adjourned or postponed to a date more than 60 days later than the meeting date set for the original meeting.

6. The board of directors may adopt a resolution prescribing a date upon which the stockholders of record entitled to give written consent pursuant to NRS 78.320 must be determined. The date prescribed by the board of directors may not precede or be more than 10 days after the day on which the resolution is adopted by the board of directors, regardless of the effective date of the resolution.

7. If the board of directors does not adopt a resolution prescribing a date upon which the stockholders of record entitled to give written consent pursuant to NRS 78.320 must be determined and:

(a) No prior action by the board of directors is required by this chapter or chapter 92A of NRS before the matter is submitted for consideration by the stockholders, the date is the first date on which any stockholder delivers to the corporation such consent signed by the stockholder.

(b) Prior action by the board of directors is required by this chapter or chapter 92A of NRS before the matter is submitted for consideration by the stockholders, the date is at the close of business on the day the board of directors adopts the resolution.

8. ~~The~~ *Without limiting the provisions of NRS 78.138 or 78.139, the provisions of this section do not restrict the directors of a corporation from taking action not in circumvention or contravention of this title to protect the long-term or short-term interests of the corporation [and its] or the long-term or short-term interests of the corporation's* stockholders, including, but not limited to, adopting or signing plans, arrangements or instruments that *issue*, grant or deny rights ~~[, privileges, power or authority] or options pursuant to NRS 78.200~~ to a holder or holders of a specified number of shares or percentage of share ownership or voting power ~~[,]~~ *, for the purpose or having the effect of granting*



or denying rights, privileges, power or authority to any such holder or holders.

Sec. 10. NRS 78.378 is hereby amended to read as follows:

78.378 1. The provisions of NRS 78.378 to 78.3793, inclusive, apply to any acquisition of a controlling interest in an issuing corporation unless the articles of incorporation or bylaws of the corporation in effect on the 10th day following the acquisition of a controlling interest by an acquiring person provide that the provisions of those sections do not apply to the corporation or to an acquisition of a controlling interest specifically by types of existing or future stockholders, whether or not identified.

2. The articles of incorporation, the bylaws or a resolution adopted by the directors of the issuing corporation may impose stricter requirements on the acquisition of a controlling interest in the corporation than the provisions of NRS 78.378 to 78.3793, inclusive.

3. ~~[The]~~ *Without limiting the provisions of NRS 78.138 or 78.139, the* provisions of NRS 78.378 to 78.3793, inclusive, do not restrict the directors of an issuing corporation from taking action *not in circumvention or contravention of this title* to protect the *long-term or short-term* interests of the corporation ~~[and its]~~ *or the long-term or short-term interests of the corporation's* stockholders, including, but not limited to, adopting or signing plans, arrangements or instruments that *issue*, grant or deny rights ~~[privileges, power or authority]~~ *or options pursuant to NRS 78.200* to a holder or holders of a specified number of shares or percentage of share ownership or voting power ~~[]~~, *for the purpose of having the effect of granting or denying rights, privileges, power or authority to any such holder or holders.*

Sec. 11. NRS 78.3783 is hereby amended to read as follows:

78.3783 1. Except as otherwise provided in ~~[subsection]~~ *subsections 2 [] and 3*, “acquisition” means the direct or indirect acquisition of a controlling interest.

2. “Acquisition” does not include any acquisition of shares in good faith, and without an intent to avoid the requirements of NRS 78.378 to 78.3793, inclusive:

(a) By an acquiring person authorized pursuant to NRS 78.378 to 78.3793, inclusive, to exercise voting rights, to the extent that the new acquisition does not result in the acquiring person obtaining a controlling interest greater than that previously authorized; or

(b) Pursuant to:

(1) The laws of descent and distribution;

(2) The enforcement of a judgment;

(3) The satisfaction of a pledge or other security interest; or



(4) A merger, exchange, conversion, domestication or reorganization effected in compliance with the provisions of NRS 78.622, 92A.200 to 92A.240, inclusive, or 92A.270 to which the issuing corporation is a party.

3. "Acquisition" does not include any acquisition of shares listed on a national securities exchange pursuant to a tender offer under section 14(d) of the Securities Exchange Act, 15 U.S.C. § 78n(d), which shares collectively, absent the provisions of NRS 78.378 to 78.3793, inclusive, would be entitled to exercise a majority of the voting power.

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

78.390 1. Except as otherwise provided in *subsection 8 or in* NRS 77.340 or 78.209 or chapter 92A of NRS, every amendment to the articles of incorporation must be made in the following manner:

(a) The board of directors must adopt a resolution setting forth the amendment proposed and submit the proposed amendment to the stockholders for approval.

(b) If stockholders holding shares in the corporation representing at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, as provided in subsections 2 and 4, or as may be required by the provisions of the articles of incorporation, have approved the amendment, an officer of the corporation shall sign a certificate setting forth the amendment, or setting forth the articles of incorporation as amended, and the vote by which the amendment was adopted.

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

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

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



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

5. The ~~[resolution of the stockholders approving the proposed amendment may provide that at any time before the effective date of the amendment, notwithstanding approval of the proposed amendment by the stockholders, the]~~ board of directors may, by resolution, abandon the proposed amendment without further action by the stockholders ~~[.]~~ *if the resolution of the stockholders approving the proposed amendment authorizes the board of directors to do so. The board of directors may, by resolution, abandon a proposed amendment pursuant to subsection 8 without any action by the stockholders.*

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

7. If a certificate filed pursuant to subsection 1 specifies a later effective date *or time* and if ~~[the resolution of the stockholders approving the proposed amendment provides that]~~ the board of directors ~~[may]~~ *is authorized to* abandon the proposed amendment pursuant to subsection 5, the board of directors may terminate the effectiveness of the certificate by resolution and by filing a certificate of termination with the Secretary of State that:

(a) Is filed before the effective ~~[date specified in]~~ *time of* the certificate filed with the Secretary of State pursuant to subsection 1;

(b) Identifies the certificate being terminated;

(c) States that ~~[, pursuant to the resolution of the stockholders,]~~ the board of directors is authorized to terminate the effectiveness of the certificate;

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

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

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

8. *No action by the stockholders is required if the proposed amendment to the articles of incorporation consists only of a change in the name of the corporation. The articles of incorporation may forbid a corporation from amending the articles of incorporation pursuant to this subsection without stockholder approval.*



Sec. 13. NRS 78.403 is hereby amended to read as follows:

78.403 1. A corporation may restate, or amend and restate, in a single certificate the entire text of its articles of incorporation as amended by filing with the Secretary of State a certificate in the manner provided in this section. If the certificate alters or amends the articles in any manner, it must comply with the provisions of NRS 78.380, 78.385 and 78.390, as applicable. *An omission permitted by subsection 3 does not constitute an alteration or amendment to the articles for purposes of this section.*

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

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

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

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

(c) The information required pursuant to NRS 77.310 ~~[-]~~; and

(d) The text of any certificate of designation filed pursuant to NRS 78.1955, including any amendments thereto, but only if the existence of each such certificate of designation not withdrawn prior to such restatement is expressly noted within the text of the restated articles. The effectiveness of any such certificate of designation or any amendment thereto is not affected by its omission from restated articles pursuant to this subsection.

4. Whenever a corporation is required to file a certified copy of its articles, in lieu thereof it may file a certified copy of the most recent certificate restating its articles as amended, subject to the provisions of subsection 2, together with certified copies of all certificates of amendment filed subsequent to the restated articles and certified copies of ~~all~~ *any effective* certificates ~~supplementary to~~ *of designation or amendments thereto omitted from* the ~~original~~ *restated* articles ~~[-]~~ *pursuant to subsection 3.*

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



Sec. 14. NRS 78.433 is hereby amended to read as follows:

78.433 1. NRS 78.411 to 78.444, inclusive, do not apply to any combination of a resident domestic corporation:

(a) Which was not, as of the date that the person first becomes an interested stockholder, a publicly traded corporation, unless the corporation's articles of incorporation provide otherwise.

(b) Whose articles of incorporation have been amended to provide that the resident domestic corporation is subject to NRS 78.411 to 78.444, inclusive, and which was not a publicly traded corporation on the effective date of the amendment, if the combination is with a person who first became an interested stockholder before the effective date of the amendment.

(c) With an interested stockholder of the resident domestic corporation after the expiration of 4 years after the person first became an interested stockholder.

2. The articles of incorporation of a resident domestic corporation may impose on combinations of the resident domestic corporation stricter requirements than the requirements of NRS 78.411 to 78.444, inclusive.

3. ~~[The]~~ *Without limiting the provisions of NRS 78.138 or 78.139, the* provisions of NRS 78.411 to 78.444, inclusive, do not restrict the directors of a resident domestic corporation from taking action *not in circumvention or contravention of this title* to protect the *long-term or short-term* interests of the corporation ~~[and its]~~ *or the long-term or short-term interests of the corporation's* stockholders, including, without limitation, adopting or signing plans, arrangements or instruments that *issue*, grant or deny rights ~~[privileges, power or authority]~~ *or options pursuant to NRS 78.200* to a holder or holders of a specified number of shares or percentage of share ownership or voting power ~~[]~~ *, for the purpose or having the effect of granting or denying rights, privileges, power or authority to any such holder or holders.*

Sec. 15. NRS 78.439 is hereby amended to read as follows:

78.439 A resident domestic corporation may not engage in any combination with an interested stockholder of the resident domestic corporation after the expiration of 2 years after the person first became an interested stockholder unless the combination meets all of the requirements of the articles of incorporation of the resident domestic corporation and:

1. The combination or transaction by which the person first became an interested stockholder is approved by the board of directors of the resident domestic corporation before the person first became an interested stockholder;

2. The combination is approved by a majority of the outstanding voting power of the resident domestic corporation not



beneficially owned by the interested stockholder or any affiliate or associate of the interested stockholder; or

3. The combination meets the requirements specified in NRS ~~[78.411]~~ **78.441** to 78.444, inclusive.

Sec. 16. NRS 78.565 is hereby amended to read as follows:

1. Unless otherwise provided in the articles of incorporation, every corporation may, by action taken at any meeting of its board of directors, sell, lease or exchange all ~~or~~ **substantially all** of its property and assets, including its goodwill and its corporate franchises, upon such terms and conditions as its board of directors may approve, ~~[when]~~ **only if** and as authorized by the affirmative vote of stockholders holding stock in the corporation entitling them to exercise at least a majority of the voting power.

2. Unless otherwise provided in the articles of incorporation, a vote of stockholders is not necessary:

(a) For a transfer of assets by way of mortgage, or in trust or in pledge to secure indebtedness of the corporation; or

(b) To abandon the sale, lease or exchange of assets.

Sec. 17. NRS 81.006 is hereby amended to read as follows:

1. A nonprofit cooperative corporation, a cooperative association, a charitable organization or any other entity formed under the provisions of this chapter may correct a record filed with the Secretary of State with respect to the entity if the record contains an inaccurate description of an action or if the record was defectively signed, attested, sealed, verified or acknowledged ~~[]~~ , **including, without limitation, if the record was filed erroneously.**

2. To correct a record, the entity must:

(a) Prepare a certificate of correction which:

(1) States the name of the entity;

(2) Describes the record, including, without limitation, its filing date;

(3) Specifies the inaccuracy or defect ~~[]~~ **in the record, including, without limitation, if and to the extent applicable, the error in the filing of the record;**

(4) Sets forth ~~[the inaccurate or defective portion of the record in an accurate or corrected form;]~~ **such information as is necessary so as to clarify or otherwise remedy the inaccuracy or defect;** and

(5) Is signed by an officer of the entity or, if the certificate is filed before the first meeting of the board of directors, by an incorporator or director, or by some other person specifically authorized by the entity to sign the certificate.

(b) Deliver the certificate to the Secretary of State for filing.

(c) Pay a filing fee of \$25 to the Secretary of State.



3. A certificate of correction is effective on the effective date of the record it corrects except as to persons relying on the uncorrected record and adversely affected by the correction. As to those persons, the certificate is effective when filed.

4. If a nonprofit cooperative corporation, a cooperative association, a charitable organization or any other entity formed under the provisions of this chapter has made a filing with the Secretary of State and the Secretary of State has not processed the filing and placed the filing into the public record, the nonprofit cooperative corporation, cooperative association, charitable organization or other entity may cancel the filing by:

(a) Filing a statement of cancellation with the Secretary of State; and

(b) Paying a fee of \$50.

Sec. 18. NRS 82.534 is hereby amended to read as follows:

82.534 1. A corporation may correct a record filed in the Office of the Secretary of State with respect to the corporation if the record contains an inaccurate description of a corporate action or if the record was defectively signed, attested, sealed, verified or acknowledged ~~{} ,~~ *including, without limitation, if the record was filed erroneously.*

2. To correct a record, the corporation must:

(a) Prepare a certificate of correction which:

(1) States the name of the corporation;

(2) Describes the record, including, without limitation, its filing date;

(3) Specifies the inaccuracy or defect ~~{} in the record,~~ *including, without limitation, if and to the extent applicable, the error in the filing of the record;*

(4) Sets forth ~~{the inaccurate or defective portion of the record in an accurate or corrected form;}~~ *such information as is necessary so as to clarify or otherwise remedy the inaccuracy or defect;* and

(5) Is signed by an officer of the corporation or, if the certificate is filed before the first meeting of the board of directors, by an incorporator or director, or by some other person specifically authorized by the corporation to sign the certificate.

(b) Deliver the certificate to the Secretary of State for filing.

(c) Pay a filing fee of \$25 to the Secretary of State.

3. A certificate of correction is effective on the effective date of the record it corrects except as to persons relying on the uncorrected record and adversely affected by the correction. As to those persons, the certificate is effective when filed.

4. If a corporation has made a filing with the Secretary of State and the Secretary of State has not processed the filing and placed the



filing into the public record, the corporation may cancel the filing by:

- (a) Filing a statement of cancellation with the Secretary of State; and
- (b) Paying a fee of \$50.

Sec. 19. NRS 84.009 is hereby amended to read as follows:

84.009 1. A corporation sole may correct a record filed with the Office of the Secretary of State with respect to the corporation sole if the record contains an inaccurate description of an action of the corporation sole or if the record was defectively signed, attested, sealed, verified or acknowledged ~~[]~~, *including, without limitation, if the record was filed erroneously.*

2. To correct a record, the corporation sole must:

(a) Prepare a certificate of correction which:

- (1) States the name of the corporation sole;
- (2) Describes the record, including, without limitation, its filing date;
- (3) Specifies the inaccuracy or defect ~~[]~~ *in the record, including, without limitation, if and to the extent applicable, the error in the filing of the record;*

(4) Sets forth ~~[the inaccurate or defective portion of the record in an accurate or corrected form;]~~ *such information as is necessary so as to clarify or otherwise remedy the inaccuracy or defect;* and

(5) Is signed by an archbishop, bishop, president, trustee in trust, president of stake, president of congregation, overseer, presiding elder, district superintendent or other presiding officer or member of the clergy of a church, religious society or denomination, who has been chosen, elected or appointed in conformity with the constitution, canons, rites, regulations or discipline of the church, religious society or denomination, and in whom is vested the legal title to the property held for the purpose, use or benefit of the church or religious society or denomination or by some other person specifically authorized by the corporation sole to sign the certificate of correction.

(b) Deliver the certificate to the Secretary of State for filing.

(c) Pay a filing fee of \$25 to the Secretary of State.

3. A certificate of correction is effective on the effective date of the record it corrects except as to persons relying on the uncorrected record and adversely affected by the correction. As to those persons, the certificate is effective when filed.

4. If a corporation sole has made a filing with the Secretary of State and the Secretary of State has not processed the filing and placed the filing into the public record, the corporation sole may cancel the filing by:



(a) Filing a statement of cancellation with the Secretary of State;
and

(b) Paying a fee of \$50.

Sec. 20. NRS 86.568 is hereby amended to read as follows:

86.568 1. A limited-liability company may correct a record filed in the Office of the Secretary of State with respect to the limited-liability company if the record contains an inaccurate description of a company action or was defectively signed, attested, sealed, verified or acknowledged ~~[]~~, *including, without limitation, if the record was filed erroneously.*

2. To correct a record, the limited-liability company must:

(a) Prepare a certificate of correction that:

(1) States the name of the limited-liability company;

(2) Describes the record, including, without limitation, its filing date;

(3) Specifies the inaccuracy or defect ~~[]~~ *in the record, including, without limitation, if and to the extent applicable, the error in the filing of the record;*

(4) Sets forth ~~[the inaccurate or defective portion of the record in an accurate or corrected form;]~~ *such information as is necessary so as to clarify or otherwise remedy the inaccuracy or defect;* and

(5) Is signed by a manager of the company or, if management is not vested in a manager, by a member of the company, or by some other person specifically authorized by the company to sign the certificate.

(b) Deliver the certificate to the Secretary of State for filing.

(c) Pay a filing fee of \$175 to the Secretary of State.

3. A certificate of correction is effective on the effective date of the record it corrects except as to persons relying on the uncorrected record and adversely affected by the correction. As to those persons, the certificate is effective when filed.

4. If a limited-liability company has made a filing with the Secretary of State and the Secretary of State has not processed the filing and placed the filing into the public record, the limited-liability company may cancel the filing by:

(a) Filing a statement of cancellation with the Secretary of State;
and

(b) Paying a fee of \$50.

Sec. 21. NRS 87.547 is hereby amended to read as follows:

87.547 1. A registered limited-liability partnership may correct a record filed in the Office of the Secretary of State with respect to the registered limited-liability partnership if the record contains an inaccurate description of a partnership action or if the record was defectively signed, attested, sealed, verified or



1 acknowledged ~~[]~~, *including, without limitation, if the record was*
2 *filed erroneously.*

3 2. To correct a record, the registered limited-liability
4 partnership must:

5 (a) Prepare a certificate of correction that:

6 (1) States the name of the registered limited-liability
7 partnership;

8 (2) Describes the record, including, without limitation, its
9 filing date;

10 (3) Specifies the inaccuracy or defect ~~[]~~ *in the record,*
11 *including, without limitation, if and to the extent applicable, the*
12 *error in the filing of the record;*

13 (4) Sets forth ~~[the inaccurate or defective portion of the~~
14 ~~record in an accurate or corrected form;]~~ *such information as is*
15 *necessary so as to clarify or otherwise remedy the inaccuracy or*
16 *defect;* and

17 (5) Is signed by a managing partner of the registered limited-
18 liability partnership or by some other person specifically authorized
19 by the registered limited-liability partnership to sign the certificate.

20 (b) Deliver the certificate to the Secretary of State for filing.

21 (c) Pay a filing fee of \$175 to the Secretary of State.

22 3. A certificate of correction is effective on the effective date
23 of the record it corrects except as to persons relying on the
24 uncorrected record and adversely affected by the correction. As to
25 those persons, the certificate is effective when filed.

26 4. If a registered limited-liability partnership has made a filing
27 with the Secretary of State and the Secretary of State has not
28 processed the filing and placed the filing into the public record, the
29 registered limited-liability partnership may cancel the filing by:

30 (a) Filing a statement of cancellation with the Secretary of State;
31 and

32 (b) Paying a fee of \$50.

33 **Sec. 22.** NRS 87A.275 is hereby amended to read as follows:

34 87A.275 1. A limited partnership or foreign limited
35 partnership may correct a record filed in the Office of the Secretary
36 of State with respect to the limited partnership or foreign limited
37 partnership if the record contains false or erroneous information or
38 if the record was defectively signed, attested, sealed, verified or
39 acknowledged ~~[]~~, *including, without limitation, if the record was*
40 *filed erroneously.*

41 2. To correct a record, the limited partnership or foreign
42 limited partnership must:

43 (a) Prepare a certificate of correction that:

44 (1) States the name of the limited partnership or foreign
45 limited partnership;



(2) Describes the record, including, without limitation, its filing date;

(3) Specifies the false or erroneous information or the defect ~~[]~~ *in the record, including, without limitation, if and to the extent applicable, the error in the filing of the record;*

(4) Sets forth ~~[the false or erroneous information or the defective portion of the record in an accurate or corrected form;]~~ *such information as is necessary so as to clarify or otherwise remedy the inaccuracy or defect;* and

(5) Is signed by a general partner of the limited partnership or foreign limited partnership or by some other person specifically authorized by the limited partnership or foreign limited partnership to sign the certificate.

(b) Deliver the certificate to the Secretary of State for filing.

(c) Pay a filing fee of \$175 to the Secretary of State.

3. A certificate of correction must not state a delayed effective date and is effective on the effective date of the record it corrects, except that the certificate is effective when filed:

(a) For the purposes of subsections 3 and 4 of NRS 87A.150; and

(b) As to persons relying on the uncorrected record and adversely affected by the correction.

4. If a limited partnership or foreign limited partnership has made a filing with the Secretary of State and the Secretary of State has not processed the filing and placed the filing into the public record, the limited partnership or foreign limited partnership may cancel the filing by:

(a) Filing a statement of cancellation with the Secretary of State; and

(b) Paying a fee of \$50.

Sec. 23. NRS 88.339 is hereby amended to read as follows:

88.339 1. A limited partnership may correct a record filed in the Office of the Secretary of State with respect to the limited partnership if the record contains an inaccurate description of a partnership action or if the record was defectively signed, attested, sealed, verified or acknowledged ~~[]~~, *including, without limitation, if the record was filed erroneously.*

2. To correct a record, the limited partnership must:

(a) Prepare a certificate of correction that:

(1) States the name of the limited partnership;

(2) Describes the record, including, without limitation, its filing date;

(3) Specifies the inaccuracy or defect ~~[]~~ *in the record, including, without limitation, if and to the extent applicable, the error in the filing of the record;*



(4) Sets forth ~~{the inaccurate or defective portion of the record in an accurate or corrected form;}~~ *such information as is necessary so as to clarify or otherwise remedy the inaccuracy or defect;* and

(5) Is signed by a general partner of the limited partnership or by some other person specifically authorized by the limited partnership to sign the certificate.

(b) Deliver the certificate to the Secretary of State for filing.

(c) Pay a filing fee of \$175 to the Secretary of State.

3. A certificate of correction is effective on the effective date of the record it corrects except as to persons relying on the uncorrected record and adversely affected by the correction. As to those persons, the certificate is effective when filed.

4. If a limited partnership has made a filing with the Secretary of State and the Secretary of State has not processed the filing and placed the filing into the public record, the limited partnership may cancel the filing by:

(a) Filing a statement of cancellation with the Secretary of State; and

(b) Paying a fee of \$50.

Sec. 24. NRS 88A.930 is hereby amended to read as follows:

88A.930 1. A business trust may correct a record filed in the Office of the Secretary of State with respect to the business trust if the record contains an inaccurate description of a trust action or if the record was defectively signed, attested, sealed, verified or acknowledged ~~{ }~~, *including, without limitation, if the record was filed erroneously.*

2. To correct a record, the business trust must:

(a) Prepare a certificate of correction that:

(1) States the name of the business trust;

(2) Describes the record, including, without limitation, its filing date;

(3) Specifies the inaccuracy or defect ~~{ }~~ *in the record, including, without limitation, if and to the extent applicable, the error in the filing of the record;*

(4) Sets forth ~~{the inaccurate or defective portion of the record in an accurate or corrected form;}~~ *such information as is necessary so as to clarify or otherwise remedy the inaccuracy or defect;* and

(5) Is signed by a trustee of the business trust or by some other person specifically authorized by the business trust to sign the certificate.

(b) Deliver the certificate to the Secretary of State for filing.

(c) Pay a filing fee of \$175 to the Secretary of State.



3. A certificate of correction is effective on the effective date of the record it corrects except as to persons relying on the uncorrected record and adversely affected by the correction. As to those persons, the certificate is effective when filed.

4. If a business trust has made a filing with the Secretary of State and the Secretary of State has not processed the filing and placed the filing into the public record, the business trust may cancel the filing by:

(a) Filing a statement of cancellation with the Secretary of State; and

(b) Paying a fee of \$50.

Sec. 25. Chapter 92A of NRS is hereby amended by adding thereto the provisions set forth as sections 26 and 27 of this act.

Sec. 26. *“Advance notice statement” when used in reference to a proposed corporate action creating dissenter’s rights that is taken or submitted for approval pursuant to a written consent of the stockholders or taken without a vote of the stockholders, means written notice of the proposed corporate action sent by the subject corporation to all stockholders of record entitled to assert dissenter’s rights if the corporate action is effectuated. Such notice must:*

1. Be sent not later than 20 days before the effective date of the proposed corporate action;

2. Identify the proposed corporate action;

3. Provide that a stockholder who wishes to assert dissenter’s rights with respect to any class or series of shares must deliver a statement of intent to the subject corporation and set a date by which the subject corporation must receive the statement of intent, which may not be less than 15 days after the date the notice is sent, and state that the stockholder shall be deemed to have waived the right to assert dissenter’s rights with respect to the shares unless the statement of intent is received by the subject corporation by such specified date; and

4. Be accompanied by a copy of this section and NRS 92A.300 to 92A.500, inclusive, and section 27 of this act.

Sec. 27. *“Statement of intent” when used in reference to a proposed corporate action creating dissenter’s rights, means written notice of a stockholder’s intent to assert dissenter’s rights and demand payment for the stockholder’s shares if the corporate action is effectuated.*

Sec. 28. NRS 92A.005 is hereby amended to read as follows:

92A.005 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS ~~92A.006 to 92A.095,~~ **92A.007 to 92A.092**, inclusive, have the meanings ascribed to them in those sections.



Sec. 29. NRS 92A.120 is hereby amended to read as follows:

92A.120 1. After adopting a plan of merger, exchange or conversion, the board of directors of each domestic corporation that is a constituent entity in the merger or conversion, or the board of directors of the domestic corporation whose shares will be acquired in the exchange, must submit the plan of merger, except as otherwise provided in NRS 92A.130 , **92A.133** and 92A.180, the plan of conversion or the plan of exchange for approval by its stockholders who are entitled to vote on the plan in accordance with the provisions of this section.

2. For a plan of merger, conversion or exchange to be approved:

(a) The board of directors must recommend the plan of merger, conversion or exchange to the stockholders, unless the board of directors determines that because of a conflict of interest or other special circumstances it should make no recommendation and it communicates the basis for its determination to the stockholders with the plan; and

(b) The stockholders entitled to vote must approve the plan.

3. The board of directors may condition its submission of the proposed merger, conversion or exchange on any basis. The provisions of this section or this chapter must not be construed to permit a board of directors to submit, or to agree to submit, a plan of merger, conversion or exchange to the stockholders without the recommendation of the board required pursuant to paragraph (a) of subsection 2 unless the board of directors determines that because of a conflict of interest or other special circumstances it should make no recommendation and it communicates the basis for its determination to the stockholders with the plan. Any agreement of the board of directors to submit a plan of merger, conversion or exchange to the stockholders notwithstanding an adverse recommendation of the board of directors shall be deemed to be of no force or effect.

4. Unless the plan of merger, conversion or exchange is approved by the written consent of stockholders pursuant to subsection 7, the domestic corporation must notify each stockholder, whether or not the stockholder is entitled to vote, of the proposed stockholders' meeting in accordance with NRS 78.370. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider the plan of merger, conversion or exchange and must contain or be accompanied by a copy or summary of the plan.

5. Unless this chapter, the articles of incorporation, the resolutions of the board of directors establishing the class or series of stock or the board of directors acting pursuant to subsection 3



1 require a greater vote or a vote by classes of stockholders, the plan
2 of merger or conversion must be approved by a majority of the
3 voting power of the stockholders.

4 6. Unless the articles of incorporation or the resolution of the
5 board of directors establishing a class or series of stock provide
6 otherwise, or unless the board of directors acting pursuant to
7 subsection 3 requires a greater vote, the plan of exchange must be
8 approved by a majority of the voting power of each class and each
9 series to be exchanged pursuant to the plan of exchange.

10 7. Unless otherwise provided in the articles of incorporation or
11 the bylaws of the domestic corporation, the plan of merger,
12 conversion or exchange may be approved by written consent as
13 provided in NRS 78.320.

14 8. If an officer, director or stockholder of a domestic
15 corporation, which will be the constituent entity in a conversion,
16 will have any liability for the obligations of the resulting entity after
17 the conversion because the officer, director or stockholder will be
18 the owner of an owner's interest in the resulting entity, then that
19 officer, director or stockholder must also approve the plan of
20 conversion.

21 9. Unless otherwise provided in the articles of incorporation or
22 bylaws of a domestic corporation, a plan of merger, conversion or
23 exchange may contain a provision that permits amendment of the
24 plan of merger, conversion or exchange at any time after the
25 stockholders of the domestic corporation approve the plan of
26 merger, conversion or exchange, but before the articles of merger,
27 conversion or exchange become effective, without obtaining the
28 approval of the stockholders of the domestic corporation for the
29 amendment if the amendment does not:

30 (a) Alter or change the manner or basis of exchanging an
31 owner's interest to be acquired for owner's interests, rights to
32 purchase owner's interests, or other securities of the acquiring entity
33 or any other entity, or for cash or other property in whole or in part;
34 or

35 (b) Alter or change any of the terms and conditions of the plan
36 of merger, conversion or exchange in a manner that adversely
37 affects the stockholders of the domestic corporation.

38 10. A board of directors shall cancel the proposed meeting or
39 remove the plan of merger, conversion or exchange from
40 consideration at the meeting if the board of directors determines that
41 it is not advisable to submit the plan of merger, conversion or
42 exchange to the stockholders for approval.

43 **Sec. 30.** NRS 92A.300 is hereby amended to read as follows:

44 92A.300 As used in NRS 92A.300 to 92A.500, inclusive, *and*
45 *sections 26 and 27 of this act*, unless the context otherwise requires,



- 1 the words and terms defined in NRS 92A.305 to 92A.335, inclusive,
2 *and sections 26 and 27 of this act* have the meanings ascribed to
3 them in those sections.
4 **Sec. 31.** NRS 92A.006 and 92A.095 are hereby repealed.
5 **Sec. 32.** This act becomes effective upon passage and
6 approval.

TEXT OF REPEALED SECTIONS

92A.006 “Advance notice statement” defined. “Advance notice statement” when used in reference to a proposed corporate action creating dissenter’s rights that is taken or submitted for approval pursuant to a written consent of the stockholders or taken without a vote of the stockholders, means written notice of the proposed corporate action sent by the subject corporation to all stockholders of record entitled to assert dissenter’s rights if the corporate action is effectuated. Such notice must:

1. Be sent not later than 20 days before the effective date of the proposed corporate action;
2. Identify the proposed corporate action;
3. Provide that a stockholder who wishes to assert dissenter’s rights with respect to any class or series of shares must deliver a statement of intent to the subject corporation and set a date by which the subject corporation must receive the statement of intent, which may not be less than 15 days after the date the notice is sent, and state that the stockholder shall be deemed to have waived the right to assert dissenter’s rights with respect to the shares unless the statement of intent is received by the subject corporation by such specified date; and
4. Be accompanied by a copy of NRS 92A.300 to 92A.500, inclusive.

92A.095 “Statement of intent” defined. “Statement of intent” when used in reference to a proposed corporate action creating dissenter’s rights, means written notice of a stockholder’s intent to assert dissenter’s rights and demand payment for the stockholder’s shares if the corporate action is effectuated.

