Assembly Bill No. 239–Assemblymember Dalia

CHAPTER.....

AN ACT relating to business entities; revising provisions relating to notice or other communications by business entities; making a conforming change relating to fiduciary duties owed by directors and officers of a corporation; revising provisions governing voting relating to the approval of a reverse stock split of a corporation; removing certain provisions governing the issuance of shares of a corporation; making changes to certain approvals by a board of directors; clarifying provisions relating to voting agreements by stockholders; revising provisions governing the amendment of articles of incorporation after issuance of stock; revising certain terms relating to business entities; revising provisions relating to the last known address of members and managers of a limited-liability company and the dissolution of a limited-liability company; establishing a process by which a corporation may reorganize through the formation of a holding corporation; revising provisions relating to the approval of a plan of merger, conversion or exchange of a domestic corporation and the conversion of a domestic entity into a foreign entity; revising provisions governing the right of a stockholder to dissent from certain corporate actions; making various other changes relating to business entities; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law sets forth various provisions governing business entities, including private corporations and limited-liability companies. (Chapters 78 and 86 of NRS) This bill makes various changes to business entities.

Section 1 of this bill clarifies that the inclusion of certain materials provided with a notice or other communication by a business entity are deemed to be part of the notice or communication. **Section 1.5** of this bill authorizes the articles of incorporation of a corporation to require certain internal actions to be tried before a judge and not a jury. **Section 2** of this bill makes a conforming change relating to the fiduciary duties of directors and officers of a private corporation for consistency within existing law.

Sections 3 and 4 of this bill require that votes relating to the approval of a reverse stock split be approved by the vote of the relevant stockholders of such a class or series of stock. **Sections 5 and 9** of this bill remove the phrase "share dividend" from provisions governing the issuance of shares of a private corporation. **Section 5.5** of this bill sets forth provisions relating to the fiduciary duties of certain stockholders of a corporation, limits the individual liability of a stockholder of a corporation under certain circumstances and defines certain terms for such purposes.

Section 6 of this bill authorizes a board of directors of a private corporation to take certain actions in final form or such preliminary form as the directors deem appropriate in their business judgment.

Section 7 of this bill: (1) provides that voting agreements entered into by stockholders may include a private corporation; and (2) makes conforming changes authorizing the reference in such an agreement to facts or events outside of the agreement as provided in existing law. **Section 8** of this bill: (1) provides that a proposed amendment to the articles of incorporation of a private corporation after the issuance of stock that designates one or more new series of an existing class does not adversely alter or change the preferences or rights of the existing series; and (2) authorizes a publicly traded corporation to amend its articles of incorporation to increase or decrease the shares it is authorized to issue through a stockholder vote.

Section 11 of this bill clarifies the notice required if the approval of a dissolution of a corporation was obtained by written consent and replaces the phrase "certificate of dissolution" with "articles of dissolution" for purposes of provisions relating to the dissolution of a corporation. **Sections 10-12, 15 and 18-21** of this bill make conforming changes to reference "articles of dissolution" for purposes of provisions relating to the dissolution of a corporation or a limited-liability company, as applicable. **Section 13** of this bill makes a conforming change to replace "certificate of dissolution" with "record of dissolution." **Section 16** of this bill provides an effective date and time for filing the articles of dissolution of a limited-liability company.

Sections 14 and 17 of this bill provide for either the residence or business address of members and managers of a limited-liability company to be listed for certain records.

Section 22 of this bill establishes a new process by which a corporation may: (1) reorganize through the formation of a holding corporation; and (2) issue stockholders shares in the new holding corporation in exchange for their previous shares. **Section 23** of this bill: (1) revises the steps required for a board of directors to approve a plan of merger, conversion or exchange; and (2) removes provisions of existing law which allowed for the board to cancel a proposed meeting to consider or remove a plan of merger, conversion or exchange. **Section 24** of this bill makes a conforming change relating to voting for purposes of the new process of reorganization into a holding corporation.

Section 25 of this bill makes a technical change relating to one domestic entity converting into one foreign entity.

Section 26 of this bill provides that the right to dissent is the exclusive remedy for stockholders who have the ability to dissent from a particular corporate action.

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

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

Section 1. NRS 75.150 is hereby amended to read as follows:

75.150 1. Except as otherwise provided by specific statute:

(a) Any notice or other communication described in this title may be given or sent by any method of delivery ~~[,]~~ and ***each agreement, instrument, certificate or other document enclosed***

with, or annexed or appended to, such notice or other communication shall be deemed part of the notice or communication solely for purposes of determining whether notice was duly given under this title and the organic rules of the entity giving or sending the notice or other communication; and

(b) An electronic transmission must be in accordance with this section.

2. A notice or other communication given or sent pursuant to the organic law or organic rules of an entity may be delivered by electronic transmission if:

(a) Consented to by the recipient or authorized by subsection 9; and

(b) The electronic transmission contains or is accompanied by information from which the recipient can determine the date of the transmission.

3. Any consent under subsection 2 may be revoked by the person who consented by written or electronic notice to the person to whom the consent was delivered. Any such consent is deemed revoked if:

(a) The person is unable to receive two consecutive electronic transmissions given by the entity or organization in accordance with such consent; and

(b) Such inability becomes known to the secretary of the entity sending the electronic transmissions or to the transfer agent or other person responsible for the giving of notice or other communications.

➥ The inadvertent failure to treat any such inability as a revocation does not invalidate any meeting or other action.

4. Unless otherwise agreed between sender and recipient, an electronic transmission is received when:

(a) It enters an information processing system that the recipient has designated or uses for the purpose of receiving electronic transmissions or information of the type sent; and

(b) It is in a form ordinarily capable of being processed by that system.

5. Receipt of an electronic acknowledgment from an information processing system described in paragraph (a) of subsection 4 establishes that an electronic transmission was received but, by itself, does not establish that the content sent corresponds to the content received.

6. An electronic transmission is received under this section even if no natural person is aware of its receipt.

7. Except as otherwise provided by specific statute, any notice or other communication, if in a comprehensible form or manner, is effective at the earliest of the following:

(a) If in a physical form, when it is left at:

(1) The address of a stockholder, member, partner or other owner of an entity, whichever is applicable, as it appears upon the records of the entity;

(2) The residence or usual place of business of a director, manager or general partner, whichever is applicable;

(3) The entity's principal place of business; or

(4) If to a recipient other than a stockholder, director, member, partner or other owner of an entity or an entity, such person's residence or usual place of business;

(b) If mailed by United States mail postage prepaid and correctly addressed to a stockholder, member, partner or other owner of an entity, upon deposit in the United States mail;

(c) If mailed by United States mail postage prepaid and correctly addressed to a recipient other than a stockholder, member, partner or other owner of an entity, the earliest of:

(1) If sent by registered or certified mail, return receipt requested, the date shown on the return receipt signed by or on behalf of the addressee; or

(2) Five days after it is deposited in the United States mail;

(d) If an electronic transmission, when it is received as provided in subsection 4; and

(e) If oral, when communicated.

➥ In the absence of fraud, an affidavit of the secretary of the entity or the transfer agent or any other agent of the entity that the notice has been given by a form of electronic transmission is prima facie evidence of the facts stated in the affidavit.

8. A notice or other communication may be in the form of an electronic transmission that cannot be directly reproduced in paper form by the recipient through an automated process used in conventional commercial practice only if:

(a) The electronic transmission is otherwise retrievable in perceivable form; and

(b) The sender and the recipient have consented in writing to the use of such form of electronic transmission.

9. If any provision of this title prescribes requirements for notices or other communication in particular circumstances, those requirements govern. If the organic rules of an entity prescribe requirements for notices or other communications, not inconsistent with this section or other provisions of this title, those requirements

govern. The organic rules of an entity may authorize, require or prohibit delivery of notices of meetings of directors, managers, members, partners or other owners of the entity by electronic transmission.

10. In the event that any provisions of this section are deemed to modify, limit or supersede the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001 et seq., the provisions of this section shall be deemed to control to the maximum extent permitted by section 102(a)(2) of that Act, 15 U.S.C. § 7002(a)(2).

11. As used in this section:

(a) "Entity" has the meaning ascribed to it in NRS 77.060.

(b) "Organic law" has the meaning ascribed to it in NRS 77.170.

(c) "Organic rules" has the meaning ascribed to it in NRS 77.180.

Sec. 1.5. NRS 78.046 is hereby amended to read as follows:

78.046 1. The articles of incorporation or bylaws of a corporation may require, to the extent not inconsistent with any applicable jurisdictional requirements and the laws of the United States, that any, all or certain:

(a) Concurrent jurisdiction actions must be brought solely or exclusively in the court or courts specified in the requirement; and

(b) Internal actions must be brought solely or exclusively in the court or courts specified in the requirement, which must include at least one court in this State.

2. Unless otherwise expressly set forth in the articles of incorporation or bylaws, any requirement described in subsection 1 must not be interpreted as prohibiting any corporation from consenting, or requiring any corporation to consent, to any alternative forum in any instance.

3. The provisions of this section do not create or authorize any cause of action against a corporation **,** ~~[or]~~ its directors or officers ~~[.]~~ ***or any controlling stockholder.***

4. ***The articles of incorporation of a corporation may require, to the extent not inconsistent with any applicable laws of the United States, that any, all or certain internal actions to be tried in any court of this State must be tried before the presiding judge as the trier of fact and not before a jury. Upon and during its effectiveness, any such requirement must conclusively operate as a waiver of the right to trial by jury by each party to any internal action to which such requirement applies. Nothing in this section or any such requirement shall be construed as to limit or***

otherwise affect any right to a jury trial in any action, suit or proceeding that is not an internal action.

5. As used in this section:

(a) "Concurrent jurisdiction action" means any action, suit or proceeding against the corporation or any of its directors or officers, that:

(1) Asserts a cause of action under the laws of the United States;

(2) Could be properly commenced in either a federal forum or a forum of this State or any other state; and

(3) Is brought by or in the name or on behalf of:

(I) The corporation;

(II) Any stockholder of the corporation; or

(III) Any subscriber for, or purchaser or offeree of, any shares or other securities of the corporation.

(b) ***"Controlling stockholder" has the meaning ascribed to it in NRS 78.240.***

(c) "Court" means any court of:

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

(2) A state other than this State; or

(3) The United States.

~~[(c)]~~ ***(d)*** "Internal action" means any action, suit or proceeding:

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

(2) For or based upon any breach of any fiduciary duty owed by any director, officer ~~[, employee]~~ or ~~[agent]~~ ***controlling stockholder*** of the corporation in such capacity; or

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

Sec. 2. NRS 78.138 is hereby amended to read as follows:

78.138 1. The fiduciary duties of directors and officers are to exercise their respective powers in good faith ***, on an informed basis*** and with a view to the interests of the corporation.

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

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

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

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

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

3. Except as otherwise provided in subsection 1 of NRS 78.139, directors and officers, in deciding upon matters of business, are presumed to act in good faith, on an informed basis and with a view to the interests of the corporation. A director or officer is not individually liable for damages as a result of an act or failure to act in his or her capacity as a director or officer except as described in subsection 7.

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

(a) Consider all relevant facts, circumstances, contingencies or constituencies, which may include, without limitation, one or more of the following:

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

(2) The economy of the State or Nation;

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

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

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

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

5. Directors and officers are not required to consider, as a dominant factor, the effect of a proposed corporate action upon any

particular group or constituency having an interest in the corporation.

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

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

(a) The presumption established by subsection 3 has been rebutted; and

(b) It is proven that:

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

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

8. This section applies to all cases, circumstances and matters, including, without limitation, any change or potential change in control of the corporation unless otherwise provided in the articles of incorporation or an amendment thereto.

Sec. 3. 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) 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 ~~[,]~~ ***and unless the articles of incorporation require a greater proportion,*** 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]~~ ***:***

(a) If the corporation is a publicly traded corporation, by the vote of the stockholders of each class or series whose preference or rights are adversely affected by the decrease; or

(b) If the corporation is not a publicly traded corporation, 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 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 the articles of incorporation specifically deny the right to vote on such a decrease.

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

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

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

➥ any stockholder who is obligated, as a result of the corporate action taken pursuant to this section, to accept money or scrip rather than receive a fraction of a share in exchange for the cancellation of all the stockholder's outstanding shares, may dissent in accordance with the provisions of NRS 92A.300 to 92A.500, inclusive, and

obtain payment of the fair value of the fraction of a share to which the stockholder would otherwise be entitled.

Sec. 4. NRS 78.207 is hereby amended to read as follows:

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

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

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

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

➥ must be 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 thereof.

3. Except as otherwise provided in this subsection ~~[,]~~ ***and unless the articles of incorporation require a greater proportion,*** if a proposed increase or decrease in the number of authorized 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 increase or decrease must be approved ***,*** ~~[by the vote,]~~ in addition to any vote otherwise required ~~[, of]~~ ***:***

(a) If the corporation is a publicly traded corporation, by the vote of stockholders of each class or series whose preference or rights are adversely affected by the increase or decrease; and

(b) If the corporation is not a publicly traded corporation, 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 increase or decrease,

➥ regardless of limitations or restrictions on the voting power thereof. The increase or decrease does not have to be approved by the vote of the holders of shares ~~[representing a majority of the voting power in each]~~ ***of any*** class or series whose preference or rights are adversely affected by the increase or decrease if the articles of incorporation specifically deny the ***holders of shares of such class or series the*** right to vote on such an increase or decrease.

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

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

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

➥ any stockholder who is obligated, as a result of the corporate action taken pursuant to this section, to accept money or scrip rather than receive a fraction of a share in exchange for the cancellation of all the stockholder's outstanding shares, may dissent in accordance with the provisions of NRS 92A.300 to 92A.500, inclusive, and obtain payment of the fair value of the fraction of a share to which the stockholder would otherwise be entitled.

Sec. 5. NRS 78.215 is hereby amended to read as follows:

78.215 1. A corporation may issue and dispose of its authorized shares for such consideration as may be prescribed in the articles of incorporation or, if no consideration is so prescribed, then for such consideration as may be fixed by the board of directors.

2. If a consideration is prescribed for shares without par value, that consideration must not be used to determine the fees required for filing articles of incorporation pursuant to NRS 78.760.

3. Unless the articles of incorporation provide otherwise ~~[,]~~ ***and except as otherwise provided by subsection 4,*** shares may be issued pro rata and without consideration to the corporation's stockholders or to the stockholders of one or more classes or series. ~~[An issuance of shares under this subsection is a share dividend.]~~

4. Shares of one class or series may not be issued ~~[as a share dividend]~~ ***pursuant to subsection 3*** in respect of shares of another class or series unless:

(a) The articles of incorporation so authorize;

(b) A majority of the votes entitled to be cast by the class or series to be issued approve the issue; or

(c) There are no outstanding shares of the class or series to be issued.

5. If the board of directors does not fix the record date for determining stockholders entitled to ~~[a share dividend,]~~ ***shares issued pursuant to subsection 3,*** it is the date the board of directors authorizes the ~~[share dividend.]~~ ***issuance.***

Sec. 5.5. NRS 78.240 is hereby amended to read as follows:

78.240 ***1.*** The shares of stock in every corporation shall be personal property and shall be transferable on the books of the corporation, in such manner and under such regulations as may be provided in the ***articles of incorporation or*** bylaws, and as provided in ***this title and*** chapters 104 to 104C, inclusive, of NRS.

2. Except to the extent set forth in subsection 3:

(a) The holder of any share of stock in a corporation, regardless of the holder's relative beneficial ownership of shares or relative voting power, may, and shall be entitled to, exercise or withhold the voting power of such share in the holder's personal interest and without regard to any other person or interest; and

(b) No stockholder of a corporation, in such person's capacity as a stockholder and regardless of the stockholder's relative beneficial ownership of share or relative voting power, shall have any fiduciary duty to the corporation or any other stockholder.

3. The only fiduciary duty of a controlling stockholder of a corporation, in such person's capacity as a stockholder, is to refrain from exerting undue influence over any director or officer of the corporation with the purpose and proximate effect of inducing a breach of fiduciary duty by such director or officer:

(a) For which breach the director or officer is liable pursuant to NRS 78.138; and

(b) Which breach:

(1) Directly relates to the initiation, evaluation, negotiation, authorization or approval by the board of directors, or a committee thereof, of a contract or transaction to which the controlling stockholder or any of its affiliates or associates is a party or in which the controlling stockholder or any of its affiliates or associates has a material and nonspeculative financial interest; and

(2) Results in material, nonspeculative and non-ratable financial benefit to the controlling stockholder, which benefit excludes, and results in a material and nonspeculative detriment to the other stockholders generally.

➥ ***The exercise or withholding of voting power by a controlling stockholder, or the indication or implication by a controlling stockholder as to whether or to what extent such voting power may be exercised or withheld, does not, by itself, constitute or indicate a breach of the fiduciary duty imposed by this subsection.***

4. A controlling stockholder is presumed to have not breached the fiduciary duty imposed by subsection 3 with respect to a contract or other transaction if such contract or transaction has been authorized or approved by:

(a) A committee of the board of directors consisting of only disinterested directors; or

(b) The board of directors in reliance on the recommendation of a committee of the board of directors consisting of only disinterested directors.

5. A stockholder of a corporation is not individually liable to the corporation or its stockholders or creditors for any damages as a result of any act or failure to act in such person's capacity as a stockholder unless:

(a) The stockholder is a controlling stockholder;

(b) The presumption established by subsection 4 has been rebutted; and

(c) It is proven that the stockholder's act or failure to act constituted a breach of the stockholder's fiduciary duty imposed by subsection 3.

6. As used in this section:

(a) "Affiliate" has the meaning ascribed to it in NRS 78.412.

(b) "Associate" has the meaning ascribed to it in NRS 78.413.

(c) "Beneficial ownership" means being the beneficial owner of shares. As used in this paragraph, "beneficial owner" has the meaning ascribed to it in NRS 78.414.

(d) "Controlling stockholder" means a stockholder of a corporation having the voting power, by virtue of such stockholder's relative beneficial ownership of shares or otherwise pursuant to the articles of incorporation, to elect at least a majority of the corporation's directors.

(e) "Disinterested director," when used with respect to a contract or transaction, includes, without limitation, a director of a corporation who:

(1) Individually, or with or through any of the director's affiliates or associates other than the corporation, neither has a material and nonspeculative financial interest in, nor is a party to, the contract or transaction; and

(2) Would satisfy the independence standards, without regard to any financial literacy of financial expert qualifications, required to serve on an audit committee of a board of directors of a non-investment company issuer pursuant to section 10A(m) of the Securities Exchange Act, 15 U.S.C. § 78j-1(m) and Rule 10A-3 thereunder, 17 C.F.R. § 240.10A-3 and the rules of the national securities exchange, if any, on which any shares of the corporation's stock are listed for trading.

Sec. 6. NRS 78.315 is hereby amended to read as follows:

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

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

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

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

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

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

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

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

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

3. Unless otherwise restricted by the articles of incorporation or bylaws, members of the board of directors or the governing body of any corporation, or of any committee designated by such board or body, may participate in a meeting of the board, body or committee through electronic communications, videoconferencing, teleconferencing or other available technology if the corporation has implemented reasonable measures to:

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

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

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

5. Whenever this title expressly requires the board of directors to approve or take other action with respect to any agreement, instrument, certificate or other document, including, without limitation, any agreement, instrument, certificate or other document required to be filed with the Secretary of State, the directors may approve, adopt or otherwise act upon such agreement, instrument, certificate or other document in final form or such preliminary form as the directors deem appropriate in their business judgment.

Sec. 7. NRS 78.365 is hereby amended to read as follows:

78.365 1. A stockholder, by agreement in writing, may transfer his or her stock to a voting trustee or trustees for the purpose of conferring the right to vote the stock for a period not exceeding 15 years upon the terms and conditions therein stated. Any certificates of stock so transferred must be surrendered and cancelled and new certificates for the stock issued to the trustee or trustees in which it must appear that they are issued pursuant to the agreement, and in the entry of ownership in the proper books of the corporation that fact must also be noted, and thereupon the trustee or trustees may vote the stock so transferred during the terms of the agreement. A duplicate of every such agreement must be filed in the

registered office of the corporation and at all times during its terms be open to inspection by any stockholder or his or her attorney.

2. At any time within the 2 years next preceding the expiration of an agreement entered into pursuant to the provisions of subsection 1, or the expiration of an extension of that agreement, any beneficiary of the trust may, by written agreement with the trustee or trustees, extend the duration of the trust for a time not to exceed 15 years after the scheduled expiration date of the original agreement or the latest extension. An extension is not effective unless the trustee, before the expiration date of the original agreement or the latest extension, files a duplicate of the agreement providing for the extension in the registered office of the corporation. An agreement providing for an extension does not affect the rights or obligations of any person not a party to that agreement. An agreement entered into pursuant to the provisions of subsection 1 is not invalidated by the fact that, by its terms, its duration is more than 15 years, but its duration shall be deemed amended to conform with the provisions of this section.

3. An agreement between two or more stockholders, ***or between the corporation and one or more stockholders,*** if in writing and signed by each ~~[stockholder]~~ ***party*** to be bound thereby, may provide that in exercising any voting rights, the stock held by each such stockholder must be voted:

(a) Pursuant to the provisions of the agreement;

(b) As ~~[they]~~ ***the parties to the agreement*** may subsequently agree; ~~[or]~~

(c) In accordance with a procedure ~~[agreed upon.]~~ ***specified in the agreement; or***

(d) In a manner dependent upon any fact or event which may be ascertained outside of the agreement if the manner in which a fact or event may operate upon the exercise of the voting rights is stated in the agreement. As used in this paragraph, "fact or event" includes, without limitation, the existence of a fact or an occurrence of an event, including, without limitation, a determination or action by a person, the corporation itself or any government, governmental agency or political subdivision of a government.

4. An agreement pursuant to the provisions of subsection 3 is valid and enforceable against the transferee of a stockholder party to the agreement only:

(a) If and to the extent that the transferee agrees in writing to be bound by the agreement; or

(b) If the agreement expressly provides that it is enforceable against the transferee of a stockholder party to the agreement and:

(1) The transferee had actual knowledge of the existence of the agreement before the transfer; or

(2) The existence of the agreement is noted conspicuously on the front or back of the stock certificate or is contained in the written statement of information required by subsection 5 of NRS 78.235.

5. An agreement pursuant to the provisions of subsection 3, or an amendment thereto or an extension thereof, in each case entered into before October 1, 2021, is not:

(a) Effective for a term of more than 15 years, but at any time within the 2 years next preceding the expiration of the agreement the parties thereto may extend its duration for such period as is stated in the extension; and

(b) Invalidated by the fact that by its terms its duration is more than 15 years, but its duration shall be deemed amended to conform with the provisions of this section.

Sec. 8. 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 ***and approved*** 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]~~ ***and if the corporation is:***

(1) A publicly traded corporation and the amendment proposed relates solely to an increase or decrease in the number of shares the corporation is authorized to issue, the stockholders of the affected class or series, regardless of limitations or restrictions on the voting power of the affected class or series, must approve the proposed amendment; or

(2) Not a publicly traded corporation, or is a publicly traded corporation but the amendment proposed does not relate solely to an increase or decrease in the number of shares the corporation is authorized to issue, the 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]~~ ***must approve the proposed amendment.***

➥ ***Upon the approval of*** the ***proposed*** amendment ~~[,]~~ ***by the stockholders as provided in this subsection,*** 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)]~~ ***(b)*** The certificate so signed must be filed with the Secretary of State.

(c) An amendment adopted pursuant to this subsection that would have the effect of decreasing the number of shares of a class or series of shares the corporation is authorized to issue below the number of shares of such class or series then issued and outstanding shall be void and of no effect.

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]~~ ***any*** class or series whose preference or rights are adversely affected by the amendment if the articles of incorporation specifically deny the ***holders of such class or series the*** right to vote on such an amendment. ***Except as otherwise provided in the articles of incorporation, a proposed amendment that designates one or more new series of an existing class as having any preference or any relative or other right that has higher or equal seniority to the corresponding preference or relative or other right of an existing series of the same class does not, solely by virtue of the higher or equal seniority of the preference or right of the proposed new series, constitute an amendment that would adversely alter or change the preference or rights of the existing series.***

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 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 board of directors 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 time of the certificate filed with the Secretary of State pursuant to subsection 1;

(b) Identifies the certificate being terminated;

(c) States that 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. 9. NRS 78.416 is hereby amended to read as follows:

78.416 "Combination," when used in reference to any resident domestic corporation and any interested stockholder of the resident domestic corporation, means any of the following:

1. Any merger or consolidation of the resident domestic corporation or any subsidiary of the resident domestic corporation with:

(a) The interested stockholder; or

(b) Any other entity, whether or not itself an interested stockholder of the resident domestic corporation, which is, or after and as a result of the merger or consolidation would be, an affiliate or associate of the interested stockholder.

2. Any sale, lease, exchange, mortgage, pledge, transfer or other disposition, in one transaction or a series of transactions, to or with the interested stockholder or any affiliate or associate of the interested stockholder of assets of the resident domestic corporation or any subsidiary of the resident domestic corporation:

(a) Having an aggregate market value equal to more than 5 percent of the aggregate market value of all the assets, determined on a consolidated basis, of the resident domestic corporation;

(b) Having an aggregate market value equal to more than 5 percent of the aggregate market value of all the outstanding voting shares of the resident domestic corporation; or

(c) Representing more than 10 percent of the earning power or net income, determined on a consolidated basis, of the resident domestic corporation.

3. The issuance or transfer by the resident domestic corporation or any subsidiary of the resident domestic corporation, in one transaction or a series of transactions, of any shares of the resident domestic corporation or any subsidiary of the resident domestic corporation that have an aggregate market value equal to 5 percent or more of the aggregate market value of all the outstanding voting shares of the resident domestic corporation to the interested stockholder or any affiliate or associate of the interested stockholder except under the exercise of warrants or rights to purchase shares offered, or a dividend or distribution paid or made, pro rata to all stockholders of the resident domestic corporation.

4. The adoption of any plan or proposal for the liquidation or dissolution of the resident domestic corporation under any agreement, arrangement or understanding, whether or not in writing, with the interested stockholder or any affiliate or associate of the interested stockholder.

5. Except for any transaction or series of transactions that would not constitute a combination pursuant to subsection 3, any:

(a) Reclassification of securities, including, without limitation, any splitting of shares ~~[, share dividend,]~~ or other ~~[distribution]~~ ***issuance*** of shares with respect to other shares, or any issuance of new shares in exchange for a proportionately greater number of old shares;

(b) Recapitalization of the resident domestic corporation;

(c) Merger or consolidation of the resident domestic corporation with any subsidiary of the resident domestic corporation; or

(d) Other transaction, whether or not with or into or otherwise involving the interested stockholder,

➥ under any agreement, arrangement or understanding, whether or not in writing, with the interested stockholder or any affiliate or associate of the interested stockholder, which has the immediate and proximate effect of increasing the proportionate share of the outstanding shares of any class or series of voting shares or securities convertible into voting shares of the resident domestic corporation or any subsidiary of the resident domestic corporation which is beneficially owned by the interested stockholder or any affiliate or associate of the interested stockholder, except as a result of immaterial changes because of adjustments of fractional shares.

6. Any receipt by the interested stockholder or any affiliate or associate of the interested stockholder of the benefit, directly or indirectly, except proportionately as a stockholder of the resident domestic corporation, of any loan, advance, guarantee, pledge or other financial assistance or any tax credit or other tax advantage provided by or through the resident domestic corporation.

Sec. 10. NRS 78.573 is hereby amended to read as follows:

78.573 1. The Secretary of State shall authorize a corporation whose charter has been revoked to dissolve without paying additional fees and penalties, other than the fee for filing ~~[a certificate]~~ ***articles*** of dissolution required by NRS 78.780, if the corporation provides evidence satisfactory to the Secretary of State that the corporation did not transact business in this State or as a corporation organized pursuant to the laws of this State:

(a) During the entire period for which its charter was revoked; or

(b) During a portion of the period for which its charter was revoked and the corporation paid the fees and penalties for the portion of that period in which the corporation transacted business in this State or as a corporation organized pursuant to the laws of this State.

2. The Secretary of State may adopt regulations to administer the provisions of this section.

Sec. 11. NRS 78.580 is hereby amended to read as follows:

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

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

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

4. If the dissolution is approved by the directors or both the directors and stockholders, as respectively provided in subsections 2 and 3, the corporation shall file with the Secretary of State ~~[a certificate]~~ ***articles of dissolution*** signed by an officer of the corporation setting forth ***the name of the corporation,*** that the dissolution has been approved by the directors, or by the directors and the stockholders, ~~[and]~~ a list of the names and addresses, either residence or business, of the corporation's president, secretary and treasurer, or the equivalent thereof, and all of its directors ~~[.]~~ ***, and the effective date and time of the dissolution.***

5. The dissolution takes effect at the time of the filing of the ~~[certificate]~~ ***articles*** of dissolution with the Secretary of State or upon a later date and time as specified in the ~~[certificate,]~~ ***articles of dissolution,*** which date must be not more than 90 days after the date on which the ~~[certificate is]~~ ***articles of dissolution are*** filed. If ~~[a certificate]~~ ***the articles*** of dissolution ~~[specifies]~~ ***specify*** a later effective date but ~~[does]~~ ***do*** not specify an effective time, the ~~[certificate]~~ ***dissolution*** is effective at 12:01 a.m. in the Pacific time zone on the specified later date.

Sec. 12. NRS 78.780 is hereby amended to read as follows:

78.780 The fee for filing ~~[a certificate]~~ ***articles*** of dissolution, whether it occurs before or after payment of capital and beginning of business, is $100.

Sec. 13. NRS 82.442 is hereby amended to read as follows:

82.442 1. The Secretary of State shall authorize a nonprofit corporation whose charter has been revoked to dissolve without paying additional fees and penalties, other than the fee for filing a ~~[certificate]~~ ***record*** of dissolution required by NRS 82.531, if the nonprofit corporation provides evidence satisfactory to the Secretary

of State that the nonprofit corporation did not transact business in this State or as a nonprofit corporation organized pursuant to the laws of this State:

(a) During the entire period for which its charter was revoked; or

(b) During a portion of the period for which its charter was revoked and the nonprofit corporation paid the fees and penalties for the portion of that period in which the nonprofit corporation transacted business in this State or as a nonprofit corporation organized pursuant to the laws of this State.

2. The Secretary of State may adopt regulations to administer the provisions of this section.

Sec. 14. NRS 86.241 is hereby amended to read as follows:

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

(a) A current list of the full name and last known ~~[business]~~ address ***, either residence or business,*** of each member and manager, separately identifying the members in alphabetical order and the managers, if any, in alphabetical order;

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

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

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

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

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

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

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

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

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

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

4. Any demand by a member or manager under subsection 2 or 3 is subject to such reasonable standards regarding at what time and location and at whose expense records are to be furnished as may be set forth in the articles of organization or in an operating agreement adopted or amended as provided in subsection 8, or, if no such standards are set forth in the articles of organization or operating agreement, the records must be provided or made available for examination, as the case may be, during ordinary business hours, at the expense of the demanding member or manager.

5. If the records subject to a demand pursuant to subsection 2 or 3 are not available to obtain or made available for examination, as applicable, at a location within this State upon a reasonable demand made pursuant to subsection 2 or 3, the manager or member may serve a demand upon the limited-liability company's registered agent that the records to be obtained or examined be sent to the demanding manager or member. Upon such a demand, the limited-liability company shall send copies of the requested records described in subsection 2 either in paper or electronic form to the manager or member within 10 business days after the demand is served upon the registered agent.

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

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

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

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

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

Sec. 15. NRS 86.490 is hereby amended to read as follows:

86.490 1. Before the commencement of business by any limited-liability company where management is vested in one or more managers and where no member's interest in the limited-liability company has been issued, at least two-thirds of the organizers or the managers of the limited-liability company may dissolve the limited-liability company by filing with the Secretary of State ~~[a certificate]~~ ***articles*** of dissolution to dissolve the limited-liability company.

2. ~~[A certificate]~~ ***Any articles*** of dissolution filed with the Secretary of State pursuant to subsection 1 must state that:

(a) The management of the limited-liability company is vested in one or more managers;

(b) The limited-liability company has not commenced business; and

(c) No member's interest in the limited-liability company has been issued.

Sec. 16. NRS 86.531 is hereby amended to read as follows:

86.531 1. Except in the case of a dissolution pursuant to NRS 86.490, as soon as practicable after the ~~[dissolution of]~~ ***determination that*** a limited-liability company ~~[,]~~ ***should be dissolved,*** articles of dissolution must be prepared and signed setting forth:

(a) The name of the limited-liability company;

(b) That the ~~[company has been dissolved;]~~ ***dissolution has been approved or is otherwise required pursuant to NRS 86.491, or has been decreed by the district court pursuant to NRS 86.495;*** and

(c) The effective date and time of the dissolution, which ~~[may not]~~ ***must*** be ~~[later than]~~ ***at*** the ~~[effective date and]~~ time ***of the filing*** of the articles of dissolution ~~[.]~~ ***with the Secretary of State or upon***

a later date and time as specified in the articles of dissolution, which date must not be more than 90 days after the date on which the articles of dissolution are filed. If the articles of dissolution specify a later effective date but do not specify an effective time, the dissolution is effective at 12:01 a.m. in the Pacific time zone on the specified later date.

2. The articles of dissolution must be signed by:

(a) A manager of the company, if management of the company is vested in a manager;

(b) A member of the company, if management of the company is not vested in a manager; or

(c) The personal representative of the last remaining member, if there is no remaining manager or member, unless otherwise provided in the articles of organization or operating agreement.

Sec. 17. NRS 86.544 is hereby amended to read as follows:

86.544 1. Before transacting business in this State, a foreign limited-liability company must register with the Secretary of State. A person shall not register a foreign limited-liability company with the Secretary of State for any illegal purpose or with the fraudulent intent to conceal any business activity, or lack thereof, from another person or a governmental agency.

2. In order to register, a foreign limited-liability company must submit to the Secretary of State an application for registration as a foreign limited-liability company, signed by a manager of the company or, if management is not vested in a manager, a member of the company, or by some other person specifically authorized by the foreign limited-liability company to sign the application. The application for registration must set forth:

(a) The name of the foreign limited-liability company and, if different, the name under which it proposes to register and transact business in this State;

(b) The jurisdiction and date of its formation;

(c) A declaration of the existence of the foreign limited-liability company and that the foreign limited-liability company is in good standing in the jurisdiction in which it was formed;

(d) The information required pursuant to NRS 77.310;

(e) A statement that the Secretary of State is appointed the agent of the foreign limited-liability company for service of process if the authority of the registered agent has been revoked, or if the registered agent has resigned or cannot be found or served with the exercise of reasonable diligence;

(f) The address of the office required to be maintained in the state of its organization by the laws of that state or, if not so

required, of the principal office of the foreign limited-liability company;

(g) The name and ~~[business]~~ address ***, either residence or business,*** of each manager or, if management is not vested in a manager, each member;

(h) The address of the office at which is kept a list of the names and addresses of the members and their capital contributions, together with an undertaking by the foreign limited-liability company to keep those records until the registration in this State of the foreign limited-liability company is cancelled or withdrawn; and

(i) If the foreign limited-liability company has one or more series of members and if the debts or liabilities of a series are enforceable against the assets of that series only and not against the assets of the company generally or another series, a statement to that effect.

Sec. 18. NRS 87.4343 is hereby amended to read as follows:

87.4343 A partner is dissociated from a partnership upon the occurrence of any of the following events:

1. The partnership's having notice of the partner's express will to withdraw as a partner or on a later date specified by the partner;

2. An event agreed to in the partnership agreement as causing the partner's dissociation;

3. The partner's expulsion pursuant to the partnership agreement;

4. The partner's expulsion by the unanimous vote of the other partners if:

(a) It is unlawful to carry on the partnership business with that partner;

(b) There has been a transfer of all or substantially all of that partner's transferable interest in the partnership, other than a transfer for security purposes, or a court order charging the partner's interest, which has not been foreclosed;

(c) Within 90 days after the partnership notifies a corporate partner that it will be expelled because it has filed ~~[a certificate]~~ ***articles*** of dissolution or the equivalent, its charter has been revoked or its right to conduct business has been suspended by the jurisdiction of its incorporation, there is no revocation of the ~~[certificate]~~ ***articles*** of dissolution or no reinstatement of its charter or its right to conduct business; or

(d) A partnership that is a partner has been dissolved and its business is being wound up;

5. On application by the partnership or another partner, the partner's expulsion by judicial determination because:

(a) The partner engaged in wrongful conduct that adversely and materially affected the partnership business;

(b) The partner willfully or persistently committed a material breach of the partnership agreement or of a duty owed to the partnership or the other partners under NRS 87.4336; or

(c) The partner engaged in conduct relating to the partnership business which makes it not reasonably practicable to carry on the business in partnership with the partner;

6. The partner's:

(a) Becoming a debtor in bankruptcy;

(b) Executing an assignment for the benefit of creditors;

(c) Seeking, consenting to or acquiescing in the appointment of a trustee, receiver or liquidator of that partner or of all or substantially all of that partner's property; or

(d) Failing, within 90 days after the appointment, to have vacated or stayed the appointment of a trustee, receiver or liquidator of the partner or of all or substantially all of the partner's property obtained without the partner's consent or acquiescence, or failing within 90 days after the expiration of a stay to have the appointment vacated;

7. In the case of a partner who is a natural person:

(a) The partner's death;

(b) The appointment of a guardian or general conservator for the partner; or

(c) A judicial determination that the partner has otherwise become incapable of performing the partner's duties under the partnership agreement;

8. In the case of a partner that is a trust or is acting as a partner by virtue of being a trustee of a trust, distribution of the trust's entire transferable interest in the partnership, but not merely by reason of the substitution of a successor trustee;

9. In the case of a partner that is an estate or is acting as a partner by virtue of being a personal representative of an estate, distribution of the estate's entire transferable interest in the partnership, but not merely by reason of the substitution of a successor personal representative; or

10. Termination of a partner who is not a natural person, partnership, corporation, trust or estate.

Sec. 19. NRS 87A.435 is hereby amended to read as follows:

87A.435 1. A person does not have a right to withdraw as a limited partner before the termination of the limited partnership.

2. A person is withdrawn from a limited partnership as a limited partner upon the occurrence of any of the following events:

(a) The limited partnership's having notice of the person's express will to withdraw as a limited partner or on a later date specified by the person;

(b) An event agreed to in the partnership agreement as causing the person's withdrawal as a limited partner;

(c) The person's expulsion as a limited partner pursuant to the partnership agreement;

(d) The person's expulsion as a limited partner by the unanimous consent of the other partners if:

(1) It is unlawful to carry on the limited partnership's activities with the person as a limited partner;

(2) There has been a transfer of all of the person's transferable interest in the limited partnership, other than a transfer for security purposes, or a court order charging the person's interest, which has not been foreclosed;

(3) The person is a corporation and, within 90 days after the limited partnership notifies the person that it will be expelled as a limited partner because it has filed ~~[a certificate]~~ ***articles*** of dissolution or the equivalent, its charter has been revoked or its right to conduct business has been suspended by the jurisdiction of its incorporation, there is no revocation of the ~~[certificate]~~ ***articles*** of dissolution or no reinstatement of its charter or its right to conduct business; or

(4) The person is a limited-liability company or partnership that has been dissolved and whose business is being wound up;

(e) On application by the limited partnership, the person's expulsion as a limited partner by judicial order because:

(1) The person engaged in wrongful conduct that adversely and materially affected the limited partnership's activities;

(2) The person willfully or persistently committed a material breach of the partnership agreement or of the obligation of good faith and fair dealing under subsection 2 of NRS 87A.340; or

(3) The person engaged in conduct relating to the limited partnership's activities which makes it not reasonably practicable to carry on the activities with the person as limited partner;

(f) In the case of a person who is a natural person, the person's death;

(g) In the case of a person that is a trust or is acting as a limited partner by virtue of being a trustee of a trust, distribution of the trust's entire transferable interest in the limited partnership, but not merely by reason of the substitution of a successor trustee;

(h) In the case of a person that is an estate or is acting as a limited partner by virtue of being a personal representative of an

estate, distribution of the estate's entire transferable interest in the limited partnership, but not merely by reason of the substitution of a successor personal representative;

(i) Termination of a limited partner that is not a natural person, partnership, limited-liability company, corporation, trust or estate; or

(j) The limited partnership's participation in a conversion or merger if the limited partnership:

(1) Is not the converted or surviving entity; or

(2) Is the converted or surviving entity but, as a result of the conversion or merger, the person ceases to be a limited partner.

Sec. 20. NRS 87A.445 is hereby amended to read as follows:

87A.445 A person is withdrawn from a limited partnership as a general partner upon the occurrence of any of the following events:

1. The limited partnership's having notice of the person's express will to withdraw as a general partner or on a later date specified by the person;

2. An event agreed to in the partnership agreement as causing the person's withdrawal as a general partner;

3. The person's expulsion as a general partner pursuant to the partnership agreement;

4. The person's expulsion as a general partner by the unanimous consent of the other partners if:

(a) It is unlawful to carry on the limited partnership's activities with the person as a general partner;

(b) There has been a transfer of all or substantially all of the person's transferable interest in the limited partnership, other than a transfer for security purposes, or a court order charging the person's interest, which has not been foreclosed;

(c) The person is a corporation and, within 90 days after the limited partnership notifies the person that it will be expelled as a general partner because it has filed ~~[a certificate]~~ ***articles*** of dissolution or the equivalent, its charter has been revoked or its right to conduct business has been suspended by the jurisdiction of its incorporation, there is no revocation of the ~~[certificate]~~ ***articles*** of dissolution or no reinstatement of its charter or its right to conduct business; or

(d) The person is a limited-liability company or partnership that has been dissolved and whose business is being wound up;

5. On application by the limited partnership, the person's expulsion as a general partner by judicial determination because:

(a) The person engaged in wrongful conduct that adversely and materially affected the limited partnership activities;

(b) The person willfully or persistently committed a material breach of the partnership agreement or of a duty owed to the partnership or the other partners under NRS 87A.385; or

(c) The person engaged in conduct relating to the limited partnership's activities which makes it not reasonably practicable to carry on the activities of the limited partnership with the person as a general partner;

6. The person's:

(a) Becoming a debtor in bankruptcy;

(b) Execution of an assignment for the benefit of creditors;

(c) Seeking, consenting to or acquiescing in the appointment of a trustee, receiver or liquidator of the person or of all or substantially all of the person's property; or

(d) Failure, within 90 days after the appointment, to have vacated or stayed the appointment of a trustee, receiver or liquidator of the general partner or of all or substantially all of the person's property obtained without the person's consent or acquiescence, or failing within 90 days after the expiration of a stay to have the appointment vacated;

7. In the case of a person who is a natural person:

(a) The person's death;

(b) The appointment of a guardian or general conservator for the person; or

(c) A judicial determination that the person has otherwise become incapable of performing the person's duties as a general partner under the partnership agreement;

8. In the case of a person that is a trust or is acting as a general partner by virtue of being a trustee of a trust, distribution of the trust's entire transferable interest in the limited partnership, but not merely by reason of the substitution of a successor trustee;

9. In the case of a person that is an estate or is acting as a general partner by virtue of being a personal representative of an estate, distribution of the estate's entire transferable interest in the limited partnership, but not merely by reason of the substitution of a successor personal representative;

10. Termination of a general partner that is not a natural person, partnership, limited-liability company, corporation, trust or estate; or

11. The limited partnership's participation in a conversion or merger under chapter 92A of NRS, if the limited partnership:

(a) Is not the converted or surviving entity; or

(b) Is the converted or surviving entity but, as a result of the conversion or merger, the person ceases to be a general partner.

Sec. 21. NRS 88.450 is hereby amended to read as follows:

88.450 Except as approved by the specific written consent of all partners at the time, a person ceases to be a general partner of a limited partnership upon the happening of any of the following events:

1. The general partner withdraws from the limited partnership as provided in NRS 88.495;

2. The general partner ceases to be a member of the limited partnership as provided in NRS 88.530;

3. The general partner is removed as a general partner in accordance with the partnership agreement;

4. Unless otherwise provided in writing in the partnership agreement, the general partner:

(a) Makes an assignment for the benefit of creditors;

(b) Files a voluntary petition in bankruptcy;

(c) Is adjudicated a bankrupt or insolvent;

(d) Files a petition or answer seeking for the general partner any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation;

(e) Files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the general partner in any proceeding of this nature; or

(f) Seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the general partner or of all or any substantial part of the general partner's properties;

5. Unless otherwise provided in writing in the partnership agreement, 120 days after the commencement of any proceeding against the general partner seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, the proceeding has not been dismissed, or if within 90 days after the appointment without the general partner's consent or acquiescence of a trustee, receiver or liquidator of the general partner or of all or any substantial part of the general partner's properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated;

6. In the case of a general partner who is a natural person:

(a) The general partner's death; or

(b) The entry by a court of competent jurisdiction adjudicating the general partner to be incapacitated;

7. In the case of a general partner who is acting as a general partner by virtue of being a trustee of a trust, the termination of the trust, but not merely the substitution of a new trustee;

8. In the case of a general partner that is a separate partnership, the dissolution and commencement of winding up of the separate partnership;

9. In the case of a general partner that is a corporation, the filing of ~~[a certificate]~~ ***articles*** of dissolution, or its equivalent, for the corporation or the revocation of its charter; or

10. In the case of an estate, the distribution by the fiduciary of the estate's entire interest in the partnership.

Sec. 22. Chapter 92A of NRS is hereby amended by adding thereto a new section to read as follows:

1. Unless otherwise expressly required by the articles of incorporation of a constituent corporation, no submission to and no vote of the stockholders of the constituent corporation are necessary to authorize a restructuring merger if the plan of merger expressly permits or requires the merger to be effected under this section and:

(a) The constituent corporation and the merger subsidiary are the only constituent entities in the restructuring merger;

(b) Each share or fraction of a share of the capital stock of the constituent corporation outstanding immediately before the effective time of the restructuring merger is converted in the restructuring merger into a share or equal fraction of a share of a class or series of capital stock of the holding corporation that, in comparison to the class or series of capital stock of the constituent corporation being converted:

(1) Has the same voting powers, designations, preferences, limitations, restrictions and relative rights;

(2) Is likewise registered under applicable securities laws, if the class or series of such converted share or fraction of a share was so registered immediately before the effective time of the restructuring merger; and

(3) Is likewise eligible or approved for trading on each exchange and in each market, if any, as the class or series of the converted share or fraction of a share was so eligible or approved immediately before the effective time of the restructuring merger;

(c) The organizational documents of the holding corporation immediately following the effective time of the restructuring merger contain only provisions identical to the organizational documents of the constituent corporation immediately before the effective time of the restructuring merger, other than:

(1) The name of the holding corporation, if different from the constituent corporation;

(2) Any provision that could be omitted from restated articles of incorporation in accordance with NRS 78.403; and

(3) The provisions required by paragraph (f);

(d) As a result of the restructuring merger, the surviving company becomes a direct or indirect wholly owned subsidiary of the holding corporation;

(e) The plan of merger for the restructuring merger requires that the directors and officers of the constituent corporation are the only directors and officers, respectively, of the holding corporation at the effective time of the restructuring merger;

(f) The organizational documents of the holding corporation and the surviving company, in each case for a period of not less than 2 years after the effective time of the restructuring merger, contain provisions requiring, by specific reference to this section, that:

(1) At least a majority of the voting power of the governing body of the surviving company will be comprised of individuals then serving as a director of the holding corporation, unless the surviving company is a limited-liability company managed by its members and the holding corporation then holds at least a majority of the voting power of the owner's interests of the surviving company;

(2) If the surviving company is a limited-liability company, either:

(I) The surviving company will be managed by its members and the holding corporation then holds at least a majority of the voting power of the owner's interests of the surviving company; or

(II) The surviving company will be managed by one or more managers and the organizational documents of the surviving company expressly provide that each such manager shall be subject to non-waivable fiduciary duties identical to those of a director of a domestic corporation and the benefit of the entitlements, presumptions and protections afforded to such directors under chapter 78 of NRS;

(3) The approval of at least a majority of the voting power of the stockholders of the holding corporation or owners of any successor entity thereto will be required, in addition to any vote or other approval required by this chapter or the organizational documents of the holding corporation or the surviving company, for:

(I) Any other merger in which the surviving company is a constituent entity, other than a merger of the surviving company

with another entity that is wholly owned by the holding corporation immediately before the effective time of such other merger, that requires the approval of the owners of the surviving company;

(II) Any sale of the assets of the surviving company that would require the approval of the stockholders pursuant to NRS 78.565 if the surviving company were a domestic corporation, regardless of whether the surviving corporation is then a domestic corporation, provided that no approval pursuant to this sub-subparagraph will be required in connection with the mortgage or pledge of such assets made in good faith and not in circumvention of any other approval required pursuant to this subparagraph;

(III) Any sale, exchange, transfer or other disposition of the owner's interests of the surviving company holding greater than a majority of the voting power of such owner's interests with respect to the election of the governing body of the surviving company, provided that no approval pursuant to this sub-subparagraph will be required in connection with the mortgage or pledge of such owner's interests made in good faith and not in circumvention of any other approval required pursuant to this subparagraph; or

(IV) Dissolution or other termination of the existence of the surviving company; and

(4) The provisions of subparagraph (3) shall not be construed to require the approval of the stockholders of the holding corporation to elect or remove any member of the governing body of the surviving entity; and

(g) The board of directors of the constituent corporation determines in good faith that the stockholders of the constituent corporation would not reasonably be expected to recognize gain or loss for United States federal income tax purposes by reason of giving effect to the restructuring merger.

2. The articles of incorporation of a domestic corporation may forbid the corporation from entering into a merger pursuant to this section.

3. Nothing in this section shall revive, extinguish or otherwise affect the standing of any person under NRS 41.520 with respect to the constituent corporation as of immediately before the effective time of the restructuring merger.

4. This section does not apply to circumvent or contravene the provisions of NRS 78.378 to 78.3793, inclusive, or 78.411 to 78.444, inclusive. If and to the extent the provisions of NRS 78.378 to 78.3793, inclusive, or 78.411 to 78.444, inclusive,

applied to the constituent corporation, any class or series of its capital stock or any of its stockholders immediately before the effective time of the restructuring merger, such provisions apply correspondingly to the holding corporation, its capital stock and its stockholders immediately after the effective time of the restructuring merger. Nothing in this section shall be construed to:

(a) Affect the status of any stockholder as an interested stockholder, as defined in NRS 78.3787 or 78.423; or

(b) Lengthen or shorten the duration of any time period under the provisions of NRS 78.378 to 78.3793, inclusive, or 78.411 to 78.444, inclusive, applicable to the constituent corporation, any class or series of its capital stock or any of its stockholders immediately before the effective time of the restructuring merger, and the duration of each such time period as applicable to the holding corporation, its capital stock and its stockholders after the effective time of the restructuring merger, will be determined with reference to the constituent corporation, its capital stock and its stockholders before the effective time of the restructuring merger.

5. As used in this section:

(a) "Constituent corporation" means a domestic corporation that is a constituent entity in a restructuring merger.

(b) "Holding corporation" means a domestic corporation which, from the date of its incorporation through and until the effective time of a restructuring merger, is at all times a direct or indirect wholly owned subsidiary of the constituent corporation and whose shares will be issued to the former stockholders of the constituent corporation in the restructuring merger.

(c) "Merger subsidiary" means a domestic corporation or domestic limited-liability company in each case that is a direct or indirect wholly owned subsidiary of the constituent corporation.

(d) "Organizational documents" means, when used in reference to:

(1) A corporation, the articles of incorporation and bylaws of the corporation; and

(2) A limited-liability company, the articles of organization and operating agreement of the limited-liability company.

(e) "Restructuring merger" means the merger of a constituent corporation with a merger subsidiary effected pursuant to this section.

(f) "Surviving company" means the surviving entity of the merger of the constituent corporation and the merger subsidiary.

Sec. 23. NRS 92A.120 is hereby amended to read as follows:

92A.120 1. ~~[After adopting]~~ ***For*** a plan of merger, ~~[exchange or]~~ conversion ~~[,]~~ ***or exchange to be approved,*** 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]~~ ***adopt*** the plan ***.*** ~~[of merger, except]~~

2. 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:]~~ ***and section 22 of this act:***

(a) The board of directors ***of each domestic corporation that is a constituent entity*** must recommend the plan ~~[of merger, conversion or exchange]~~ to the stockholders ~~[,]~~ ***of such a domestic corporation who are entitled to vote on the plan,*** unless the board of directors determines that because of a conflict of interest ***,*** or ***because of*** other special circumstances ***relating to the composition of the board of directors at the time of its consideration of the plan,*** it should make no recommendation and it communicates the basis for its determination to the stockholders ~~[with]~~ ***in its submission of*** the plan ~~[; and]~~ ***pursuant to paragraph (b);***

(b) The ***board of directors of each domestic corporation that is a constituent entity must submit the plan for approval by the stockholders of such a domestic corporation who are entitled to vote on the plan in accordance with the provisions of this section; and***

(c) The stockholders ***of each domestic corporation that is a constituent entity who are*** entitled to vote ***on the plan*** must approve the plan ~~[.]~~ ***in accordance with the provisions of this section.***

3. ***Without limiting the requirements of paragraph (a) of subsection 2:***

(a) The board of directors may condition its submission ***to the stockholders*** 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]~~ ***; and***

(b) If any provision of the 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~~] ***or of any other*** agreement ~~[of]~~ ***requires*** the board of directors to submit ~~[a]~~ ***the*** plan ~~[of merger, conversion or exchange]~~ to the stockholders **,** notwithstanding an adverse recommendation of the board of directors ***made in accordance with the terms and conditions of the plan, such provision*** shall be ~~[deemed to be]~~ ***void and*** 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 ***paragraph (a) of*** subsection 3 require a greater vote or a vote by classes of stockholders, the plan of merger or conversion must be approved by a majority of the voting power of the stockholders.

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

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

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

9. Unless otherwise provided in the articles of incorporation or bylaws of a domestic corporation, a plan of merger, conversion or exchange may contain a provision that permits amendment of the

plan of merger, conversion or exchange at any time after the stockholders of the domestic corporation approve the plan of merger, conversion or exchange, but before the articles of merger, conversion or exchange become effective, without obtaining the approval of the stockholders of the domestic corporation for the amendment if the amendment does not:

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

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

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

Sec. 24. NRS 92A.133 is hereby amended to read as follows:

92A.133 1. Unless otherwise expressly required by the articles of incorporation, no ***submission to, and no*** vote of **,** the stockholders of a domestic corporation is necessary to authorize a merger in which the domestic corporation is a constituent entity if the plan of merger expressly permits or requires the merger to be effected under this section and:

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

(b) The ownership threshold requirement is satisfied in whole or in part by way of an offer and:

(1) The domestic corporation has been a publicly traded corporation at all times during the period between:

(I) The date of the commencement of the offer or the date of the adoption of the plan of merger by the board of directors of the domestic corporation, whichever is earlier; and

(II) The effective date of the merger; and

(2) The plan of merger requires that:

(I) The merger must be effected as soon as practicable following the consummation of the offer if the merger is effected under this section; and

(II) Each outstanding share of each class or series of stock of the domestic corporation that is the subject of, and not irrevocably accepted for purchase or exchange in, the offer must be

converted in such merger into, or into the right to receive, the same amount and kind of cash, property, rights or securities to be paid for shares of such class or series of stock of the domestic corporation irrevocably accepted for purchase or exchange in the offer. The plan of merger may expressly provide that the requirements of this sub-subparagraph must not apply to specified categories of excluded shares.

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

(a) The ownership threshold requirement must be satisfied without counting the voting power of any shares of the stock of the domestic corporation acquired from the domestic corporation, or any of the directors, officers, affiliates or associates thereof, within the 6 months immediately preceding the adoption of the plan of merger by the board of directors of the domestic corporation;

(b) The domestic corporation must provide notice of the merger to all of its stockholders not less than 30 days before the effective date of the merger; and

(c) The domestic corporation must have been a publicly traded corporation at all times during the period between the date of the adoption of the plan of merger by the board of directors of the domestic corporation and the effective date of the merger.

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

4. As used in this section:

(a) "Affiliate" has the meaning ascribed to it in NRS 78.412.

(b) "Associate" has the meaning ascribed to it in NRS 78.413.

(c) "Consummation" means the irrevocable acceptance for purchase or exchange of shares tendered pursuant to an offer.

(d) "Excluded shares" means:

(1) Rollover shares; and

(2) Shares of the domestic corporation that are owned beneficially or of record at the commencement of an offer by:

(I) The domestic corporation;

(II) The constituent entity making the offer;

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

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

(e) "Offer" means an offer made by the other constituent entity in the merger for all of the outstanding shares of each class or series

of stock of the domestic corporation listed on a national securities exchange, on the terms provided in the plan of merger that, absent this section, would be entitled to vote on the approval of the plan of merger. The other constituent entity in the merger may, but is not required to, engage in the consummation of separate offers for separate classes or series of the stock of the domestic corporation. An offer may, but is not required to:

(1) Exclude any excluded shares; and

(2) Be conditioned on the tender of a minimum number or proportion of shares of any class or series of the stock of the domestic corporation.

(f) "Owned affiliate" means, with respect to a constituent entity, any other person who owns, directly or indirectly, all of the outstanding equity interests of the constituent entity, or any direct or indirect wholly owned subsidiary of the constituent entity or other person.

(g) "Ownership threshold requirement" means that the voting power of the stock of the domestic corporation otherwise owned beneficially or of record by the other constituent entity in the merger or any of the owned affiliates of the other constituent entity, together with the voting power of any rollover shares and any shares irrevocably accepted for purchase or exchange pursuant to any offer and received before the expiration of the offer by the agent or depositary appointed to facilitate the consummation of the offer, equals at least that proportion of the voting power of the stock, and of each class or series thereof, of the domestic corporation that, absent this section, would be required to approve the plan of merger under this chapter and the articles of incorporation and bylaws of the domestic corporation. For the purposes of this paragraph, shares are received:

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

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

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

(h) "Publicly traded corporation" means a domestic corporation that has a class or series of voting shares which is a covered security

under section 18(b)(1)(A) or (B) of the Securities Act of 1933, 15 U.S.C. § 77r(b)(1)(A) or (B), as amended.

(i) "Rollover shares" means any shares of any class or series of the capital stock of the domestic corporation that are the subject of a written agreement requiring such shares to be contributed or otherwise transferred to the other constituent entity in the merger or any of the owned affiliates of the other constituent entity in exchange for shares or other equity interest in the other constituent entity or any of its owned affiliates. Shares must cease to be rollover shares if, as of the effective time of the merger, the shares have not been contributed or otherwise transferred pursuant to the written agreement.

Sec. 25. NRS 92A.195 is hereby amended to read as follows:

92A.195 1. One foreign entity or foreign general partnership may convert into one domestic entity if:

(a) The conversion is permitted by the law of the jurisdiction governing the foreign entity or foreign general partnership and the foreign entity or foreign general partnership complies with that law in effecting the conversion;

(b) The foreign entity or foreign general partnership complies with the applicable provisions of NRS 92A.205, 92A.207, 92A.210, 92A.230 and 92A.240; and

(c) The resulting domestic entity complies with the applicable provisions of NRS 92A.205 and 92A.220.

2. One domestic entity or domestic general partnership may convert into one foreign entity if:

(a) The conversion is permitted by the law of the jurisdiction governing the resulting foreign entity and the resulting foreign entity complies with that law in effecting the conversion; and

(b) The domestic entity complies with the applicable provisions of NRS 92A.105, 92A.120, 92A.135, 92A.140, ***92A.150,*** 92A.165, 92A.205, 92A.207, 92A.210, 92A.230 and 92A.240.

3. When a conversion pursuant to subsection 2 takes effect, the resulting foreign entity shall be deemed to have appointed the Secretary of State as its agent for service of process in a proceeding to enforce any obligation. Service of process must be made personally by delivering to and leaving with the Secretary of State duplicate copies of the process and the payment of a fee of $100 for accepting and transmitting the process. The Secretary of State shall send one of the copies of the process by registered or certified mail to the resulting entity at its specified address, unless the resulting entity has designated in writing to the Secretary of State a different

address for that purpose, in which case it must be mailed to the last address so designated.

Sec. 26. NRS 92A.380 is hereby amended to read as follows:

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

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

(1) If approval by the stockholders is required for the merger by ~~[NRS 92A.120 to 92A.160, inclusive,]~~ ***this chapter*** or the articles of incorporation, regardless of whether the stockholder is entitled to vote on the plan of merger;

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

(3) If the domestic corporation is a constituent entity in a merger pursuant to NRS 92A.133.

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

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

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

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

(f) Any corporate action not described in this subsection pursuant to which the stockholder would be obligated, as a result of the corporate action, to accept money or scrip rather than receive a fraction of a share in exchange for the cancellation of all the stockholder's outstanding shares, except where the stockholder would not be entitled to receive such payment pursuant to NRS 78.205, 78.2055 or 78.207. A dissent pursuant to this paragraph applies only to the fraction of a share, and the stockholder is entitled only to obtain payment of the fair value of the fraction of a share.

2. A stockholder who is entitled to dissent and obtain payment pursuant to NRS 92A.300 to 92A.500, inclusive, must not ***otherwise object to or*** challenge the corporate action creating the entitlement ~~[unless the action is unlawful or constitutes or]~~ ***, except to the extent that:***

(a) The domestic corporation did not obtain the vote or consent of the requisite voting power of the stockholders to approve the action as prescribed under this chapter and the articles of incorporation and bylaws of the domestic corporation; or

(b) The corporate action is the ***proximate*** result of actual fraud against the stockholder or the domestic corporation.

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

Sec. 27. This act becomes effective upon passage and approval.

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