ASSEMBLY BILL NO. 92–COMMITTEE ON JUDICIARY

(ON BEHALF OF THE SECRETARY OF STATE)

PREFILED NOVEMBER 18, 2026

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to the Office of the Secretary of State. (BDR 7-589)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: May have Fiscal Impact.
Effect on the State Highway Fund: 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 the Secretary of State; revising provisions governing sanctions for certain violations relating to securities; authorizing the Secretary of State to investigate and prosecute certain violations relating to securities and commodities; providing for the appointment of attorneys by the Secretary of State to conduct such investigations and prosecutions; revising various provisions relating to the exercise of such authority; expanding the authority to issue summary orders to cease and desist from certain violations relating to securities; revising provisions relating to the Fund for the Compensation of Victims of Securities Fraud; revising certain reporting requirements; revising provisions governing administrative proceedings relating to securities; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Administrator of the Securities Division of the Office of the Secretary of State to impose certain sanctions against applicants and licensed persons in certain circumstances. (NRS 90.420) **Section 1** of this bill: (1) extends the applicable sanctions to other persons who engage in activities governed by the laws relating to securities, whether or not those persons have applied for or obtained a license; and (2) adds certain final orders of banking, insurance and other financial services and regulatory agencies as grounds for imposing sanctions. **Section 12** of this bill makes a conforming change to authorize a party against

whom action is taken or contemplated to request a continuance of a hearing in a summary proceeding.

Existing law authorizes: (1) the Attorney General to investigate and prosecute certain violations governing securities; and (2) the district attorney of the appropriate county to prosecute such violations under certain circumstances. (NRS 90.615) Existing law also authorizes the Administrator to refer evidence concerning violations of the laws governing commodities to the Attorney General or the appropriate district attorney, who may institute a criminal proceeding with or without such a referral. (NRS 91.340) **Sections 2 and 13** of this bill additionally authorize the Secretary of State to investigate and prosecute such violations and certain related violations.

Existing law creates the Securities Division within the Office of the Secretary of State and authorizes the Secretary of State to obtain legal counsel for the Division in certain ways. (NRS 225.170) **Section 17** of this bill additionally authorizes the Secretary of State to appoint one or more attorneys to exercise the authority to investigate and prosecute violations conferred by **sections 2 and 13**. **Section 17** further provides that such authority: (1) is concurrent with the authority of the Attorney General and the district attorney of the appropriate county; and (2) may be exercised without leave of the court or the request, consent, approval or delegation of authority of the Attorney General or a district attorney. **Section 17** also: (1) makes certain statutory powers, rights and duties of a district attorney applicable to an attorney appointed by the Secretary of State; and (2) authorizes an appointed attorney to conduct certain proceedings by grand jury.

Existing law authorizes the Administrator, under certain circumstances, to issue a summary order to cease and desist from certain unregistered or unlicensed activities and limits the sanctions that the Administrator may impose for a violation. (NRS 90.630) **Section 3** of this bill expands the authority to issue summary orders to cease and desist to include material violations of the laws, regulations and orders governing securities, including violations involving fraud. **Section 3** also removes certain restrictions on the imposition of multiple sanctions for the same violation.

Existing law authorizes a court to order a person convicted of certain violations of the laws governing securities to repay certain costs of investigation and prosecution incurred by the Securities Division and the Office of the Attorney General. (NRS 90.650) **Section 4** of this bill additionally authorizes the court to order the person to repay the costs of investigation and prosecution incurred by the Office of the Secretary of State in connection with the exercise of prosecutorial authority conferred by **section 2**.

Existing law authorizes certain persons who are awarded restitution by a court in a civil enforcement action to apply for compensation from the Fund for the Compensation of Victims of Securities Fraud. (NRS 90.701, 90.703) **Section 5** of this bill extends that eligibility to certain persons who are awarded restitution in a criminal prosecution. **Section 7** of this bill makes a conforming change to the requirements governing applications for compensation from the Fund. (NRS 90.708)

Existing law generally requires money received by the Division or the Administrator pursuant to the Nevada Uniform Securities Act to be deposited in the State General Fund, subject to certain exceptions for money deposited in the Fund for the Compensation of Victims of Securities Fraud. (NRS 90.705, 90.710) **Sections 6 and 8** of this bill establish an additional exception by requiring money received as payment of administrative fines or civil penalties imposed by the Administrator pursuant to the Act to be deposited in the Fund for the Compensation of Victims of Securities Fraud.

Existing law requires the Administrator to submit a biennial report identifying which states have adopted certain model provisions of the North American Securities Administrators Association, which states have not adopted those

provisions and the reasons for their nonadoption. (NRS 90.785) **Section 11** of this bill removes the requirement to report the reasons for nonadoption.

Existing law generally makes information and records obtained by the Administrator in connection with an investigation confidential but authorizes the disclosure of such information or evidence to the Attorney General or an appropriate district attorney for purposes of prosecution. (NRS 90.730) **Section 9** of this bill similarly authorizes disclosure to an attorney appointed by the Secretary of State pursuant to **section 17** for the purposes of investigating or prosecuting a violation pursuant to **section 2**.

Existing law generally requires certain findings based on evidence presented at a public hearing before the Administrator adopts a regulation or enters an order. (NRS 90.750) **Section 10** of this bill removes orders from that requirement.

Existing law prohibits certain attorneys who prosecute violations of state or local law from defending persons charged with such violations and prohibits certain persons involved in grand jury proceedings from disclosing certain information relating to those proceedings. (NRS 7.105, 172.245) **Sections 14 and 15** of this bill apply those prohibitions to an attorney appointed by the Secretary of State pursuant to **section 17**.

Existing law requires an indictment or information to be signed by the Attorney General acting pursuant to a specific statute or the district attorney. (NRS 173.075) **Section 16** of this bill additionally authorizes an attorney appointed by the Secretary of State pursuant to **section 17** to sign an indictment for an offense that the Secretary of State is authorized to prosecute pursuant to **sections 2 and 13**.

Existing law generally requires a governmental entity to maintain the confidentiality of certain information identifying a person as a donor, member or volunteer of a nonprofit organization, but provides an exception for information relating to certain criminal investigations or prosecutions by the Attorney General, a district attorney or a city attorney. (NRS 239B.027) **Section 18** of this bill extends that exception to a criminal investigation or prosecution by an attorney appointed by the Secretary of State pursuant to **section 17**.

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

Section 1. NRS 90.420 is hereby amended to read as follows:

90.420 1. The Administrator by order may deny, suspend or revoke any license, fine any ***applicant,*** licensed person ~~[,]~~ ***or other person who engages in an activity governed by this chapter,*** limit the activities governed by this chapter that an applicant ***,*** ~~[or]~~ licensed person ***or other person who engages in an activity governed by this chapter*** may perform in this State, bar an applicant ***,*** ~~[or]~~ licensed person ***or other person who engages in an activity governed by this chapter*** from association with a licensed broker-dealer or investment adviser or bar from employment with a licensed broker-dealer or investment adviser a person who is a partner, officer, director, sales representative, investment adviser or representative of an investment adviser, or a person occupying a similar status or performing a similar function for an applicant ***,*** ~~[or]~~ licensed person ~~[,]~~ ***or other person who engages in an activity governed by this chapter,*** if the Administrator finds that the order is

in the public interest and that the applicant ***,*** ~~[or]~~ licensed person ***or other person who engages in an activity governed by this chapter*** or, in the case of a broker-dealer or investment adviser, any partner, officer, director, sales representative, investment adviser, representative of an investment adviser, or person occupying a similar status or performing similar functions or any person directly or indirectly controlling the broker-dealer or investment adviser, or any transfer agent or any person directly or indirectly controlling the transfer agent:

(a) Has filed an application for licensing with the Administrator which, as of its effective date, or as of any date after filing in the case of an order denying effectiveness, was incomplete in a material respect or contained a statement that was, in light of the circumstances under which it was made, false or misleading with respect to a material fact;

(b) Has violated or failed to comply with a provision of this chapter as now or formerly in effect or a regulation or order adopted or issued under this chapter;

(c) Is the subject of an adjudication or determination after notice and opportunity for hearing, within the last 5 years by a securities agency or administrator of another state or a court of competent jurisdiction that the person has violated the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act or the securities law of any other state, but only if the acts constituting the violation of that state's law would constitute a violation of this chapter had the acts taken place in this State;

(d) Has been convicted of a felony or, within the previous 10 years has been convicted of a misdemeanor, which the Administrator finds:

(1) Involves the purchase or sale of a security, taking a false oath, making a false report, bribery, perjury, burglary, robbery or conspiracy to commit any of the foregoing offenses;

(2) Arises out of the conduct of business as a broker-dealer, investment adviser, depository institution, insurance company or fiduciary;

(3) Involves the larceny, theft, robbery, extortion, forgery, counterfeiting, fraudulent concealment, embezzlement, fraudulent conversion or misappropriation of money or securities or conspiracy to commit any of the foregoing offenses; or

(4) Involves moral turpitude;

(e) Is or has been permanently or temporarily enjoined by any court of competent jurisdiction, unless the order has been vacated, from acting as an investment adviser, representative of an investment adviser, underwriter, broker-dealer or as an affiliated

person or employee of an investment company, depository institution or insurance company or from engaging in or continuing any conduct or practice in connection with any of the foregoing activities or in connection with the purchase or sale of a security;

(f) Is or has been the subject of an order of the Administrator, unless the order has been vacated, denying, suspending or revoking the person's license as a broker-dealer, sales representative, investment adviser, representative of an investment adviser or transfer agent;

(g) Is or has been the subject of any of the following orders which were issued within the last 5 years, unless the order has been vacated:

(1) An order by the securities agency or administrator of another state, jurisdiction, Canadian province or territory, the Commodity Futures Trading Commission, or by the Securities and Exchange Commission or a comparable regulatory agency of another country, entered after notice and opportunity for hearing, denying, suspending or revoking the person's license as a broker-dealer, sales representative, investment adviser, representative of an investment adviser or transfer agent;

(2) A suspension or expulsion from membership in or association with a member of a self-regulatory organization;

(3) An order by a self-regulatory organization that prohibits the person from serving, indefinitely or for a specified period, as a principal or in a supervisory capacity within a business or organization which is a member of a self-regulatory organization;

(4) An order of the United States Postal Service relating to fraud;

(5) An order to cease and desist entered after notice and opportunity for hearing by the Administrator, the securities agency or administrator of another state, jurisdiction, Canadian province or territory, the Securities and Exchange Commission or a comparable regulatory agency of another country, or the Commodity Futures Trading Commission; ~~[or]~~

(6) An order by the Commodity Futures Trading Commission denying, suspending or revoking registration under the Commodity Exchange Act; ***or***

(7) A final order entered after notice and opportunity for hearing by an agency of this State, another state or the Federal Government that regulates banking, insurance or other financial services, imposing a sanction on the person for a violation of a law or regulation administered by the agency;

(h) Has engaged in unethical or dishonest practices in the securities business;

(i) Is insolvent, either in the sense that liabilities exceed assets or in the sense that obligations cannot be met as they mature, but the Administrator may not enter an order against a broker-dealer or investment adviser under this paragraph without a finding of insolvency as to the broker-dealer or investment adviser;

(j) Has failed to pay a tax as required pursuant to the provisions of chapter 363A or 363C of NRS;

(k) Is determined by the Administrator in compliance with NRS 90.430 not to be qualified on the basis of lack of training, experience and knowledge of the securities business; or

(l) Has failed reasonably to supervise a sales representative, employee or representative of an investment adviser.

2. The Administrator may not institute a proceeding on the basis of a fact or transaction known to the director when the license became effective unless the proceeding is instituted within 90 days after issuance of the license.

3. If the Administrator finds that an applicant or licensed person is no longer in existence or has ceased to do business as a broker-dealer, sales representative, investment adviser, representative of an investment adviser or transfer agent or is adjudicated incapacitated or subjected to the control of a committee, conservator or guardian or cannot be located after reasonable search, the Administrator may by order deny the application or revoke the license.

Sec. 2. NRS 90.615 is hereby amended to read as follows:

90.615 1. The Attorney General may investigate and prosecute any violation of a provision of this chapter, a regulation adopted pursuant to this chapter, an order denying, suspending or revoking the effectiveness of registration or an order to cease and desist issued by the Administrator.

2. The district attorney of the appropriate county may prosecute any such violation:

(a) At the request of the Attorney General; or

(b) If the Attorney General does not prosecute such a violation.

3. The Secretary of State, acting through an attorney appointed pursuant to subsection 3 of NRS 225.170, may investigate and prosecute:

(a) Any violation described in subsection 1; and

(b) A violation of any other statute if the violation is committed by a person in the course of committing a violation described in paragraph (a).

Sec. 3. NRS 90.630 is hereby amended to read as follows:

90.630 1. If the Administrator reasonably believes, whether or not based upon an investigation conducted under NRS 90.620, that ~~[~~:

~~(a) The sale of a security is subject to registration under this chapter and the security is being offered or has been offered or sold by the issuer or another person in violation of NRS 90.460; or~~

~~(b) A person is acting as a broker-dealer or investment adviser in violation of NRS 90.310 or 90.330,~~

~~.]~~ ***a person has committed or is committing a material violation of this chapter or a regulation or order of the Administrator under this chapter, including, without limitation, a violation involving fraud,*** the Administrator, in addition to any specific power granted under this chapter and subject to compliance with the requirements of NRS 90.820, may issue, without a prior hearing, a summary order against the person engaged in the prohibited activities, directing the person to ***cease and*** desist ~~[and refrain]~~ from ~~[further activity until]~~ the ~~[security is registered or the person is licensed under this chapter.]~~ ***violation.*** The summary order to cease and desist must state the section of this chapter or regulation or order of the Administrator under this chapter which the Administrator reasonably believes has been or is being violated.

2. If the Administrator reasonably believes, whether or not based upon an investigation conducted under NRS 90.620, that a person has violated this chapter or a regulation or order of the Administrator under this chapter, the Administrator, in addition to any specific power granted under this chapter, after giving notice by registered or certified mail and conducting a hearing in an administrative proceeding, unless the right to notice and hearing is waived by the person against whom the sanction is imposed, may ~~[:]~~ ***take one or more of the following actions:***

(a) Issue an order against the person to cease and desist;

(b) Censure the person if he or she is a licensed broker-dealer, sales representative, investment adviser or representative of an investment adviser;

(c) Bar or suspend the person from association with a licensed broker-dealer or investment adviser in this State;

(d) Issue an order against an applicant, licensed person or other person who willfully violates this chapter, imposing a civil penalty of not more than $25,000 for each violation or, if the violation was committed against an older person or vulnerable person, a civil penalty equal to twice the amount of the civil penalty that would otherwise have been imposed pursuant to this paragraph, not to exceed $50,000 for each violation; or

(e) Initiate one or more of the actions specified in NRS 90.640.

3. If the person to whom the notice is addressed pursuant to subsection 2 does not request a hearing within 45 days after receipt of the notice, the person waives the right to a hearing and the Administrator shall issue a permanent order. If a hearing is

requested, the Administrator shall set the matter for hearing not less than 15 days nor more than 60 days after the Administrator receives the request for a hearing. The Administrator shall promptly notify the parties by registered or certified mail of the time and place set for the hearing.

4. ~~[Imposition of the sanctions under this section is limited as follows:~~

~~(a) If the Administrator revokes the license of a broker-dealer, sales representative, investment adviser or representative of an investment adviser or bars a person from association with a licensed broker-dealer or investment adviser under this section or NRS 90.420, the imposition of that sanction precludes imposition of a civil penalty under subsection 2; and~~

~~(b) The imposition by the Administrator of one or more sanctions under subsection 2 with respect to a specific violation precludes the Administrator from later imposing any other sanctions under paragraphs (a) to (d), inclusive, of subsection 2 with respect to the violation.~~

~~5.]~~ For the purposes of determining any sanction to be imposed pursuant to paragraphs (a) to (d), inclusive, of subsection 2, the Administrator shall consider, among other factors, the frequency and persistence of the conduct constituting a violation of this chapter, or a regulation or order of the Administrator under this chapter, the number of persons adversely affected by the conduct and the resources of the person committing the violation.

~~[6.]~~ ***5.*** If a sanction is imposed pursuant to this section, reimbursement for the costs of the proceeding, including investigative costs and attorney's fees incurred, may be ordered and recovered by the Administrator. Money recovered for reimbursement of the investigative costs and attorney's fees must be deposited with the State Treasurer for credit to the State General Fund.

~~[7.]~~ ***6.*** As used in this section:

(a) "Older person" has the meaning ascribed to it in NRS 200.5092.

(b) "Vulnerable person" has the meaning ascribed to it in NRS 200.5092.

Sec. 4. NRS 90.650 is hereby amended to read as follows:

90.650 1. A person who willfully violates:

(a) A provision of this chapter, except NRS 90.600, or who violates NRS 90.600 knowing that the statement made is false or misleading in any material respect;

(b) A regulation adopted pursuant to this chapter; or

(c) An order denying, suspending or revoking the effectiveness of registration or an order to cease and desist issued by the Administrator pursuant to this chapter,

➥ is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 20 years, or by a fine of not more than $500,000, or by both fine and imprisonment, for each violation. In addition to any other penalty, the court shall order the person to pay restitution and may order the person to repay the costs of investigation and prosecution incurred by the Division ***,*** ~~[and]~~ the Office of the Attorney General ~~[.]~~ ***or the Office of the Secretary of State.*** If the violation was committed against an older person or vulnerable person, any restitution and costs of investigation and prosecution imposed by the court must be in an amount equal to twice the amount that would otherwise have been imposed by the court. Money recovered for reimbursement of the costs of investigation and prosecution must be deposited with the State Treasurer for credit to the State General Fund.

2. A person convicted of violating a regulation or order under this chapter may be fined, but must not be imprisoned, if the person proves lack of knowledge of the regulation or order.

3. This chapter does not limit the power of the State to punish a person for conduct which constitutes a crime under other law.

4. As used in this section:

(a) "Older person" has the meaning ascribed to it in NRS 200.5092.

(b) "Vulnerable person" has the meaning ascribed to it in NRS 200.5092.

Sec. 5. NRS 90.703 is hereby amended to read as follows:

90.703 1. Except as otherwise provided in this subsection, a person to whom a court orders restitution pursuant to NRS 90.640 ***or 90.650*** may, not later than 12 months after the date on which such restitution is ordered, apply to the Administrator for compensation from the Fund. The Administrator may waive the time limit prescribed by this subsection for good cause shown.

2. The Administrator or his or her designee shall review each application submitted pursuant to subsection 1 and determine whether to award compensation to the applicant in accordance with the regulations adopted pursuant to NRS 90.708.

3. An applicant aggrieved by a determination of the Administrator or his or her designee made pursuant to subsection 2 may appeal the determination in accordance with the regulations adopted pursuant to NRS 90.708.

4. The Administrator or his or her designee may request that an applicant submit to the Division any additional information or

documentation necessary to enable the Administrator or his or her designee to make the determination required by subsection 2. As soon as practicable after receiving such a request, the applicant shall submit to the Division any information or documentation requested.

5. Any information or documentation contained in an application submitted to the Administrator pursuant to subsection 1 or to the Division pursuant to subsection 4 is confidential and, unless the disclosure is otherwise prohibited by law, must not be disclosed except:

(a) Upon the request of the applicant or the attorney of the applicant;

(b) In the necessary administration of this chapter; or

(c) Upon the lawful order of a court of competent jurisdiction.

Sec. 6. NRS 90.705 is hereby amended to read as follows:

90.705 1. Money for payment of compensation as awarded by the Administrator pursuant to NRS 90.703 must be paid from the Fund for the Compensation of Victims of Securities Fraud, which is hereby created. Money in the Fund must be disbursed by the Division in the same manner as other claims against the State are paid, in accordance with the regulations adopted pursuant to NRS 90.708.

2. The Division shall prepare quarterly estimates of:

(a) The money in the Fund which is available for the payment of compensation; and

(b) The anticipated expenses of the Fund for the next fiscal quarter.

3. The interest and income earned on the money in the Fund, after deducting any applicable charges, must be credited to the Fund.

4. The Division may apply for and accept gifts, grants and donations from any source for deposit in the Fund.

5. ***All money received by the Division or the Administrator as payment of an administrative fine or civil penalty imposed by the Administrator pursuant to this chapter must be deposited with the State Treasurer for credit to the Fund.***

6. Any money remaining in the Fund at the end of each fiscal year does not revert to the State General Fund and must be carried forward to the next fiscal year.

Sec. 7. NRS 90.708 is hereby amended to read as follows:

90.708 The Division shall adopt any regulations necessary to carry out the provisions of NRS 90.701 to 90.709, inclusive, including, without limitation, regulations:

1. Establishing eligibility requirements for an award of compensation from the Fund.

2. Establishing a form and procedure for applying for an award of compensation from the Fund. The form must include, without limitation, an indication of the amount of money the applicant has received or is likely to receive as restitution for the financial harm suffered as a result of the commission of a violation of this chapter or a regulation or order of the Administrator under this chapter, pursuant to NRS 90.640 ~~[.]~~ ***or 90.650.***

3. Establishing the order of priority in which the Administrator or his or her designee must:

(a) Review applications submitted pursuant to NRS 90.703; and

(b) Award compensation to an applicant, if applicable.

4. Prescribing standards for the amount of compensation the Administrator or his or her designee may award from the Fund. Such standards must include, without limitation, a requirement that such compensation must not exceed the lesser of $25,000 or an amount equal to 25 percent of the amount of unpaid restitution awarded by a court.

5. Establishing a procedure to appeal a determination made by the Administrator or his or her designee pursuant to NRS 90.703.

Sec. 8. NRS 90.710 is hereby amended to read as follows:

90.710 1. This chapter must be administered by the Secretary of State and the Administrator. The Secretary of State may employ personnel necessary to administer the provisions of this chapter.

2. Except as otherwise provided in subsections 3 ***,*** ~~[and]~~ 4 ***and 5*** of NRS 90.705 and subsection 2 of NRS 90.707, all money received by the Division or the Administrator pursuant to this chapter must be deposited with the State Treasurer for credit to the State General Fund.

Sec. 9. NRS 90.730 is hereby amended to read as follows:

90.730 1. Except as otherwise provided in subsection 2, information and records filed with or obtained by the Administrator are public information and are available for public examination.

2. Except as otherwise provided in subsections 3 and 4 and NRS 239.0115, the following information and records do not constitute public information under subsection 1 and are confidential:

(a) Information or records obtained by the Administrator in connection with an investigation concerning possible violations of this chapter; and

(b) Information or records filed with the Administrator in connection with a registration statement filed under this chapter or a report under NRS 90.390 which constitute trade secrets or commercial or financial information of a person for which that person is entitled to and has asserted a claim of privilege or confidentiality authorized by law.

3. The Administrator may submit any information or evidence obtained in connection with an investigation to ***:*** ~~[the:]~~

(a) ***The*** Attorney General or appropriate district attorney for the purpose of prosecuting a criminal action under this chapter; ~~[and]~~

(b) ***An attorney appointed pursuant to subsection 3 of NRS 225.170 for the purpose of investigating or prosecuting a violation pursuant to NRS 90.615; and***

(c) The Department of Taxation for its use in carrying out the provisions of chapters 363A and 363C of NRS.

4. The Administrator may disclose any information obtained in connection with an investigation pursuant to NRS 90.620 to the agencies and administrators specified in subsection 1 of NRS 90.740 but only if disclosure is provided for the purpose of a civil, administrative or criminal investigation or proceeding, and the receiving agency or administrator represents in writing that under applicable law protections exist to preserve the integrity, confidentiality and security of the information.

5. This chapter does not create any privilege or diminish any privilege existing at common law, by statute, regulation or otherwise.

Sec. 10. NRS 90.750 is hereby amended to read as follows:

90.750 1. The Administrator may adopt regulations further defining such words and terms as are necessary for an understanding of the provisions of this chapter and any regulations adopted pursuant thereto.

2. To keep regulations adopted by the Administrator in harmony with the regulations adopted by the Securities and Exchange Commission under the federal securities laws and to encourage uniformity with the regulations of securities agencies and administrators in other states, the Administrator, so far as is consistent with this chapter, shall take into consideration:

(a) The regulations adopted by the Securities and Exchange Commission;

(b) The regulations of securities agencies and administrators in other states that enact a law comparable to this chapter; and

(c) Any model rule, regulation, exemption or like provision adopted by the North American Securities Administrators Association.

3. Unless other criteria are specifically provided in this chapter or special provision is made for an emergency, a regulation ~~[or order]~~ may not be adopted ~~[or entered]~~ unless the Administrator determines from evidence adduced at a public hearing and entered in the record, showing specifically how the applicable criteria are satisfied, that the action is:

(a) In the public interest and appropriate for the protection of investors; and

(b) Consistent with the purposes fairly intended by the provisions of this chapter.

4. The Administrator may use his or her own experience, technical competence, specialized knowledge, and judgment in the adoption of a regulation.

5. The Administrator by regulation or order may prescribe:

(a) The form and content of financial statements required under this chapter;

(b) The circumstances under which consolidated financial statements must be filed; and

(c) Whether a required financial statement must be certified and by whom.

➥ Unless the Administrator by regulation or order provides otherwise, a financial statement required under this chapter must be prepared in accordance with generally accepted accounting principles or other accounting principles as are prescribed for the issuer of the financial statement by the Securities and Exchange Commission.

Sec. 11. NRS 90.785 is hereby amended to read as follows:

90.785 1. On or before August 15 of each even-numbered year, the Administrator shall:

(a) Submit a written report to the Director of the Legislative Counsel Bureau for submission to the Legislative Commission; and

(b) Publish the report described in paragraph (a) on an Internet website of the Secretary of State or by similar means.

2. The report must include, without limitation:

(a) A summary of the states that adopted a model rule, regulation, exemption or like provision of the North American Securities Administrators Association within the 5 years immediately preceding the publication of the report described in subsection 1;

(b) A summary of the states that did not adopt a model rule, regulation, exemption or like provision of the North American Securities Administrators Association within the 5 years immediately preceding the publication of the report described in subsection 1 **;** ~~**[**, and the reasoning why each state did not adopt any such model rule, regulation, exemption or like provision;**]**~~

(c) A determination of whether the Division has the resources necessary to achieve its objectives; and

(d) Any recommendations for legislation relating to the protection of investors in this State.

Sec. 12. NRS 90.800 is hereby amended to read as follows:

90.800 1. As an alternative to provisions of chapter 233B of NRS for contested cases, the Administrator may commence a proceeding under NRS 90.420, 90.510 or 90.550 by entering a summary order. This order may be entered without notice, without opportunity for hearing, and need not be supported by findings of fact or conclusions of law, but must be in writing.

2. Upon entry of summary order the Administrator shall promptly notify in writing all parties against whom action is taken or contemplated that the summary order has been entered and the reasons therefor. The Administrator shall send all parties against whom action is taken a notice of opportunity for hearing on the matters set forth in the order. The notice must state that the parties have 15 days after receipt of the notice to mail a written request for a hearing to the Administrator.

3. The Administrator shall set the matter for hearing no more than 60 nor less than 15 days from the receipt of the request for hearing, and shall promptly notify the parties of the time and place for hearing. The time of the hearing may be continued upon the written request of ~~[the licensee]~~ ***a party against whom action is taken or contemplated*** for good cause shown.

4. The Administrator may by order make a summary order final:

(a) Fifteen days after a party against whom action is taken or contemplated receives notice of the right to request a hearing if that party fails to request a hearing; or

(b) If a party fails to appear at the hearing on the date set for a hearing.

5. If a hearing is requested, the Administrator may:

(a) Extend the summary order until final determination of the matter; or

(b) After further notice of the opportunity for prior hearing to all parties against whom action is taken or contemplated, modify or vacate the summary order.

6. Notice is complete upon delivery personally to the party or by mailing by certified mail to the last known address of the party. If the party is a sales representative, the Administrator shall also notify the broker-dealer with whom the sales representative is associated of the action by certified mail.

Sec. 13. NRS 91.340 is hereby amended to read as follows:

91.340 1. Except as otherwise provided in subsection 2, a person who willfully violates:

(a) Any provision of this chapter; or

(b) Any regulation or order of the Administrator under this chapter,

➥ is guilty of a category C felony and shall be punished as provided in NRS 193.130, or by a fine of not more than $20,000, or by both fine and the punishment provided in NRS 193.130, for each violation. In addition to any other penalty, the court shall order the person to pay restitution.

2. A person convicted of violating a regulation or order under this chapter may be fined, but must not be imprisoned, if the person proves the person had no knowledge of the regulation or order.

3. The Administrator may refer such evidence as is available concerning violations of this chapter or any regulation or order of the Administrator to ~~[the]~~ ***:***

(a) The Attorney General or the proper district attorney, who may, with or without such a reference from the Administrator, institute the appropriate criminal proceeding under this chapter ~~[.]~~ ***; or***

(b) An attorney appointed pursuant to subsection 3 of NRS 225.170, who may, with or without such a reference from the Administrator, investigate and prosecute:

(1) Any violation described in subsection 1; and

(2) A violation of any other statute if the violation is committed by a person in the course of committing a violation described in subsection 1.

Sec. 14. NRS 7.105 is hereby amended to read as follows:

7.105 1. Except as otherwise provided in subsections 2 and 3 and NRS 7.065:

(a) The Attorney General and every city attorney, district attorney and the deputies and assistants of each, hired or elected to prosecute persons charged with the violation of any ordinance or any law of this State; ~~[and]~~

(b) The Legislative Counsel and every attorney employed in the Legislative Counsel Bureau, without the consent of the Legislative Commission ~~[.]~~ ***; and***

(c) An attorney appointed pursuant to subsection 3 of NRS 225.170,

➥ shall not, during their terms of office or during the time they are so employed, in any court of this State, accept an appointment to defend, agree to defend or undertake the defense of any person charged with the violation of any ordinance or any law of this State.

2. Except as otherwise provided by city charter, a city attorney and his or her deputies and assistants may defend a person in a criminal proceeding with or without compensation if:

(a) The criminal proceeding is held in a jurisdiction outside of the jurisdiction where the attorney serves as a prosecutor;

(b) The attorney obtains the prior consent of the defendant; and

(c) The attorney obtains the prior consent of:

(1) If the attorney is a city attorney, the governing body of the city for which the attorney serves as city attorney; or

(2) If the attorney is a deputy or assistant of a city attorney, the city attorney and the governing body of the city for which the attorney serves as a deputy or assistant city attorney.

3. An attorney who has been appointed to prosecute a person for a limited duration with limited jurisdiction may accept an appointment or otherwise engage in private employment to defend any other person charged with the violation of any ordinance or any law of this State, unless providing the defense would result in a direct, legal or ethical conflict of interests with the attorney's appointment to prosecute.

Sec. 15. NRS 172.245 is hereby amended to read as follows:

172.245 1. The disclosure of:

(a) Evidence presented to the grand jury;

(b) Information obtained by the grand jury;

(c) The results of an investigation made by the grand jury; and

(d) An event occurring or a statement made in the presence of the grand jury other than its deliberations and the vote of a juror,

➥ may be made to the district attorney for use in the performance of the district attorney's duties.

2. Except as otherwise provided in subsection 3, the Attorney General or a member of the Attorney General's staff, ~~[a grand juror,]~~ district attorney or member of the district attorney's staff, ***an attorney appointed pursuant to subsection 3 of NRS 225.170, grand juror,*** peace officer, clerk, stenographer, interpreter, witness or other person invited or allowed to attend the proceedings of a grand jury shall not disclose:

(a) Evidence presented to the grand jury;

(b) An event occurring or a statement made in the presence of the grand jury;

(c) Information obtained by the grand jury; or

(d) The results of an investigation made by the grand jury.

3. A person may disclose his or her knowledge concerning the proceedings of a grand jury:

(a) When so directed by the court preliminary to or in connection with a judicial proceeding;

(b) When permitted by the court at the request of the defendant upon a showing that grounds may exist for a motion to dismiss the presentment or indictment because of matters occurring before the grand jury;

(c) If the person was a witness before the grand jury and is disclosing his or her knowledge of the proceedings to the person's own attorney; or

(d) As provided in NRS 172.225.

4. No obligation of secrecy may be imposed upon any person except in accordance with this section. The court may direct that a presentment or indictment be kept secret until the defendant is in custody or has been given bail, and the clerk shall seal the presentment or indictment. It is unlawful for any person to disclose the finding of the secret presentment or indictment except when necessary for the issuance and execution of a warrant or summons.

5. A person who violates any of the provisions of this section is guilty of a gross misdemeanor and contempt of court.

6. The Attorney General or district attorney shall investigate and prosecute a violation of this section.

7. The grand jury shall inform each person who appears before the grand jury of the provisions of this section and the penalties for its violation.

Sec. 16. NRS 173.075 is hereby amended to read as follows:

173.075 1. The indictment or the information must be a plain, concise and definite written statement of the essential facts constituting the offense charged. It must be signed by the Attorney General acting pursuant to a specific statute or the district attorney. ***An indictment may also be signed by an attorney appointed pursuant to subsection 3 of NRS 225.170 if the Secretary of State is authorized to prosecute the offense pursuant to NRS 90.615 or 91.340.*** It need not contain a formal commencement, a formal conclusion or any other matter not necessary to the statement.

2. Allegations made in one count may be incorporated by reference in another count. It may be alleged in a single count that the means by which the defendant committed the offense are unknown or that the defendant committed it by one or more specified means.

3. The indictment or information must state for each count the official or customary citation of the statute, rule, regulation or other provision of law which the defendant is alleged therein to have violated. Error in the citation or its omission is not a ground for dismissal of the indictment or information or for reversal of a conviction if the error or omission did not mislead the defendant to the defendant's prejudice.

Sec. 17. NRS 225.170 is hereby amended to read as follows:

225.170 1. There is hereby created within the Office of the Secretary of State a Securities Division. The Deputy of Securities shall serve as the Administrator of the Division.

2. The Secretary of State may, alternatively:

(a) Use the services of an assigned deputy attorney general as legal counsel for the Division.

(b) Appoint an attorney as legal counsel for the Division. If appointed, he or she is in the unclassified service of the State.

(c) Contract for services to be rendered by such other legal counsel as are needed for assistance in administering chapter 90 of NRS.

3. ***In addition to obtaining legal counsel pursuant to subsection 2, the Secretary of State may appoint one or more attorneys to investigate and prosecute any violation that the Secretary of State is authorized to investigate and prosecute pursuant to NRS 90.615 or 91.340. Each attorney appointed pursuant to this subsection is in the unclassified service of the State.***

4. The authority conferred upon the Secretary of State pursuant to NRS 90.615 and 91.340 is concurrent with the authority of the Attorney General and the district attorney of the appropriate county. The Secretary of State may exercise that authority without leave of court and without the request, consent, approval or delegation of the authority of the Attorney General or a district attorney.

5. When an attorney appointed pursuant to subsection 3 is acting in a criminal matter pursuant to NRS 90.615 or 91.340 and a statutory duty or right is provided for a district attorney related to the prosecution of the offense, the statutory provision applies to the appointed attorney as it would apply to the district attorney if the district attorney were conducting the prosecution.

6. An attorney appointed pursuant to subsection 3 who is acting pursuant to NRS 90.615 or 91.340 may appear before a grand jury and present evidence concerning an offense that the attorney is authorized to investigate or prosecute pursuant to NRS 90.615 or 91.340, examine witnesses before the grand jury, draw indictments or presentments for the grand jury and thereafter conduct the proceedings.

7. Each ~~[of the]~~ legal counsel ~~[must be an]~~ ***or*** attorney ***appointed pursuant to this section must be*** admitted to practice law in Nevada.

Sec. 18. NRS 239B.027 is hereby amended to read as follows:

239B.027 1. Except as otherwise provided in subsection 3, a governmental entity shall maintain in a confidential manner any personal information that identifies a person as a donor, member or volunteer of a nonprofit organization.

2. Except as otherwise provided in subsection 3, a governmental entity shall not:

(a) Require any person or nonprofit organization to provide the governmental entity with personal information that identifies a person as a donor, member or volunteer of a nonprofit organization or otherwise compel the release of such personal information;

(b) Release, publicize or otherwise publicly disclose personal information in possession of the governmental entity that identifies a person as a donor, member or volunteer of a nonprofit organization; or

(c) Request or require a current or prospective contractor or grantee working with the governmental entity to provide a list of nonprofit organizations to which the contractor or grantee has provided financial support or in-kind services or goods.

3. The provisions of subsections 1 and 2 do not apply to personal information that identifies a person as a donor, member or volunteer of a nonprofit organization that is requested, obtained, released or disclosed as a result of any of the following:

(a) Any personal information required to be disclosed by statute or regulation for the purpose of complying with federal law;

(b) Any information, report or disclosure required to be:

(1) Filed with the Secretary of State pursuant to title 7 of NRS provided that, except as otherwise provided in this subsection, any information that directly identifies a person as a donor of financial support to a nonprofit organization must not be collected or disclosed; or

(2) Disclosed pursuant to any statute, regulation or ordinance for a person or nonprofit organization to qualify for, operate or engage in a business activity in this State or in a city or county in this State;

(c) Any report or disclosure required to be filed pursuant to chapter 294A of NRS;

(d) Any confidential information shared pursuant to NRS 232.357;

(e) Any lawful warrant for personal information issued by a court of competent jurisdiction;

(f) Any lawful request for personal information in connection with discovery proceedings if:

(1) The relevant and probative value of the information requested outweighs its prejudicial effect; and

(2) The requester obtains a protective order from the court barring the disclosure of such information to any person not named in the proceedings;

(g) Any personal information voluntarily released by a person to the governmental entity or any personal information voluntarily released by a nonprofit organization to the public;

(h) Any personal information admitted as evidence before a court of competent jurisdiction, if the court finds there is good cause for the public release of such information;

(i) Any contract, resolution or agreement entered into by a nonprofit organization with a governmental entity, including for

purposes of obtaining a governmental benefit or grant, whereby the governmental entity is authorized to or any statute which expressly authorizes a governmental entity to inspect the records of the nonprofit organization, including, without limitation, a contract, resolution or agreement entered into pursuant to NRS 427A.085, 433.354, 433B.220 or 439.155 or a request for a screening submitted pursuant to NRS 179A.325;

(j) Any report required to be filed by a nonprofit organization and posted by the Department of Human Services on the Internet website maintained by the Department pursuant to NRS 439B.665 and 439B.670;

(k) Any information required to be filed by a nonprofit organization of surplus line brokers with the Commissioner of Insurance pursuant to NRS 685A.075;

(l) Any information submitted to a governmental entity by a national securities association that is registered pursuant to 15 U.S.C. § 78o-3 or any regulation adopted pursuant thereto, including, without limitation, any information submitted to the Secretary of State pursuant to chapters 90 and 91 of NRS and any regulations adopted pursuant thereto for the purposes of licensing, registration, examination, investigation or enforcement;

(m) Any requirement to disclose the relationship between a public officer or employee and a nonprofit organization pursuant to NRS 281A.420, as a response to a lawful request or subpoena in an investigation or as part of or in response to a request for an advisory opinion submitted pursuant to NRS 281A.670 to 281A.690, inclusive, or an ethics complaint filed or initiated pursuant to NRS 281A.700 to 281A.790, inclusive;

(n) Any information submitted to or requested by the Nevada Gaming Control Board pursuant to NRS 462.160 for the purposes of the licensing or registration of a charitable lottery or charitable game, provided that any information collected is confidential as provided in NRS 463.120;

(o) A request for information:

(1) Required by the Attorney General for an audit, examination, review or investigation conducted pursuant to NRS 82.536, provided that:

(I) Such information must only be used in connection with the specific audit, examination, review or investigation to which the request is related and for any related proceedings; and

(II) Such information otherwise remains subject to the provisions of this section, unless expressly required by law to be publicly disclosed;

(2) Relating to the authority to exercise the power of the Secretary of State or the power of the Attorney General in the areas

of consumer protection pursuant to NRS 228.380, including, without limitation, the provisions of NRS 90.615, 597.262, 597.8198, 598C.180, 599B.015, and 599B.213 to 599B.245, inclusive, and chapters 598, 598A and 711 of NRS, provided that such information is otherwise subject to the requirements of this section, unless expressly required by law to be publicly disclosed;

(3) Relating to a criminal investigation or prosecution by the Attorney General, a district attorney on behalf of a county ***,*** ~~[or]~~ a city attorney on behalf of a city ~~[,]~~ ***or an attorney appointed pursuant to subsection 3 of NRS 225.170 acting pursuant to NRS 90.615 or 91.340,*** where there is credible evidence that a crime has been or is being committed or for information relating to any authorized civil investigation or inquiry undertaken by the Attorney General, district attorney or city attorney, as applicable, provided that any personal information obtained in such an investigation or prosecution must remain confidential unless its disclosure is expressly required by law to be publicly disclosed or is necessary to publicize in a court pleading or submission of evidence to a court; or

(4) Connected with a constituent complaint submitted to the Attorney General; and

(p) The names of members of a labor organization and the amount of dues collected by a governmental entity that are provided to the labor organization for the purposes of collecting and reporting the remittance of dues to the labor organization from its members, in accordance with a valid authorization to withhold dues.

4. Any person who alleges that the person has been harmed by a governmental entity or an officer or employee of a governmental entity that has violated the provisions of subsection 1 or 2 may bring a civil action in a court of competent jurisdiction. To prevail, the person must prove to the court that the governmental entity or officer or employee of the governmental entity caused harm to the person by violating the provisions of subsection 1 or 2 where the governmental entity or officer or employee thereof knew or should have known such actions violated the provisions of subsection 1 or 2. If the person prevails, the person is entitled to receive any or all of the following relief:

(a) Injunctive relief as the court deems appropriate;

(b) Costs incurred in bringing the action, including, without limitation, reasonable attorney's fees;

(c) Except as otherwise provided in paragraph (d), the greater of actual damages or statutory damages equal to:

(1) For a first offense committed against the person, $1,000;

(2) For a second offense committed against the person, $5,000; and

(3) For a third or any subsequent offense committed against the person, $10,000; and

(d) If the court determines that a governmental entity or officer or employee of a governmental entity acted recklessly or willfully to violate the provisions of this section, the court may award treble the amount of the damages assessed pursuant to paragraph (c).

5. For the purposes of this section:

(a) "Personal information that identifies a person as a donor, member or volunteer of a nonprofit organization":

(1) Includes, without limitation, any list, record, register, roster or other data of any kind that includes a donation, name, address or telephone number that directly or indirectly identifies a person as a donor of financial support or in-kind services or goods, a member or a volunteer of any nonprofit organization; and

(2) Does not include information that identifies a person as a staff member, employee or contractor of a nonprofit organization.

(b) An entity that has submitted an application with the Internal Revenue Service for recognition as a tax exempt entity pursuant to section 501(c) of the Internal Revenue Code, 26 U.S.C. § 501(c), meets the definition of "nonprofit organization" set forth in subsection 6 only if the governmental entity receives actual notice from the entity of the pending application.

6. As used in this section:

(a) "Governmental entity" has the meaning ascribed to it in NRS 239.005.

(b) "Labor organization" has the meaning ascribed to it in NRS 288.048.

(c) "Nonprofit organization" means:

(1) An organization which qualifies as tax exempt pursuant to section 501(c) of the Internal Revenue Code, 26 U.S.C. § 501(c); and

(2) Any entity that has submitted an application with the Internal Revenue Service for recognition as a tax exempt entity pursuant to section 501(c) of the Internal Revenue Code, 26 U.S.C. § 501(c).

Sec. 19. 1. This section becomes effective upon passage and approval.

2. Sections 1 to 18, inclusive, of this act become effective:

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

(b) On January 1, 2028, for all other purposes.

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