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CHAPTER 78 - PRIVATE CORPORATIONS

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GENERAL PROVISIONS

NRS 78.010 Definitions; construction.

1. As used in this chapter:

(a) "Approval" and "vote" as describing action by the directors or stockholders mean the vote of directors in person or by written consent or of stockholders in person, by proxy or by written consent.

(b) "Articles," "articles of incorporation" and "certificate of incorporation" are synonymous terms and, unless the context otherwise requires, include all certificates filed pursuant to [NRS 78.030](#), [78.180](#), [78.185](#), [78.1955](#), [78.209](#), [78.380](#), [78.385](#), [78.390](#), [78.725](#) and [78.730](#) and any articles of merger, conversion, exchange or domestication filed pursuant to [NRS 92A.200](#) to [92A.240](#), inclusive, or [92A.270](#). Unless the context otherwise requires, these terms include restated articles and certificates of incorporation.

(c) "Directors" and "trustees" are synonymous terms.

(d) "Entity" means a foreign or domestic:

- (1) Corporation, whether or not for profit;
- (2) Limited-liability company;
- (3) Limited partnership; or
- (4) Business trust.

(e) "Principal office" means the office, in or out of this State, where the principal executive offices of a domestic or foreign corporation are located.

(f) "Receiver" includes receivers and trustees appointed by a court as provided in this chapter or in [chapter 32](#) of NRS.

(g) "Registered agent" has the meaning ascribed to it in [NRS 77.230](#).

(h) "Registered office" means the office maintained at the street address of the registered agent.

(i) "Stockholder of record" means a person whose name appears on the stock ledger of the corporation.

2. General terms and powers given in this chapter are not restricted by the use of special terms, or by any grant of special powers contained in this chapter.

[Part 47:177:1925; NCL § 1646] + [83:177:1925; A 1931, 415; 1931 NCL § 1682]—(NRS A 1965, 216; 1977, 184; 1989, 871; 1991, 1207; 1993, 944; 1995, 2093; [1997, 695](#); [1999, 1576](#); [2001, 101](#), [1358](#), [2722](#), [3199](#); [2003, 48](#), [3077](#); [2007, 2639](#); [2011, 2769](#))

NRS 78.015 Applicability of chapter; effect on corporations existing before April 1, 1925.

1. The provisions of this chapter apply to:

(a) Corporations organized in this State on or after October 1, 1991, except:

- (1) Where the provisions of [chapters 80, 84](#) and [89](#) of NRS are inconsistent with the provisions of this chapter;
- (2) Corporations expressly excluded by the provisions of this chapter; and
- (3) Corporations governed by the provisions of [NRS 81.170](#) to [81.540](#), inclusive, and [chapter 82](#) of NRS.

(b) Corporations whose charters are renewed or revived in the manner provided in [NRS 78.730](#).

(c) Corporations organized and still existing under this chapter before October 1, 1991, or any prior act or any amendment thereto.

(d) Close corporations, unless otherwise provided in [chapter 78A](#) of NRS.

(e) All insurance companies, mutual fire insurance companies, surety companies, express companies, railroad companies, and public utility companies now existing and formed before October 1, 1991, under any other act or law of this State, subject to any special provisions concerning any class of corporations inconsistent with the provisions of this chapter, in which case the special provisions continue to apply.

2. Neither the existence of corporations formed or existing before April 1, 1925, nor any liability, cause of action, right, privilege or immunity validly existing in favor of or against any such corporation on April 1, 1925, are affected, abridged, taken away or impaired by this chapter, or by any change in the requirements for the formation of corporations provided by this chapter, nor by the amendment or repeal of any laws under which such prior existing corporations were formed or created.

[1:177:1925; A 1935, 146; 1937, 4; 1945, 196; 1943 NCL § 1600]—(NRS A 1989, 948; 1991, 1207; 1995, 2094)

NRS 78.020 Limitations on incorporation under chapter; compliance with other laws.

1. Insurance companies, mutual fire insurance companies, surety companies, express companies and railroad companies may be formed under this chapter, but such a corporation may not:

(a) Transact any such business within this State until it has first complied with all laws concerning or affecting the right to engage in such business.

(b) Infringe the laws of any other state or country in which it may intend to engage in business, by so incorporating under this chapter.

2. No trust company, savings and loan association, thrift company or corporation organized for the purpose of conducting a banking business may be organized under this chapter.

[Part 4:177:1925; A 1929, 413; 1931, 415; 1949, 158; 1955, 402]—(NRS A 1975, 1; 1983, 117; [1997, 1014](#))

NRS 78.025 Reserved power of State to amend or repeal chapter; chapter part of corporation's charter. This chapter may be amended or repealed at the pleasure of the Legislature, and every corporation created under this chapter, or availing itself of any of the provisions of this chapter, and all stockholders of such corporation shall be bound by such amendment; but such amendment or repeal shall not take away or impair any remedy against any corporation, or its officers, for any liability which shall have been previously incurred. This chapter, and all amendments thereof, shall be a part of the charter of every corporation, except so far as the same are inapplicable and inappropriate to the objects of the corporation.

[2:177:1925; NCL § 1601]

NRS 78.026 Form required for filing of records.

1. Each record filed with the Secretary of State pursuant to this chapter must be on or accompanied by a form prescribed by the Secretary of State.

2. The Secretary of State may refuse to file a record which does not comply with subsection 1 or which does not contain all of the information required by statute for filing the record.

3. If the provisions of the form prescribed by the Secretary of State conflict with the provisions of any record that is submitted for filing with the form:

(a) The provisions of the form control for all purposes with respect to the information that is required by statute to appear in the record in order for the record to be filed; and

(b) Unless otherwise provided in the record, the provisions of the record control in every other situation.

4. The Secretary of State may by regulation provide for the electronic filing of records with the Office of the Secretary of State.

(Added to NRS by [2003, 20th Special Session, 26](#))

NRS 78.027 Corporate records: Microfilming; imaging; return. The Secretary of State may microfilm or image any record which is filed in the Office of the Secretary of State with respect to a corporation pursuant to this chapter and may return the original record to the corporation.

(Added to NRS by 1977, 572; A [2003, 3077](#); [2003, 20th Special Session, 27](#))

NRS 78.028 Filing of records written in language other than English. No record which is written in a language other than English may be filed or submitted for filing in the Office of the Secretary of State pursuant to the provisions of this chapter unless it is accompanied by a verified translation of that record into the English language.

(Added to NRS by 1995, 1112; A [2003, 3077](#))

NRS 78.0285 Secretary of State authorized to adopt certain regulations to allow corporation to carry out powers and duties through most recent technology. The Secretary of State may adopt regulations to define, for the purposes of certain provisions of this chapter, the terms “meeting,” “writing,” “written” and other terms to allow a corporation or other entity which is subject to the provisions of this chapter to carry out its powers and duties as prescribed by this chapter through the use of the most recent technology available including, without limitation, the use of electronic communications, videoconferencing and telecommunications.

(Added to NRS by [2011, 775](#))

NRS 78.029 Procedure to submit replacement page to Secretary of State before actual filing of record. Before the issuance of stock an incorporator, and after the issuance of stock an officer, of a corporation may authorize the Secretary of State in writing to replace any page of a record submitted for filing on an expedited basis, before the actual filing, and to accept the page as if it were part of the original record.

(Added to NRS by [1997, 2807](#); A [1999, 1577](#); [2003, 3078](#))

NRS 78.0295 Correction of inaccurate or defective record filed with the Secretary of State; cancellation of filings.

1. A corporation may correct a record filed in the Office of the Secretary of State with respect to the corporation if the record contains an inaccurate description of a corporate action or if the record was defectively signed, attested, sealed, verified or acknowledged.

2. To correct a record, the corporation must:

(a) Prepare a certificate of correction which:

(1) States the name of the corporation;

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

(3) Specifies the inaccuracy or defect;

(4) Sets forth the inaccurate or defective portion of the record in an accurate or corrected form; and

(5) Is signed by an officer of the corporation or, if no stock has been issued by the corporation, by the incorporator or a director of the corporation.

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

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

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

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

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

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

(Added to NRS by [1997, 693](#); A [2001, 1358, 3170, 3199](#); [2003, 3078](#); [2003, 20th Special Session, 27](#); [2009, 2826](#))

NRS 78.0297 Corporate records: Manner of storage; conversion of electronic records into clear and legible paper form; admissibility in evidence of electronic records.

1. Except as otherwise required by federal or state law, any records maintained by a corporation in its regular course of business, including, without limitation, its stock ledger, minute books, books of account and financial records, may be kept on, or by means of, any information processing system or other information storage device or medium, or in the form of an electronic record.

2. A corporation shall convert within a reasonable time any electronic records into clear and legible paper form upon the request of any person entitled to inspect the records maintained by the corporation pursuant to any provision of this chapter.

3. A clear and legible paper form produced from electronic records is admissible in evidence and accepted for all other purposes to the same extent as an original paper record with the same information provided that the paper form portrays the record accurately.

(Added to NRS by [2003, 3076](#); A [2011, 2770](#))

NRS 78.0298 Records or signatures maintained by corporation. No record or signature maintained by a corporation is required to be created, generated, sent, communicated, received, stored or otherwise processed or used by electronic means or in electronic form.

(Added to NRS by [2003, 3076](#); A [2011, 2771](#))

FORMATION

NRS 78.030 Filing requirements.

1. One or more persons may establish a corporation for the transaction of any lawful business, or to promote or conduct any legitimate object or purpose, pursuant and subject to the requirements of this chapter, by signing and filing in the Office of the Secretary of State articles of incorporation.

2. The articles of incorporation must be as provided in [NRS 78.035](#), and the Secretary of State shall require them to be in the form prescribed. If any articles are defective in this respect, the Secretary of State shall return them for correction.

[3:177:1925; A 1931, 415; 1931 NCL § 1602]—(NRS A 1963, 70; 1979, 394; 1981, 1888; 1989, 948; 1991, 1208; 1995, 2095; [1999, 1577](#); [2003, 3078](#); [2007, 2640](#))

NRS 78.035 Articles of incorporation: Required provisions. The articles of incorporation must set forth:

1. The name of the corporation. A name appearing to be that of a natural person and containing a given name or initials must not be used as a corporate name except with an additional word or words such as “Incorporated,” “Limited,” “Inc.,” “Ltd.,” “Company,”

“Co.,” “Corporation,” “Corp.,” or other word which identifies it as not being a natural person.

2. The information required pursuant to [NRS 77.310](#).

3. The number of shares the corporation is authorized to issue and, if more than one class or series of stock is authorized, the classes, the series and the number of shares of each class or series which the corporation is authorized to issue, unless the articles authorize the board of directors to fix and determine in a resolution the classes, series and numbers of each class or series as provided in [NRS 78.195](#) and [78.196](#).

4. The names and addresses, either residence or business, of the first board of directors or trustees, together with any desired provisions relative to the right to change the number of directors as provided in [NRS 78.115](#).

5. The name and address, either residence or business, of each of the incorporators signing the articles of incorporation.

[Part 4:177:1925; A 1929, 413; 1931, 415; 1949, 158; 1955, 402]—(NRS A 1957, 75; 1967, 769; 1981, 1888; 1985, 1785; 1987, 81, 574, 1054; 1991, 1208; 1993, 945; 1995, 2095; [1999, 1577](#); [2003, 3078](#); [2003, 20th Special Session, 27](#); [2007, 2640](#))

NRS 78.037 Articles of incorporation: Optional provisions. The articles of incorporation may also contain any provision, not contrary to the laws of this State:

1. For the management of the business and for the conduct of the affairs of the corporation;

2. Creating, defining, limiting or regulating the powers of the corporation or the rights, powers or duties of the directors, the officers or the stockholders, or any class of the stockholders, or the holders of bonds or other obligations of the corporation; or

3. Governing the distribution or division of the profits of the corporation.

(Added to NRS by 1987, 80; A 1991, 1210; 1993, 945; [2001, 3171](#))

NRS 78.039 Name of corporation: Distinguishable name required; availability of name of revoked, merged or otherwise terminated corporation; regulations.

1. The name proposed for a corporation must be distinguishable on the records of the Secretary of State from the names of all other artificial persons formed, organized, registered or qualified pursuant to the provisions of this title that are on file in the Office of the Secretary of State and all names that are reserved in the Office of the Secretary of State pursuant to the provisions of this title. If a proposed name is not so distinguishable, the Secretary of State shall return the articles of incorporation containing the proposed name to the incorporator, unless the written, acknowledged consent of the holder of the name on file or reserved name to use the same name or the requested similar name accompanies the articles of incorporation.

2. For the purposes of this section and [NRS 78.040](#), a proposed name is not distinguishable from a name on file or reserved name solely because one or the other contains distinctive lettering, a distinctive mark, a trademark or a trade name, or any combination of these.

3. The name of a corporation whose charter has been revoked, which has merged and is not the surviving entity or whose existence has otherwise terminated is available for use by any other artificial person.

4. The Secretary of State may adopt regulations that interpret the requirements of this section.

(Added to NRS by 1975, 477; A 1987, 1056; 1991, 1210; 1993, 945; [1997, 2807](#); [1999, 1578](#))

NRS 78.040 Name of corporation: Reservation; injunctive relief.

1. The Secretary of State, when requested so to do, shall reserve, for a period of 90 days, the right to use any name available under [NRS 78.039](#), for the use of any proposed corporation. During the period, a name so reserved is not available for use or reservation by any other artificial person forming, organizing, registering or qualifying in the Office of the Secretary of State pursuant to the provisions of this title without the written, acknowledged consent of the person at whose request the reservation was made.

2. The use by any other artificial person of a name in violation of subsection 1 or [NRS 78.039](#) may be enjoined, even if the record under which the artificial person is formed, organized, registered or qualified has been filed by the Secretary of State.

[4a:177:1925; added 1931, 415; 1931 NCL § 1603.01] + [4b:177:1925; added 1931, 415; 1931 NCL § 1603.02]—(NRS A 1963, 64; 1979, 395; 1981, 472; 1987, 1056; 1993, 946; [1999, 1578](#); [2003, 3079](#))

NRS 78.045 Articles of incorporation: Approval or certification required before filing of certain articles or amendments.

1. The Secretary of State shall not accept for filing any articles of incorporation or any certificate of amendment of articles of incorporation of any corporation formed pursuant to the laws of this State which provides that the name of the corporation contains the word “bank” or “trust,” unless:

(a) It appears from the articles or the certificate of amendment that the corporation proposes to carry on business as a banking or trust company, exclusively or in connection with its business as a bank, savings and loan association or thrift company; and

(b) The articles or certificate of amendment is first approved by the Commissioner of Financial Institutions.

2. The Secretary of State shall not accept for filing any articles of incorporation or any certificate of amendment of articles of incorporation of any corporation formed pursuant to the provisions of this chapter if it appears from the articles or the certificate of amendment that the business to be carried on by the corporation is subject to supervision by the Commissioner of Insurance or by the Commissioner of Financial Institutions, unless the articles or certificate of amendment is approved by the Commissioner who will supervise the business of the corporation.

3. Except as otherwise provided in subsection 7, the Secretary of State shall not accept for filing any articles of incorporation or any certificate of amendment of articles of incorporation of any corporation formed pursuant to the laws of this State if the name of the corporation contains the words “engineer,” “engineered,” “engineering,” “professional engineer,” “registered engineer” or “licensed engineer” unless:

(a) The State Board of Professional Engineers and Land Surveyors certifies that the principals of the corporation are licensed to practice engineering pursuant to the laws of this State; or

(b) The State Board of Professional Engineers and Land Surveyors certifies that the corporation is exempt from the prohibitions of [NRS 625.520](#).

4. Except as otherwise provided in subsection 7, the Secretary of State shall not accept for filing any articles of incorporation or any certificate of amendment of articles of incorporation of any corporation formed pursuant to the laws of this State if the name of the corporation contains the words “architect,” “architecture,” “registered architect,” “licensed architect,” “registered interior designer,” “registered interior design,” “residential designer,” “registered residential designer,” “licensed residential designer” or “residential design” unless the State Board of Architecture, Interior Design and Residential Design certifies that:

(a) The principals of the corporation are holders of a certificate of registration to practice architecture or residential design or to practice as a registered interior designer, as applicable, pursuant to the laws of this State; or

(b) The corporation is qualified to do business in this State pursuant to [NRS 623.349](#).

5. The Secretary of State shall not accept for filing any articles of incorporation or any certificate of amendment of articles of incorporation of any corporation formed pursuant to the laws of this State which provides that the name of the corporation contains the word “accountant,” “accounting,” “accountancy,” “auditor” or “auditing” unless the Nevada State Board of Accountancy certifies that the corporation:

(a) Is registered pursuant to the provisions of [chapter 628](#) of NRS; or

(b) Has filed with the Nevada State Board of Accountancy under penalty of perjury a written statement that the corporation is not engaged in the practice of accounting and is not offering to practice accounting in this State.

6. The Secretary of State shall not accept for filing any articles of incorporation or any certificate of amendment of articles of incorporation of any corporation formed or existing pursuant to the laws of this State which provides that the name of the corporation contains the words “common-interest community,” “community association,” “master association,” “unit-owners’ association” or “homeowners’ association” or if it appears in the articles of incorporation or certificate of amendment that the purpose of the corporation is to operate as a unit-owners’ association pursuant to [chapter 116](#) or [116B](#) of NRS unless the Administrator of the Real Estate Division of the Department of Business and Industry certifies that the corporation has:

(a) Registered with the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels pursuant to [NRS 116.31158](#) or [116B.625](#); and

(b) Paid to the Administrator of the Real Estate Division the fees required pursuant to [NRS 116.31155](#) or [116B.620](#).

7. The provisions of subsections 3 and 4 do not apply to any corporation, whose securities are publicly traded and regulated by the Securities Exchange Act of 1934, which does not engage in the practice of professional engineering, architecture or residential design or interior design, as applicable.

8. The Commissioner of Financial Institutions and the Commissioner of Insurance may approve or disapprove the articles or amendments referred to them pursuant to the provisions of this section.

[4.5:177:1925; added 1949, 520; 1943 NCL § 1603.1]—(NRS A 1977, 1056; 1979, 1102; 1983, 467, 1696; 1987, 1873; 1993, 128; 1995, 1112; [1997, 1058](#); [1999, 1706, 2441](#); [2001, 111](#); [2003, 20th Special Session, 28](#); [2005, 2623](#); [2007, 2, 2279](#))

NRS 78.047 Penalty for purporting to do business as corporation without filing articles of incorporation; enforcement; regulations.

1. Every person, other than a corporation organized and existing pursuant to the laws of another state, territory, the District of Columbia, a possession of the United States or a foreign country, who is purporting to do business in this State as a corporation and who willfully fails or neglects to file with the Secretary of State articles of incorporation is subject to a fine of not less than \$1,000 but not more than \$10,000, to be recovered in a court of competent jurisdiction.

2. When the Secretary of State is advised that a person is subject to the fine described in subsection 1, the Secretary of State may, as soon as practicable, instruct the district attorney of the county in which the person’s principal place of business is located or the Attorney General, or both, to institute proceedings to recover the fine. If the district attorney or the Attorney General prevails in a proceeding to recover the fine described in subsection 1, the district attorney or the Attorney General is entitled to recover the costs of the proceeding, including, without limitation, the cost of any investigation and reasonable attorney’s fees.

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

(Added to NRS by [2009, 1673](#))

NRS 78.050 Commencement of corporate existence.

1. Upon the filing of the articles of incorporation pursuant to [NRS 78.030](#) and the payment of the filing fees, the Secretary of State shall issue to the corporation a certificate that the articles, containing the required statement of facts, have been filed. From the date the articles are filed, the corporation is a body corporate, by the name set forth in the articles of incorporation, subject to the forfeiture of its charter or dissolution as provided in this chapter.

2. Neither an incorporator nor a director designated in the articles of incorporation thereby becomes a subscriber or stockholder of the corporation.

3. The filing of the articles of incorporation does not, by itself, constitute commencement of business by the corporation.

[Part 5:177:1925; NCL § 1604]—(NRS A 1989, 948; 1991, 1211; 1993, 946; [2007, 2641](#))

NRS 78.055 Acceptable evidence of incorporation. A copy of any articles of incorporation filed pursuant to this chapter, and certified by the Secretary of State under the official seal of the Secretary of State, or, with respect to a corporation organized before October 1, 1991, a copy of the copy thereof, filed with the county clerk, or microfilmed by the county clerk, under the county seal, certified by the clerk, must be received in all courts and places as prima facie evidence of the facts therein stated, and of the existence and incorporation of the corporation therein named.

[Part 5:177:1925; NCL § 1604]—(NRS A 1963, 70; 1991, 1211)

POWERS

NRS 78.060 General powers.

1. Any corporation organized under the provisions of this chapter:

(a) Has all the rights, privileges and powers conferred by this chapter.

(b) Has such rights, privileges and powers as may be conferred upon corporations by any other existing law.

(c) May at any time exercise those rights, privileges and powers, when not inconsistent with the provisions of this chapter, or with the purposes and objects for which the corporation is organized.

(d) Unless otherwise provided in its articles, has perpetual existence.

2. Every corporation, by virtue of its existence as such, is entitled:

(a) To have succession by its corporate name until dissolved and its affairs are wound up according to law.

(b) To sue and be sued in any court of law or equity.

(c) To make contracts.

(d) To appoint such officers and agents as the affairs of the corporation require, and to allow them suitable compensation.

(e) To make bylaws not inconsistent with the Constitution or laws of the United States, or of this State, for the management, regulation and government of its affairs and property, the transfer of its stock, the transaction of its business, and the calling and holding of meetings of its stockholders.

(f) To wind up and dissolve itself, or be wound up or dissolved, in the manner mentioned in this chapter.

(g) Unless otherwise provided in the articles, to engage in any lawful activity.

[Part 8:177:1925; NCL § 1607] + [91:177:1925; NCL § 1690]—(NRS A 1969, 99; 1991, 1211; [2003, 3079](#))

NRS 78.065 Adoption and use of corporate seal or stamp.

1. Every corporation, by virtue of its existence as such, shall have power to adopt and use a common seal or stamp, and alter the same at pleasure.

2. The use of a seal or stamp by a corporation on any corporate record is not necessary. The corporation may use a seal or stamp, if it desires, but such use or nonuse must not in any way affect the legality of the record.

[Part 8:177:1925; NCL § 1607] + [85:177:1925; A 1953, 180]—(NRS A 1967, 102; 1971, 1100; [2003, 3080](#))

NRS 78.070 Specific powers. Subject to such limitations, if any, as may be contained in its articles of incorporation, every corporation has the following powers:

1. To borrow money and contract debts when necessary for the transaction of its business, or for the exercise of its corporate rights, privileges or franchises, or for any other lawful purpose of its incorporation and to issue bonds, promissory notes, bills of exchange, debentures, and other obligations and evidences of indebtedness, payable at a specified time or times, or payable upon the happening of a specified event or events, whether secured by mortgage, pledge or other security, or unsecured, for money borrowed, or in payment for property purchased or acquired, or for any other lawful object.

2. To guarantee, purchase, hold, take, obtain, receive, subscribe for, own, use, dispose of, sell, exchange, lease, lend, assign, mortgage, pledge, or otherwise acquire, transfer or deal in or with bonds or obligations of, or shares, securities or interests in or issued by, any person, government, governmental agency or political subdivision of government, and to exercise all the rights, powers and privileges of ownership of such an interest, including the right to vote, if any.

3. To purchase, hold, sell, pledge and transfer shares of its own stock, and use therefor its property or money.

4. To conduct business, have one or more offices, and hold, purchase, lease, mortgage, convey and take by devise or bequest real and personal property in this State, and in any of the several states, territories, possessions and dependencies of the United States, the District of Columbia, Puerto Rico and any foreign countries.

5. To do everything necessary and proper for the accomplishment of the objects enumerated in its articles of incorporation or necessary or incidental to the protection and benefit of the corporation, and, in general, to carry on any lawful business necessary or incidental to the attainment of the objects of the corporation, whether or not the business is similar in nature to the objects set forth in the articles of incorporation, except that:

(a) A corporation created under the provisions of this chapter does not possess the power of issuing bills, notes or other evidences of debt for circulation of money; and

(b) This chapter does not authorize the formation of banking corporations to issue or circulate money or currency within this State, or outside of this State, or at all, except the federal currency, or the notes of banks authorized under the laws of the United States.

6. To make donations for the public welfare or for charitable, scientific or educational purposes.

7. To enter into any relationship with another person in connection with any lawful activities.

8. To renounce in its articles of incorporation or by action by the board of directors any interest or expectancy to participate in specified business opportunities or specified classes or categories of business opportunities that are presented to the corporation or one or more of its officers, directors or stockholders.

[9:177:1925; A 1931, 415; 1949, 158; 1953, 180]—(NRS A 1959, 690; 1963, 1146; 1969, 117; 1987, 576; 1991, 1212; 1993, 947; [1997, 696](#); [2003, 3080](#); [2007, 2414](#))

NRS 78.075 Railroad companies: Powers. In furtherance of and in addition to the powers which railroad companies organized under this chapter are entitled to exercise, but not in limitation of any of the powers granted by this chapter, every railroad company may:

1. Cause such examination and surveys for the proposed railroad to be made as may be necessary to the selection of the most advantageous route for the railroad, and for such purposes, by their officers, agents and employees, to enter upon the lands or waters of any persons, but subject to responsibility for all damages which they do thereto.

2. Receive, hold, take and convey, by deed or otherwise, as a natural person might or could do, such voluntary grants and donations of real estate, and other property of every description, as may be made to it to aid and encourage the construction, maintenance and accommodation of the railroad.

3. Purchase, and by voluntary grants and donations receive and take, and by its officers, engineers, surveyors and agents, enter upon and take possession of, and hold and use, in any manner they may deem proper, all such lands and real estate, and other property as the directors may deem necessary and proper for the construction and maintenance of the railroad, and for the stations, depots and other accommodations and purposes, deemed necessary to accomplish the object for which the corporation is formed.

4. Lay out its road or roads, not exceeding 200 feet wide, and construct and maintain the road with such tracks and with such appendages as may be deemed necessary for the convenient use of it. The company may make embankments, excavations, ditches, drains, culverts or otherwise, and procure timber, stone and gravel, or other materials, and may take as much more land, whenever they may think proper, as may be necessary for the purposes aforesaid, in the manner hereinafter provided, for the proper construction and security of the road.

5. Construct their road across, along or upon any stream of water, watercourse, roadstead, bay, navigable stream, street, avenue or highway, or across any railway, canal, ditch or flume which the route of its road intersects, crosses or runs along, in such manner as to afford security for life and property. The corporation shall restore the stream or watercourse, road, street, avenue, highway, railroad, canal, ditch or flume thus intersected to its former state, as near as may be, or in a sufficient manner not to have impaired unnecessarily its usefulness or injured its franchises.

6. Cross, intersect, join and unite its railroad with any other railroad, either before or after constructed, at any point upon its route, and upon the grounds of such other railroad company, with the necessary turnouts, sidings and switches, and other conveniences, in

furtherance of the objects of its connections; and every company whose railroad is, or will be hereafter, intersected by any new railroad in forming such intersections and connection, and grant the facilities aforesaid. If the two corporations cannot agree upon the amount of compensation to be made therefor, or the points or the manner of such crossings, intersections and connections, the same must be ascertained and determined by commissioners, to be appointed as is provided hereinafter in respect to the taking of lands, but this section is not to affect the rights and franchises heretofore granted.

7. Purchase lands, timber, stone, gravel or other materials to be used in the construction and maintenance of its road, or take them in the manner provided by this chapter. The railroad company may change the line of its road, in whole or in part, whenever a majority of the directors determine, as is provided hereinafter, but no such change may vary the general route of a road, as contemplated in the articles of incorporation of the company.

8. Receive by purchase, donation or otherwise, any lands, or other property, of any description, and hold and convey it in any manner the directors may think proper, the same as natural persons might or could do, that may be necessary for the construction and maintenance of its road, or for the erection of depots, turnouts, workshops, warehouses or for any other purposes necessary for the convenience of railroad companies, in order to transact the business usual for railroad companies.

9. Take, transport, carry and convey persons and property on their railroad, by the force and power of steam, of animals, or any mechanical power, or by any combinations of them, and receive tolls or compensation therefor.

10. Erect and maintain all necessary and convenient buildings, stations, depots and fixtures and machinery for the accommodation and use of their passengers, freight and business, obtain and hold the lands and other property necessary therefor, and acquire additional lands and rights-of-way and build and operate extensions or branches of its line of railroad.

11. Regulate the time and manner in which passengers and property are transported, and the tolls and compensation to be paid therefor, within the limits prescribed by law.

12. Regulate the force and speed of their locomotives, cars, trains or other machinery used and employed on their road, and establish, execute and enforce all needful and proper rules and regulations fully and completely for the management of its business transactions usual and proper for railroad companies.

13. Purchase, hold, sell and transfer shares of its own stock, bonds, debentures, or other securities issued by it, except that:

(a) No corporation may use its funds or property for the purchase of its own shares of stock when such use would cause any impairment of the capital of the corporation; and

(b) Shares of its own stock belonging to the corporation must not be voted upon, directly or indirectly, nor counted as outstanding for the purpose of any stockholders' quorum or vote.

14. Acquire, own, and operate motor vehicles, and air transportation facilities, and transport persons and property along and over the streets and highways of this State, for the transportation, for hire, of passengers, property and freight, either directly or through a subsidiary company or companies, subject to all relevant provisions of law concerning permits, licenses, franchises and the regulation of such form of transportation by motor vehicles or other agencies.

È Whenever the track of a railroad crosses a railroad or highway, such railroad or highway may be carried under, over or on a level with the track, as may be most expedient, and in cases where an embankment or cutting makes a change in the line of such railroad or highway desirable, with a view to a more easy ascent or descent, the company may take such additional lands and materials, if needed for the construction of such road or highway, on such new line, as may be deemed requisite by the railroad. Unless the lands and materials so taken are purchased, or voluntarily given for the purpose aforesaid, compensation therefor must be ascertained in the manner provided by law.

[9(a):177:1925; added 1945, 196; 1943 NCL § 1608.01]—(NRS A 1993, 2762)

NRS 78.080 Railroad companies: Rights-of-way granted by the State, counties and municipalities; limitations; reversion on abandonment; duties of companies.

1. The right-of-way is hereby given and granted to all railroad companies that are now organized, or may be organized under the provisions of this chapter, or under the laws of any other state or territory, or under any act of Congress, to locate, construct and maintain their roads, or any part or parcel thereof, over and through any of the swamp or overflowed lands belonging to this State, or any other public lands which are now or may be the property of the State, at the time of constructing the railroad.

2. Such railroad companies are hereby authorized to survey and mark through the lands of the State, to be held by them for the track of their respective railroads, 200 feet in width, for the whole length the roads may be located over the lands of the State; and the right is hereby further given and granted to the companies to locate, occupy and hold all necessary sites and grounds for watering places, depots or other buildings, for the convenient use of the same, along the line of the road or roads, so far as the places convenient for the same may fall upon the lands belonging to the State, except within the limits of any incorporated city or town, or within 3 miles where the same shall be taken, on paying to the State the value of the same.

3. No one depot, watering place, machine or workshop, or other buildings for the convenient use of such roads, shall cover over 6 acres each, and the sites or places on the lands of this State shall not be nearer to each other than 5 miles along the line of the roads.

4. The right is hereby further given and granted to the companies to take from any of the lands belonging to this State all such materials of earth, wood, stone or other materials whatever, as may be necessary or convenient, from time to time, for the first construction or equipment of the road or roads, or any part thereof.

5. If any road, at any time after its location, shall be discontinued or abandoned by the company or companies, or the location of any part thereof be so changed as not to cover the lands of the State thus previously occupied, then the lands so abandoned or left shall revert to this State.

6. When the location of the route of either of the railroads, or sites or places for depots, watering places, machine or workshops or other buildings for the convenient use of the same, shall be selected, the secretary of the company shall transmit to the Director of the State Department of Conservation and Natural Resources, and to the State Controller, and to the recorder of the county in which the lands so selected are situated, to each of the officers, a correct plot of the location of the railroad, or sites or places, before such selection shall become operative.

7. When any such company shall, for its purposes aforesaid, require any of the lands belonging to any of the counties, cities or towns in this State, the county, city and town officers, respectively, having charge of such lands, may grant and convey such land to such company, for a compensation which shall be agreed upon between them, or may donate and convey the same without any compensation; and if they shall not agree upon the sale and price, the same may be taken by the company as is provided in other cases of taking lands by condemnation.

8. Before any corporation incorporated or organized otherwise than under the laws of this State shall be entitled to any of the

rights granted by this chapter, it shall file in the office of the county recorder of each county in which the railroad, or any part, extension or branch thereof shall be situate, a copy of its certificate or articles of incorporation, or of the act or law by which it was created, with the certified list of its officers, in the manner and form required by law.

[9(b):177:1925; added 1945, 196; 1943 NCL § 1608.02]—(NRS A 1957, 653)

NRS 78.085 Railroad companies: Filing and recording of certified maps and profiles.

1. Every railroad company in this State shall, within 90 days after its road is finally located:

(a) Cause to be made a map and profile thereof, and of the land taken and obtained for the use thereof, and the boundaries of the several counties through which the road may run;

(b) File the map and profile thereof in the Office of the Secretary of State and a duplicate thereof with the Public Utilities Commission of Nevada; and

(c) Cause to be made like maps of the parts thereof located in different counties, and record such maps in the office of the recorder of the county in which those parts of the road are located.

2. The maps and profiles must be certified by the chief engineer, the acting president and secretary of the company, and copies of the maps and profiles so certified and recorded as required by subsection 1 must be kept in the office of the company, subject to examination by all interested persons.

[9(d):177:1925; added 1945, 196; 1943 NCL § 1608.04]—(NRS A [1997, 1963; 2001, 1751](#))

REGISTERED OFFICE AND REGISTERED AGENT

NRS 78.090 Registered agent required; address of registered office; powers of bank or corporation who is registered agent; penalty for noncompliance; service upon and delivery to registered agent in lieu of corporation.

1. Every corporation must have a registered agent who resides or is located in this State. Notwithstanding the provisions of [NRS 77.300](#), each registered agent must have a street address for receiving service of process, which is the registered office of the corporation in this State. If the registered agent is in the business of acting as a registered agent for more than one business entity, the physical street address of the registered office must be in a location for which such use is not prohibited by any local ordinance. The registered agent may have a separate mailing address such as a post office box, which may be different from the street address.

2. If the registered agent is a bank or corporation, it may:

(a) Act as the fiscal or transfer agent of any state, municipality, body politic or corporation and in that capacity may receive and disburse money.

(b) Transfer, register and countersign certificates of stock, bonds or other evidences of indebtedness and act as agent of any corporation, foreign or domestic, for any purpose required by statute, or otherwise.

(c) Act as trustee under any mortgage or bond issued by any municipality, body politic or corporation, and accept and execute any other municipal or corporate trust not inconsistent with the laws of this State.

(d) Receive and manage any sinking fund of any corporation, upon such terms as may be agreed upon between the corporation and those dealing with it.

3. Every corporation organized pursuant to this chapter which fails or refuses to comply with the requirements of this section is subject to a fine of not less than \$100 nor more than \$500, to be recovered with costs by the State, before any court of competent jurisdiction, by action at law prosecuted by the Attorney General or by the district attorney of the county in which the action or proceeding to recover the fine is prosecuted.

4. All legal process and any demand, notice or communication authorized by law to be served upon, or delivered to, a corporation may be served upon, or delivered to, the registered agent of the corporation in the manner provided in subsection 2 of [NRS 14.020](#). If any demand, notice, communication or legal process, other than a summons and complaint, cannot be served upon, or delivered to, the registered agent, it may be served or delivered in the manner provided in [NRS 14.030](#). These manners and modes of service or delivery are in addition to any other manner and mode of service or delivery authorized by law.

[78:177:1925; A 1929, 413; NCL § 1677] + [Part 79:177:1925; NCL § 1678]—(NRS A 1959, 682; 1969, 571; 1987, 1057; 1989, 949, 975, 1971; 1991, 1213; 1993, 948; 1995, 2095; [2007, 2641; 2011, 2771](#))

NRS 78.097 Resignation of registered agent or termination of commercial registered agent.

1. If a registered agent resigns pursuant to [NRS 77.370](#) or if a commercial registered agent terminates its listing as a commercial registered agent pursuant to [NRS 77.330](#), the corporation, before the effective date of the resignation or termination, shall file with the Secretary of State a statement of change of registered agent pursuant to [NRS 77.340](#).

2. A corporation that fails to comply with subsection 1 shall be deemed in default and is subject to the provisions of [NRS 78.170](#) and [78.175](#).

3. As used in this section, “commercial registered agent” has the meaning ascribed to it in [NRS 77.040](#).

(Added to NRS by 1959, 681; A 1967, 89; 1969, 11; 1989, 949; 1991, 1214; 1993, 949; [1999, 1579; 2003, 3081; 2003, 20th Special Session, 29; 2007, 2642](#))

NRS 78.105 Maintenance of records at registered office; inspection and copying of records; civil liability; penalties.

1. A corporation shall keep a copy of the following records at its registered office:

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

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

(c) A stock ledger or a duplicate stock ledger, revised annually, containing the names, alphabetically arranged, of all persons who are stockholders of the corporation, showing their places of residence, if known, and the number of shares held by them respectively. In lieu of the stock ledger or duplicate stock ledger, the corporation may keep a statement setting out the name of the custodian of the stock ledger or duplicate stock ledger, and the present and complete mailing or street address where the stock ledger or duplicate stock ledger specified in this section is kept.

2. A stock ledger, duplicate stock ledger or statement setting out the name of the custodian of the stock ledger or duplicate stock ledger described in paragraph (c) of subsection 1 must be maintained by the registered agent of the corporation for 3 years following the resignation or termination of the registered agent or the dissolution of the corporation by the Secretary of State.

3. Any person who has been a stockholder of record of a corporation for at least 6 months immediately preceding the demand, or any person holding, or thereunto authorized in writing by the holders of, at least 5 percent of all of its outstanding shares, upon at least

5 days' written demand is entitled to inspect in person or by agent or attorney, during usual business hours, the records required by subsection 1 and make copies therefrom. Holders of voting trust certificates representing shares of the corporation must be regarded as stockholders for the purpose of this subsection. Every corporation that neglects or refuses to keep the records required by subsection 1 open for inspection, as required in this subsection, shall forfeit to the State the sum of \$25 for every day of such neglect or refusal.

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

5. When the corporation keeps a statement in the manner provided for in paragraph (c) of subsection 1, the information contained thereon must be given to any stockholder of the corporation demanding the information, when the demand is made during business hours. Every corporation that neglects or refuses to keep a statement available, as in this subsection required, shall forfeit to the State the sum of \$25 for every day of such neglect or refusal.

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

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

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

[80:177:1925; A 1951, 332]—(NRS A 1959, 29; 1963, 217; 1965, 978; 1991, 1214; [1997, 697](#); [2003, 3082](#); [2007, 2642](#))

NRS 78.107 Denial of request for inspection of records; defense to action for penalties or damages; authority of court to compel production of records.

1. An inspection authorized by [NRS 78.105](#) may be denied to a stockholder or other person upon the refusal of the stockholder or other person to furnish to the corporation an affidavit that the inspection is not desired for a purpose which is in the interest of a business or object other than the business of the corporation and that the stockholder or other person has not at any time sold or offered for sale any list of stockholders of any domestic or foreign corporation or aided or abetted any person in procuring any such record of stockholders for any such purpose.

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

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

(Added to NRS by [1997, 693](#))

DIRECTORS AND OFFICERS

NRS 78.115 Board of directors: Number and qualifications. The business of every corporation must be managed under the direction of a board of directors or trustees, all of whom must be natural persons who are at least 18 years of age. A corporation must have at least one director, and may provide in its articles of incorporation or in its bylaws for a fixed number of directors or a variable number of directors, and for the manner in which the number of directors may be increased or decreased. Unless otherwise provided in the articles of incorporation, directors need not be stockholders.

[Part 31:177:1925; NCL § 1630]—(NRS A 1965, 1012; 1981, 384; 1987, 577; 1993, 949; 1995, 1113; [2003, 3083](#))

NRS 78.120 Board of directors: General powers.

1. Subject only to such limitations as may be provided by this chapter, or the articles of incorporation of the corporation, the board of directors has full control over the affairs of the corporation.

2. Except as otherwise provided in this subsection and subject to the bylaws, if any, adopted by the stockholders, the directors may make the bylaws of the corporation. Unless otherwise prohibited by any bylaw adopted by the stockholders, the directors may adopt, amend or repeal any bylaw, including any bylaw adopted by the stockholders. The articles of incorporation may grant the authority to adopt, amend or repeal bylaws exclusively to the directors.

3. The selection of a period for the achievement of corporate goals is the responsibility of the directors.

[Part 31:177:1925; NCL § 1630]—(NRS A 1991, 1217; [2003, 3083](#); [2005, 2176](#))

NRS 78.125 Committees of board of directors: Designation; powers; membership.

1. Unless it is otherwise provided in the articles of incorporation, the board of directors may designate one or more committees which, to the extent provided in the resolution or resolutions or in the bylaws of the corporation, have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation.

2. Each committee must include at least one director. Unless the articles of incorporation or the bylaws provide otherwise, the board of directors may appoint natural persons who are not directors to serve on committees.

3. The board of directors may designate one or more directors as alternate members of a committee to replace any member who is disqualified or absent from a meeting of the committee. The bylaws of the corporation may provide that, unless the board of directors appoints alternate members pursuant to this subsection, the member or members of a committee present at a meeting and not disqualified from voting, whether or not the member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of an absent or disqualified member of the committee.

[32:177:1925; A 1929, 413; NCL § 1631]—(NRS A 1971, 1100; 1991, 1217; 1993, 949; [2001, 1359](#), [3199](#); [2003, 3083](#))

NRS 78.130 Officers of corporation: Selection; qualifications; terms; powers and duties; filling of vacancies.

1. Every corporation must have a president, a secretary and a treasurer, or the equivalent thereof.

2. Every corporation may also have one or more vice presidents, assistant secretaries and assistant treasurers, and such other officers and agents as may be deemed necessary.

3. All officers must be natural persons and must be chosen in such manner, hold their offices for such terms and have such powers and duties as may be prescribed by the bylaws or determined by the board of directors. Any natural person may hold two or more offices.

4. An officer holds office after the expiration of his or her term until a successor is chosen or until the officer's resignation or removal before the expiration of his or her term. A failure to elect officers does not require the corporation to be dissolved. Any vacancy occurring in an office of the corporation by death, resignation, removal or otherwise, must be filled as the bylaws provide, or in the absence of such a provision, by the board of directors.

[36:177:1925; A 1937, 291; 1931 NCL § 1635]—(NRS A 1960, 152; 1991, 1217; 1993, 950; [2009, 1673](#))

NRS 78.135 Authority of directors and representatives of corporation.

1. The statement in the articles of incorporation of the objects, purposes, powers and authorized business of the corporation constitutes, as between the corporation and its directors, officers or stockholders, an authorization to the directors and a limitation upon the actual authority of the representatives of the corporation. Such limitations may be asserted in a proceeding by a stockholder or the State to enjoin the doing or continuation of unauthorized business by the corporation or its officers, or both, in cases where third parties have not acquired rights thereby, or to dissolve the corporation, or in a proceeding by the corporation or by the stockholders suing in a representative suit against the officers or directors of the corporation for violation of their authority.

2. No limitation upon the business, purposes or powers of the corporation or upon the powers of the stockholders, officers or directors, or the manner of exercise of such powers, contained in or implied by the articles may be asserted as between the corporation or any stockholder and any third person.

3. Any contract or conveyance, otherwise lawful, made in the name of a corporation, which is authorized or ratified by the directors, or is done within the scope of the authority, actual or apparent, given by the directors, binds the corporation, and the corporation acquires rights thereunder, whether the contract is signed or is wholly or in part executory.

[Part 31(a):177:1925; added 1949, 158; 1943 NCL § 1630.01]—(NRS A 1961, 94; 1993, 950; [2003, 3083](#))

NRS 78.138 Directors and officers: Exercise of powers; performance of duties; presumptions and considerations; liability to corporation and stockholders.

1. Directors and officers shall exercise their powers in good faith and with a view to the interests of the corporation.

2. In performing their respective duties, directors and officers 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. 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.

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

(a) The interests of the corporation's employees, suppliers, creditors and customers;

(b) The economy of the State and Nation;

(c) The interests of the community and of society; and

(d) The long-term as well as short-term interests of the corporation and its stockholders, including the possibility that these interests may be best served by the continued independence of the corporation.

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

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 it is proven that:

(a) 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

(b) The breach of those duties involved intentional misconduct, fraud or a knowing violation of law.

(Added to NRS by 1991, 1184; A 1993, 951; [1999, 1580](#); [2001, 3171](#); [2003, 3084](#))

NRS 78.139 Directors and officers: Duties, presumptions and powers when confronted with change or potential change in control of corporation.

1. Except as otherwise provided in subsection 2 or the articles of incorporation, directors and officers confronted with a change or potential change in control of the corporation have:

(a) The duties imposed upon them by subsection 1 of [NRS 78.138](#); and

(b) The benefit of the presumptions established by subsection 3 of that section.

2. If directors and officers take action to resist a change or potential change in control of a corporation which impedes the exercise of the right of stockholders to vote for or remove directors:

(a) The directors must have reasonable grounds to believe that a threat to corporate policy and effectiveness exists; and

(b) The action taken which impedes the exercise of the stockholders' rights must be reasonable in relation to that threat.

È If those facts are found, the directors and officers have the benefit of the presumption established by subsection 3 of [NRS 78.138](#).

3. The provisions of subsection 2 do not apply to:

- (a) Actions that only affect the time of the exercise of stockholders' voting rights; or
 - (b) The adoption or signing of plans, arrangements or instruments that deny rights, privileges, power or authority to a holder of a specified number or fraction of shares or fraction of voting power.
4. The provisions of subsections 2 and 3 do not permit directors or officers to abrogate any right conferred by statute or the articles of incorporation.
5. Directors may resist a change or potential change in control of the corporation if the directors by a majority vote of a quorum determine that the change or potential change is opposed to or not in the best interest of the corporation:
- (a) Upon consideration of the interests of the corporation's stockholders and any of the matters set forth in subsection 4 of [NRS 78.138](#); or
 - (b) Because the amount or nature of the indebtedness and other obligations to which the corporation or any successor to the property of either may become subject, in connection with the change or potential change in control, provides reasonable grounds to believe that, within a reasonable time:
 - (1) The assets of the corporation or any successor would be or become less than its liabilities;
 - (2) The corporation or any successor would be or become insolvent; or
 - (3) Any voluntary or involuntary proceeding pursuant to the federal bankruptcy laws concerning the corporation or any successor would be commenced by any person.
- (Added to NRS by [1999, 1575](#); A [2009, 1674](#))

NRS 78.140 Restrictions on transactions involving interested directors or officers; compensation of directors.

1. A contract or other transaction is not void or voidable solely because:
- (a) The contract or transaction is between a corporation and:
 - (1) One or more of its directors or officers; or
 - (2) Another corporation, firm or association in which one or more of its directors or officers are directors or officers or are financially interested;
 - (b) A common or interested director or officer:
 - (1) Is present at the meeting of the board of directors or a committee thereof which authorizes or approves the contract or transaction; or
 - (2) Joins in the signing of a written consent which authorizes or approves the contract or transaction pursuant to subsection 2 of [NRS 78.315](#); or
 - (c) The vote or votes of a common or interested director are counted for the purpose of authorizing or approving the contract or transaction,
 - È if one of the circumstances specified in subsection 2 exists.
2. The circumstances in which a contract or other transaction is not void or voidable pursuant to subsection 1 are:
- (a) The fact of the common directorship, office or financial interest is known to the board of directors or committee, and the board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of the common or interested director or directors.
 - (b) The fact of the common directorship, office or financial interest is known to the stockholders, and they approve or ratify the contract or transaction in good faith by a majority vote of stockholders holding a majority of the voting power. The votes of the common or interested directors or officers must be counted in any such vote of stockholders.
 - (c) The fact of the common directorship, office or financial interest is not known to the director or officer at the time the transaction is brought before the board of directors of the corporation for action.
 - (d) The contract or transaction is fair as to the corporation at the time it is authorized or approved.
3. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or a committee thereof which authorizes, approves or ratifies a contract or transaction, and if the votes of the common or interested directors are not counted at the meeting, then a majority of the disinterested directors may authorize, approve or ratify a contract or transaction.
4. The fact that the vote or votes of the common or interested director or directors are not counted for purposes of subsection 2 does not prohibit any authorization, approval or ratification of a contract or transaction to be given by written consent pursuant to subsection 2 of [NRS 78.315](#), regardless of whether the common or interested director signs such written consent or abstains in writing from providing consent.
5. Unless otherwise provided in the articles of incorporation or the bylaws, the board of directors, without regard to personal interest, may establish the compensation of directors for services in any capacity. If the board of directors establishes the compensation of directors pursuant to this subsection, such compensation is presumed to be fair to the corporation unless proven unfair by a preponderance of the evidence.
- [31(b):177:1925; added 1951, 328]—(NRS A 1959, 683; 1969, 113; 1989, 872; 1991, 1218; 1993, 952; [1997, 698](#); [2003, 3085](#); [2007, 2415](#))

ANNUAL LIST AND OTHER REQUIREMENTS; DEFAULTING CORPORATIONS

NRS 78.150 Filing requirements; fees; powers and duties of Secretary of State.

1. A corporation organized pursuant to the laws of this State shall, on or before the last day of the first month after the filing of its articles of incorporation with the Secretary of State, file with the Secretary of State a list, on a form furnished by the Secretary of State, containing:
- (a) The name of the corporation;
 - (b) The file number of the corporation, if known;
 - (c) The names and titles of the president, secretary and treasurer, or the equivalent thereof, and of all the directors of the corporation;
 - (d) The address, either residence or business, of each officer and director listed, following the name of the officer or director;
 - (e) The information required pursuant to [NRS 77.310](#); and
 - (f) The signature of an officer of the corporation certifying that the list is true, complete and accurate.
2. The corporation shall annually thereafter, on or before the last day of the month in which the anniversary date of incorporation

occurs in each year, file with the Secretary of State, on a form furnished by the Secretary of State, an annual list containing all of the information required in subsection 1.

3. Each list required by subsection 1 or 2 must be accompanied by:

(a) A declaration under penalty of perjury that the corporation:

(1) Has complied with the provisions of [chapter 76](#) of NRS; and

(2) Acknowledges that pursuant to [NRS 239.330](#), it is a category C felony to knowingly offer any false or forged instrument for filing with the Office of the Secretary of State.

(b) A statement as to whether the corporation is a publicly traded company. If the corporation is a publicly traded company, the corporation must list its Central Index Key. The Secretary of State shall include on the Secretary of State's Internet website the Central Index Key of a corporation provided pursuant to this paragraph and instructions describing the manner in which a member of the public may obtain information concerning the corporation from the Securities and Exchange Commission.

4. Upon filing the list required by:

(a) Subsection 1, the corporation shall pay to the Secretary of State a fee of \$125.

(b) Subsection 2, the corporation shall pay to the Secretary of State, if the amount represented by the total number of shares provided for in the articles is:

\$75,000 or less.....	\$125
Over \$75,000 and not over \$200,000.....	175
Over \$200,000 and not over \$500,000.....	275
Over \$500,000 and not over \$1,000,000.....	375
Over \$1,000,000:	
For the first \$1,000,000.....	375
For each additional \$500,000 or fraction thereof.....	275

È The maximum fee which may be charged pursuant to paragraph (b) for filing the annual list is \$11,100.

5. If a director or officer of a corporation resigns and the resignation is not reflected on the annual or amended list of directors and officers, the corporation or the resigning director or officer shall pay to the Secretary of State a fee of \$75 to file the resignation.

6. The Secretary of State shall, 90 days before the last day for filing each annual list required by subsection 2, provide to each corporation which is required to comply with the provisions of [NRS 78.150](#) to [78.185](#), inclusive, and which has not become delinquent, a notice of the fee due pursuant to subsection 4 and a reminder to file the annual list required by subsection 2. Failure of any corporation to receive a notice does not excuse it from the penalty imposed by law.

7. If the list to be filed pursuant to the provisions of subsection 1 or 2 is defective in any respect or the fee required by subsection 4 is not paid, the Secretary of State may return the list for correction or payment.

8. An annual list for a corporation not in default which is received by the Secretary of State more than 90 days before its due date shall be deemed an amended list for the previous year and must be accompanied by the appropriate fee as provided in subsection 4 for filing. A payment submitted pursuant to this subsection does not satisfy the requirements of subsection 2 for the year to which the due date is applicable.

[Part 1:180:1925; A 1929, 122; 1931, 408; 1931 NCL § 1804]—(NRS A 1957, 315; 1959, 684; 1977, 401; 1979, 185; 1983, 689; 1985, 233; 1989, 976; 1991, 2460; 1993, 952; 1995, 2096; [1997, 2808, 3126](#); [1999, 639, 1581, 3018](#); [2001, 215, 1359, 3172, 3199](#); [2003, 928, 2253](#); [2003, 20th Special Session, 30, 182](#); [2005, 2249](#); [2007, 2643](#); [2009, 2033, 2827](#))

NRS 78.152 List or statement to be maintained at registered office or principal place of business; requirement to assist in criminal investigation; failure to comply; regulations.

1. In addition to any records required to be kept at the registered office pursuant to [NRS 78.105](#), a corporation that is not a publicly traded corporation shall maintain at its registered office or principal place of business in this State:

- A current list of its owners of record; or
- A statement indicating where such a list is maintained.

2. Upon the request of the Secretary of State, the corporation shall:

(a) Provide the Secretary of State with the name and contact information of the custodian of the list described in subsection 1. The information required pursuant to this paragraph shall be kept confidential by the Secretary of State.

(b) Provide written notice to the Secretary of State within 10 days after any change in the information contained in the list described in subsection 1.

3. Upon the request of any law enforcement agency in the course of a criminal investigation, the Secretary of State may require a corporation to:

(a) Submit to the Secretary of State, within 3 business days, a copy of the list required to be maintained pursuant to subsection 1;

or

(b) Answer any interrogatory submitted by the Secretary of State that will assist in the criminal investigation.

4. If a corporation fails to comply with any requirement pursuant to subsection 3, the Secretary of State may take any action necessary, including, without limitation, the suspension or revocation of the corporate charter.

5. The Secretary of State shall not reinstate or revive a charter that was revoked or suspended pursuant to subsection 4 unless:

(a) The corporation complies with the requirements of subsection 3; or

(b) The law enforcement agency conducting the investigation advises the Secretary of State to reinstate or revive the corporate charter.

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

(Added to NRS by [2007, 1315](#); A [2009, 2828](#))

NRS 78.153 Additional filing requirements for certain corporations: Criteria; statement; fees.

1. At the time of submitting any list required pursuant to [NRS 78.150](#), a corporation that meets the criteria set forth in subsection 2 must submit:

(a) The statement required pursuant to subsection 3, accompanied by a declaration under penalty of perjury attesting that the statement does not contain any material misrepresentation of fact; and

(b) A fee of \$100,000, to be distributed in the manner provided pursuant to subsection 4.

2. A corporation must submit a statement pursuant to this section if the corporation, including its parent and all subsidiaries:

(a) Holds 25 percent or more of the share of the market within this State for any product sold or distributed by the corporation within this State; and

(b) Has had, during the previous 5-year period, a total of five or more investigations commenced against the corporation, its parent or its subsidiaries in any jurisdiction within the United States, including all state and federal investigations:

(1) Which concern any alleged contract, combination or conspiracy in restraint of trade, as described in subsection 1 of [NRS 598A.060](#), or which concern similar activities prohibited by a substantially similar law of another jurisdiction; and

(2) Which resulted in the corporation being fined or otherwise penalized or which resulted in the corporation being required to divest any holdings or being unable to acquire any holdings as a condition for the settlement, dismissal or resolution of those investigations.

3. A corporation that meets the criteria set forth in subsection 2 shall submit a statement which includes the following information with respect to each investigation:

(a) The jurisdiction in which the investigation was commenced.

(b) A summary of the nature of the investigation and the facts and circumstances surrounding the investigation.

(c) If the investigation resulted in criminal or civil litigation, a copy of all pleadings filed in the investigation by any party to the litigation.

(d) A summary of the outcome of the investigation, including specific information concerning whether any fine or penalty was imposed against the corporation and whether the corporation was required to divest any holdings or was unable to acquire any holdings as a condition for the settlement, dismissal or resolution of the investigation.

4. The fee collected pursuant to subsection 1 must be deposited in the Attorney General's Administration Budget Account and used solely for the purpose of investigating any alleged contract, combination or conspiracy in restraint of trade, as described in subsection 1 of [NRS 598A.060](#).

(Added to NRS by [2003, 927](#))

NRS 78.155 Certificate of authorization to transact business. If a corporation has filed the initial or annual list in compliance with [NRS 78.150](#) and has paid the appropriate fee for the filing, the cancelled check or other proof of payment received by the corporation constitutes a certificate authorizing it to transact its business within this State until the last day of the month in which the anniversary of its incorporation occurs in the next succeeding calendar year.

[2:180:1925; A 1931, 408; 1931 NCL § 1805]—(NRS A 1959, 684; 1981, 62; 1983, 689; 1993, 953; [1999, 1582](#); [2001, 3173](#); [2003, 20th Special Session, 31](#))

NRS 78.170 Defaulting corporations: Identification; reinstatement of corporation which is unit-owners' association; penalty.

1. Each corporation which is required to make a filing and pay the fee prescribed in [NRS 78.150](#) to [78.185](#), inclusive, and which refuses or neglects to do so within the time provided shall be deemed in default.

2. Upon notification from the Administrator of the Real Estate Division of the Department of Business and Industry that a corporation which is a unit-owners' association as defined in [NRS 116.011](#) or [116B.030](#) has failed to register pursuant to [NRS 116.31158](#) or [116B.625](#) or failed to pay the fees pursuant to [NRS 116.31155](#) or [116B.620](#), the Secretary of State shall deem the corporation to be in default. If, after the corporation is deemed to be in default, the Administrator notifies the Secretary of State that the corporation has registered pursuant to [NRS 116.31158](#) or [116B.625](#) and paid the fees pursuant to [NRS 116.31155](#) or [116B.620](#), the Secretary of State shall reinstate the corporation if the corporation complies with the requirements for reinstatement as provided in this section and [NRS 78.180](#) and [78.185](#).

3. For default there must be added to the amount of the fee a penalty of \$75. The fee and penalty must be collected as provided in this chapter.

[4:180:1925; A 1931, 408; 1931 NCL § 1807]—(NRS A 1977, 401, 606; 1979, 185; 1983, 690; 1985, 233; 1989, 976; 1991, 1219; 1995, 1113; [2001, 3173](#); [2003, 929](#); [2003, 20th Special Session, 32](#); [2007, 2281](#))

NRS 78.175 Defaulting corporations: Duties of Secretary of State; revocation of charter and forfeiture of right to transact business; distribution of assets.

1. The Secretary of State shall notify, by providing written notice to its registered agent, each corporation deemed in default pursuant to [NRS 78.170](#). The written notice:

(a) Must include a statement indicating the amount of the filing fee, penalties incurred and costs remaining unpaid.

(b) At the request of the registered agent, may be provided electronically.

2. On the first day of the first anniversary of the month following the month in which the filing was required, the charter of the corporation is revoked and its right to transact business is forfeited.

3. The Secretary of State shall compile a complete list containing the names of all corporations whose right to transact business has been forfeited.

4. The Secretary of State shall forthwith notify, by providing written notice to its registered agent, each corporation specified in subsection 3 of the forfeiture of its charter. The written notice:

(a) Must include a statement indicating the amount of the filing fee, penalties incurred and costs remaining unpaid.

(b) At the request of the registered agent, may be provided electronically.

5. If the charter of a corporation is revoked and the right to transact business is forfeited as provided in subsection 2, all the property and assets of the defaulting domestic corporation must be held in trust by the directors of the corporation as for insolvent corporations, and the same proceedings may be had with respect thereto as are applicable to insolvent corporations. Any person interested may institute proceedings at any time after a forfeiture has been declared, but, if the Secretary of State reinstates the charter, the proceedings must at once be dismissed and all property restored to the officers of the corporation.

6. Where the assets are distributed, they must be applied in the following manner:

(a) To the payment of the filing fee, penalties incurred and costs due the State;

(b) To the payment of the creditors of the corporation; and

(c) Any balance remaining, to distribution among the stockholders.

[Part 5:180:1925; NCL § 1808]—(NRS A 1957, 152; 1959, 59; 1973, 1026; 1977, 606; 1979, 185; 1991, 1219; 1995, 1113; [2001, 1360, 3199](#); [2003, 20th Special Session, 32](#); [2007, 2645](#))

NRS 78.180 Defaulting corporations: Conditions and procedure for reinstatement.

1. Except as otherwise provided in subsections 3 and 4 and [NRS 78.152](#), the Secretary of State shall reinstate a corporation which has forfeited or which forfeits its right to transact business pursuant to the provisions of this chapter and shall restore to the corporation its right to carry on business in this State, and to exercise its corporate privileges and immunities, if it:

(a) Files with the Secretary of State:

- (1) The list required by [NRS 78.150](#);
- (2) The statement required by [NRS 78.153](#), if applicable; and
- (3) The information required pursuant to [NRS 77.310](#); and

(b) Pays to the Secretary of State:

- (1) The filing fee and penalty set forth in [NRS 78.150](#) and [78.170](#) for each year or portion thereof during which it failed to file each required annual list in a timely manner;
- (2) The fee set forth in [NRS 78.153](#), if applicable; and
- (3) A fee of \$300 for reinstatement.

2. When the Secretary of State reinstates the corporation, the Secretary of State shall issue to the corporation a certificate of reinstatement if the corporation:

- (a) Requests a certificate of reinstatement; and
- (b) Pays the required fees pursuant to subsection 7 of [NRS 78.785](#).

3. The Secretary of State shall not order a reinstatement unless all delinquent fees and penalties have been paid, and the revocation of the charter occurred only by reason of failure to pay the fees and penalties.

4. If a corporate charter has been revoked pursuant to the provisions of this chapter and has remained revoked for a period of 5 consecutive years, the charter must not be reinstated.

5. Except as otherwise provided in [NRS 78.185](#), a reinstatement pursuant to this section relates back to the date on which the corporation forfeited its right to transact business under the provisions of this chapter and reinstates the corporation's right to transact business as if such right had at all times remained in full force and effect.

[6:180:1925; A 1927, 42; NCL § 1809]—(NRS A 1959, 60; 1973, 1027; 1975, 477; 1977, 402; 1985, 234, 1871; 1991, 1220; 1993, 953; 1995, 1114; [1997, 2808](#); [2001, 1360, 3173, 3199](#); [2003, 20th Special Session, 33](#); [2007, 1316, 2416, 2645](#))

NRS 78.185 Defaulting corporations: Reinstatement under old or new name; regulations.

1. Except as otherwise provided in subsection 2, if a corporation applies to reinstate or revive its charter but its name has been legally reserved or acquired by another artificial person formed, organized, registered or qualified pursuant to the provisions of this title whose name is on file with the Office of the Secretary of State or reserved in the Office of the Secretary of State pursuant to the provisions of this title, the corporation shall in its application for reinstatement submit in writing to the Secretary of State some other name under which it desires its corporate existence to be reinstated or revived. If that name is distinguishable from all other names reserved or otherwise on file, the Secretary of State shall reinstate the corporation under that new name. Upon the issuance of a certificate of reinstatement or revival under that new name, the articles of incorporation of the applying corporation shall be deemed to reflect the new name without the corporation having to comply with the provisions of [NRS 78.385](#), [78.390](#) or [78.403](#).

2. If the applying corporation submits the written, acknowledged consent of the artificial person having a name, or the person who has reserved a name, which is not distinguishable from the old name of the applying corporation or a new name it has submitted, it may be reinstated or revived under that name.

3. For the purposes of this section, a proposed name is not distinguishable from a name on file or reserved name solely because one or the other contains distinctive lettering, a distinctive mark, a trademark or a trade name, or any combination of these.

4. The Secretary of State may adopt regulations that interpret the requirements of this section.

[7:180:1925; NCL § 1810]—(NRS A 1961, 94; 1987, 1057; 1991, 1221; 1993, 953; [1997, 2809](#); [1999, 1582](#); [2003, 3086](#); [2003, 20th Special Session, 33](#); [2007, 1317, 2417](#))

STOCK AND OTHER SECURITIES; DISTRIBUTIONS

NRS 78.191 "Distribution" defined. As used in [NRS 78.191](#) to [78.307](#), inclusive, unless the context otherwise requires, the word "distribution" means a direct or indirect transfer of money or other property other than its own shares or the incurrence of indebtedness by a corporation to or for the benefit of its stockholders with respect to any of its shares. A distribution may be in the form of a declaration or payment of a dividend, a purchase, redemption or other acquisition of shares, a distribution of indebtedness, or otherwise.

(Added to NRS by 1991, 1185)

NRS 78.195 Issuance of more than one class or series of stock; rights of stockholders.

1. If a corporation desires to have more than one class or series of stock, the articles of incorporation must prescribe, or vest authority in the board of directors to prescribe, the classes, series and the number of each class or series of stock and the voting powers, designations, preferences, limitations, restrictions and relative rights of each class or series of stock. If more than one class or series of stock is authorized, the articles of incorporation or the resolution of the board of directors passed pursuant to a provision of the articles must prescribe a distinguishing designation for each class and series. The voting powers, designations, preferences, limitations, restrictions, relative rights and distinguishing designation of each class or series of stock must be described in the articles of incorporation or the resolution of the board of directors before the issuance of shares of that class or series.

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

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

4. Any rate, condition or time for payment of distributions on any class or series of stock may be made dependent upon any fact or

event which may be ascertained outside the articles of incorporation or the resolution providing for the distributions adopted by the board of directors if the manner in which a fact or event may operate upon the rate, condition or time of payment for the distributions is stated in the articles of incorporation or the resolution. As used in this subsection, "fact or event" includes, without limitation, the existence of a fact or 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.

5. The provisions of this section do not restrict the directors of a corporation from taking action to protect the interests of the corporation and its stockholders, including, but not limited to, adopting or signing plans, arrangements or instruments that grant or deny rights, privileges, power or authority to a holder or holders of a specified number of shares or percentage of share ownership or voting power.

[11:177:1925; A 1929, 413; 1941, 374; 1931 NCL § 1610]—(NRS A 1961, 195; 1985, 1787; 1987, 577; 1989, 873; 1991, 1221; 1993, 954; 1995, 2097; [1999, 1582](#); [2001, 1361, 3199](#); [2003, 3086](#); [2009, 1675](#))

NRS 78.1955 Establishment of matters regarding class or series of stock by resolution of board of directors.

1. If the voting powers, designations, preferences, limitations, restrictions and relative rights of any class or series of stock have been established by a resolution of the board of directors pursuant to a provision in the articles of incorporation, a certificate of designation setting forth the resolution and stating the number of shares for each designation must be signed by an officer of the corporation and filed with the Secretary of State. A certificate of designation signed and filed pursuant to this section must become effective before the issuance of any shares of the class or series.

2. Unless otherwise provided in the articles of incorporation or the certificate of designation being amended, if no shares of a class or series of stock established by a resolution of the board of directors have been issued, the designation of the class or series, the number of the class or series and the voting powers, designations, preferences, limitations, restrictions and relative rights of the class or series may be amended by a resolution of the board of directors pursuant to a certificate of amendment filed in the manner provided in subsection 4.

3. Unless otherwise provided in the articles of incorporation or the certificate of designation, if shares of a class or series of stock established by a resolution of the board of directors have been issued, the designation of the class or series, the number of the class or series and the voting powers, designations, preferences, limitations, restrictions and relative rights of the class or series may be amended by a resolution of the board of directors only if the amendment is approved as provided in this subsection. Unless otherwise provided in the articles of incorporation or the certificate of designation, the proposed amendment adopted by the board of directors must be approved by the vote of stockholders holding shares in the corporation entitling them to exercise a majority of the voting power, or such greater proportion of the voting power as may be required by the articles of incorporation or the certificate of designation, of:

(a) The class or series of stock being amended; and

(b) Each class and each series of stock which, before amendment, is senior to the class or series being amended as to the payment of distributions upon dissolution of the corporation, regardless of any limitations or restrictions on the voting power of that class or series.

4. A certificate of amendment to a certificate of designation must be signed by an officer of the corporation and filed with the Secretary of State and must:

(a) Set forth the original designation and the new designation, if the designation of the class or series is being amended;

(b) State that no shares of the class or series have been issued or state that the approval of the stockholders required pursuant to subsection 3 has been obtained; and

(c) Set forth the amendment to the class or series or set forth the designation of the class or series, the number of the class or series and the voting powers, designations, preferences, limitations, restrictions and relative rights of the class or series, as amended.

5. A certificate filed pursuant to subsection 1 or 4 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 or 4 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.

6. If shares of a class or series of stock established by a certificate of designation are not outstanding, the corporation may file a certificate which states that no shares of the class or series are outstanding and which contains the resolution of the board of directors authorizing the withdrawal of the certificate of designation establishing the class or series of stock. The certificate must identify the date and certificate of designation being withdrawn and must be signed by an officer of the corporation and filed with the Secretary of State. Upon filing the certificate and payment of the fee required pursuant to [NRS 78.765](#), all matters contained in the certificate of designation regarding the class or series of stock are eliminated from the articles of incorporation.

7. [NRS 78.380](#), [78.385](#) and [78.390](#) do not apply to certificates of amendment filed pursuant to this section.

(Added to NRS by 1995, 2092; A [2001, 1362, 3199](#); [2005, 2177, 2250](#); [2011, 2771](#))

NRS 78.196 Required and authorized classes or series of stock; shares called for redemption.

1. Each corporation must have:

(a) One or more classes or series of shares that together have unlimited voting rights; and

(b) One or more classes or series of shares that together are entitled to receive the net assets of the corporation upon dissolution.

È If the articles of incorporation provide for only one class of stock, that class of stock has unlimited voting rights and is entitled to receive the net assets of the corporation upon dissolution.

2. The articles of incorporation, or a resolution of the board of directors pursuant thereto, may authorize one or more classes or series of stock that:

(a) Have special, conditional or limited voting powers, or no right to vote, except to the extent otherwise provided by this title;

(b) Are redeemable or convertible:

(1) At the option of the corporation, the stockholders or another person, or upon the occurrence of a designated event;

(2) For cash, indebtedness, securities or other property; or

(3) In a designated amount or in an amount determined in accordance with a designated formula or by reference to extrinsic data or events;

(c) Entitle the stockholders to distributions calculated in any manner, including dividends that may be cumulative, noncumulative or partially cumulative;

(d) Have preference over any other class or series of shares with respect to distributions, including dividends and distributions upon the dissolution of the corporation;

(e) Have par value; or

(f) Have powers, designations, preferences, limitations, restrictions and relative rights dependent upon any fact or event which may be ascertained outside of the articles of incorporation or the resolution if the manner in which the fact or event may operate on such class or series of stock is stated in the articles of incorporation or the resolution. As used in this paragraph, "fact or event" includes, without limitation, the existence of a fact or 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.

3. Unless otherwise provided in the articles of incorporation or in a resolution of the board of directors establishing a class or series of stock, shares which are subject to redemption and which have been called for redemption are not deemed to be outstanding shares for purposes of voting or determining the total number of shares entitled to vote on a matter on and after the date on which:

(a) Written notice of redemption has been sent to the holders of such shares; and

(b) A sum sufficient to redeem the shares has been irrevocably deposited or set aside to pay the redemption price to the holders of the shares upon surrender of any certificates.

4. The description of voting powers, designations, preferences, limitations, restrictions and relative rights of the classes or series of shares contained in this section is not exclusive.

(Added to NRS by 1991, 1185; A [1999, 1583](#); [2001, 1363, 3199](#); [2003, 3087](#))

NRS 78.197 Rights of persons holding obligations of corporation. A corporation may provide in its articles of incorporation that the holder of a bond, debenture or other obligation of the corporation may have any of the rights of a stockholder in the corporation.

(Added to NRS by 1987, 574; A 1993, 955)

NRS 78.200 Rights or options to purchase stock.

1. A corporation may create and issue rights or options entitling the holders thereof to purchase from the corporation any shares of its stock of any class or classes to be evidenced by or in such instrument or instruments as are approved by the board of directors.

2. The terms upon which, the time or times, which may be limited or unlimited in duration, at or within which, and the price or prices, including a formula by which such price or prices may be determined, at which any such shares may be purchased from the corporation upon the exercise of any such right or option may be fixed and stated in the articles of incorporation or in a resolution or resolutions adopted by the board of directors providing for the creation and issue of the rights or options, and, in every case, set forth or incorporated by reference in the instrument or instruments evidencing the rights or options. The judgment of the board of directors as to the consideration for such rights or options issued is conclusive in the absence of actual fraud in the transaction.

3. The board of directors may authorize one or more officers of the corporation to:

(a) Designate the persons to be recipients of rights or options created by the corporation; and

(b) Determine the number of rights or options to be received by the persons designated pursuant to paragraph (a).

4. The authorization pursuant to subsection 3 must specify the maximum number of rights or options the officer or officers may award. The board of directors may not authorize an officer to designate himself or herself as a recipient of the rights or options.

[11(a):177:1925; added 1949, 158; 1943 NCL § 1610.01]—(NRS A 1991, 1223; 1993, 955; [2003, 3088](#))

NRS 78.205 Fractions of shares: Issuance; alternatives to issuance.

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

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

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

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

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

3. Any proposed corporate action that would result in only money being paid or scrip being issued to stockholders who:

(a) Before the proposed corporate action becomes effective, 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, is subject to the provisions of [NRS 92A.300](#) to [92A.500](#), inclusive. If the proposed corporate action is subject to those provisions, any stockholder who is obligated to accept money or scrip rather than receive a fraction of a share resulting from the action taken pursuant to this section may dissent in accordance with those provisions and obtain payment of the fair value of the fraction of a share to which the stockholder would otherwise be entitled.

[11(b):177:1925; added 1953, 180]—(NRS A 1979, 1160; 1993, 956; [2001, 1364, 3199](#); [2003, 3089](#); [2005, 2178](#); [2009, 1675](#))

NRS 78.2055 Decrease in number of issued and outstanding shares of class or series: Resolution by board of directors; approval by stockholders; rights of stockholders.

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

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

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

power of the affected class or series.

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

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

4. Any proposal to decrease the number of issued and outstanding 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 decrease in the number of shares becomes effective, 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, È is subject to the provisions of [NRS 92A.300](#) to [92A.500](#), inclusive. If the proposal is subject to those provisions, any stockholder who is obligated to accept money or scrip rather than receive a fraction of a share resulting from the action taken pursuant to this section may dissent in accordance with those provisions and obtain payment of the fair value of the fraction of a share to which the stockholder would otherwise be entitled.

(Added to NRS by [2001, 1357](#); A [2001, 3199](#); [2003, 3089](#); [2009, 1676](#))

NRS 78.207 Change in number of authorized shares of class or series: Resolution by board of directors; approval by stockholders; rights of stockholders.

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, È 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, 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 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 class or series whose preference or rights are adversely affected by the increase or decrease if the articles of incorporation specifically deny the right to vote on such an increase or decrease.

4. Any 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, 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, È is subject to the provisions of [NRS 92A.300](#) to [92A.500](#), inclusive. If the proposal is subject to those provisions, any stockholder who is obligated to accept money or scrip rather than receive a fraction of a share resulting from the action taken pursuant to this section may dissent in accordance with those provisions and obtain payment of the fair value of the fraction of a share to which the stockholder would otherwise be entitled.

[Part 6:177:1925; A 1951, 28]—(NRS A 1959, 688; 1991, 1224; 1993, 956; 1995, 2098; [1997, 699](#); [2001, 1364, 3199](#); [2003, 3090](#); [2009, 1677](#))

NRS 78.209 Change in number of authorized shares of class or series: Filing and effectiveness of certificate of change; amendment of articles of incorporation.

1. A change pursuant to [NRS 78.207](#) is not effective until after the filing in the Office of the Secretary of State of a certificate, signed by an officer of the corporation, setting forth:

(a) The number of authorized shares and the par value, if any, of each affected class or, if applicable, each affected series of shares before the change;

(b) The number of authorized shares and the par value, if any, of each affected class or, if applicable, each affected series of shares after the change;

(c) The number of shares of each affected class or, if applicable, each affected series to be issued after the change in exchange for each issued share of the same class or series;

(d) The provisions, if any, for the issuance of fractional shares, or for the payment of money or the issuance of scrip to stockholders otherwise entitled to a fraction of a share and the percentage of outstanding shares affected thereby; and

(e) That any required approval of the stockholders has been obtained.

È The provisions in the articles of incorporation of the corporation regarding the authorized number and par value, if any, of the changed class or, if applicable, the changed series of shares shall be deemed amended as provided in the certificate at the effective date and time of the change.

2. Unless an increase or decrease of the number of authorized shares pursuant to [NRS 78.207](#) is accomplished by an action that otherwise requires an amendment to the articles of incorporation of the corporation, such an amendment is not required by that section.

3. 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.

4. If a certificate filed pursuant to subsection 1 specifies a later effective date, the board of directors may terminate the effectiveness of the certificate by resolution. A certificate of termination must:

- (a) Be filed with the Secretary of State before the effective date specified in the certificate filed pursuant to subsection 1;
 - (b) Identify the certificate being terminated;
 - (c) State that the effectiveness of the certificate has been terminated;
 - (d) Be signed by an officer of the corporation; and
 - (e) Be accompanied by the fee required pursuant to [NRS 78.765](#).
- (Added to NRS by [1997, 694](#); A [2001, 1365, 3199](#); [2005, 2179](#); [2011, 2773](#))

NRS 78.211 Consideration for shares: Authority of board of directors; effect of receipt; corporate action pending receipt in future.

1. The board of directors may authorize shares to be issued for consideration consisting of any tangible or intangible property or benefit to the corporation, including, but not limited to, cash, promissory notes, services performed, contracts for services to be performed or other securities of the corporation. The judgment of the board of directors as to the consideration received for the shares issued is conclusive in the absence of actual fraud in the transaction.

2. When the corporation receives the consideration for which the board of directors authorized the issuance of shares, the shares issued therefor are fully paid.

3. The corporation may place in escrow shares issued for a contract for future services or benefits or a promissory note, or make any other arrangements to restrict the transfer of the shares. The corporation may credit distributions made for the shares against their purchase price, until the services are performed, the benefits are received or the promissory note is paid. If the services are not performed, the benefits are not received or the promissory note is not paid, the shares escrowed or restricted and the distributions credited may be cancelled in whole or in part.

4. For the purposes of this section, "benefit to the corporation" includes, without limitation, the authorization of the issuance of shares to up to 100 persons without consideration for the sole purpose of qualifying the corporation as a real estate investment trust pursuant to 26 U.S.C. §§ 856 et seq., as amended, or any successor provision, and any regulations adopted pursuant thereto.

(Added to NRS by 1991, 1186; A 1993, 958; [2001, 1366, 3199](#); [2005, 2179](#))

NRS 78.215 Issuance of shares for consideration or as share dividend.

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, 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 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, it is the date the board of directors authorizes the share dividend.

[13:177:1925; NCL § 1612]—(NRS A 1975, 478; 1991, 1225; 1993, 958)

NRS 78.220 Subscriptions for corporate shares: Payment; default; irrevocability.

1. Subscriptions to the shares of a corporation, whether made before or after its organization, must be paid in full at such time or in such installments at such times as determined by the board of directors. Any call made by the board of directors for payment on subscriptions must be uniform as to all shares of the same class or series.

2. If default is made in the payment of any installment or call, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation. In addition, the corporation may sell a sufficient number of the subscriber's shares at public auction to pay for the installment or call and any incidental charges incurred as a result of the sale. No penalty causing a forfeiture of a subscription, of stock for which a subscription has been signed, or of amounts paid thereon, may be declared against any subscriber unless the amount due remains unpaid for 30 days after written demand. Such written demand shall be deemed made when it is mailed by registered or certified mail, return receipt requested, to the subscriber's last known address. If any of the subscriber's shares are sold at public auction, any excess of the proceeds over the total of the amount due plus any incidental charges of the sale must be paid to the subscriber or the subscriber's legal representative. If an action is brought to recover the amount due on a subscription or call, any judgment in favor of the corporation must be reduced by the amount of the net proceeds of any sale by the corporation of the subscriber's stock.

3. All stock subject to a delinquent installment or call and all amounts previously paid by a delinquent subscriber for the stock must be forfeited to the corporation if an amount due from a subscriber remains unpaid, the corporation has complied with the requirements of subsection 2 and:

- (a) A bidder does not purchase the subscriber's shares at public auction; or

(b) The corporation does not collect the defaulted amount by an action at law.

4. If a receiver of a corporation has been appointed, all unpaid subscriptions must be paid at such times and in such installments as the receiver or the court may direct, subject, however, to the provisions of the subscription contract.

5. A subscription for shares of a corporation to be organized is irrevocable for 6 months unless otherwise provided by the subscription agreement or unless all of the subscribers consent to the revocation of the subscription.

[14:177:1925; NCL § 1613]—(NRS A 1977, 651; [2001, 1367, 3199; 2003, 3091](#))

NRS 78.225 Stockholder's liability: No individual liability except for payment for which shares were authorized to be issued or which was specified in subscription agreement. Unless otherwise provided in the articles of incorporation, no stockholder of any corporation formed under the laws of this State is individually liable for the debts or liabilities of the corporation. A purchaser of shares of stock from the corporation is not liable to the corporation or its creditors with respect to the shares, except to pay the consideration for which the shares were authorized to be issued or which was specified in the written subscription agreement.

[15:177:1925; A 1929, 413; NCL § 1614]—(NRS A 1991, 1225)

[Nev. Art. 8, § 3NRS 78.225](#)

NRS 78.230 Liability of holder of stock as collateral security; liability of executors, administrators, guardians and trustees.

1. No person holding shares in any corporation as collateral security shall be personally liable as a stockholder.

2. No executor, administrator, guardian or trustee, unless he or she, without authorization, shall have voluntarily invested the trust funds in such shares, shall be personally liable as a stockholder, but the estate and funds in the hands of such executor, administrator, guardian or trustee shall be liable.

[16:177:1925; NCL § 1615]

NRS 78.235 Stock certificates: Validation; facsimile signatures; uncertificated shares and informational statements; replacement.

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

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

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

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

5. Within a reasonable time after the issuance or transfer of shares without certificates, the corporation shall send the stockholder a written statement containing the information required on the certificates pursuant to subsection 1. At least annually thereafter, the corporation shall provide to its stockholders of record, a written statement confirming the information contained in the informational statement previously sent pursuant to this subsection.

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

[Part 18:177:1925; A 1929, 413; 1937, 8; 1931 NCL § 1617]—(NRS A 1965, 1012; 1987, 579; 1991, 1226; 1993, 959; [2001, 1367, 3199; 2007, 2417](#))

NRS 78.240 Shares of stock are personal property; transfers. 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 bylaws, and as provided in [chapter 104](#) of NRS.

[Part 18:177:1925; A 1929, 413; 1937, 8; 1931 NCL § 1617]—(NRS A 1965, 917)

NRS 78.242 Restrictions on transfer of stock and on amount of stock owned by person or group of persons.

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

2. A restriction on the transfer or registration of transfer of the stock of a corporation, or on the amount of a corporation's stock that may be owned by a person or group of persons, may be imposed by the articles of incorporation or by the bylaws or by an agreement among any number of stockholders or between or among one or more stockholders and the corporation. No restriction so imposed is binding upon any stockholder with respect to the shares of stock owned by such stockholder at the time the restriction is adopted, regardless of any later effective time of such restriction, unless such stockholder is a party to the agreement or voted in favor of the restriction.

3. A restriction on the transfer or the registration of transfer of shares is valid and enforceable against the transferee of the

stockholder if the restriction is not prohibited by other law and its existence is noted conspicuously on the front or back of the stock certificate or is contained in the statement of information required by [NRS 78.235](#). Unless so noted, a restriction is not enforceable against a person without knowledge of the restriction.

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

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

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

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

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

(2) Approve the proposed transferee of stock; or

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

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

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

(1) To maintain the corporation's status when it is dependent on the number or identity of its stockholders, including, without limitation, the corporation's status as an electing small business corporation under subchapter S of chapter 1 of subtitle A of the United States Internal Revenue Code, 26 U.S.C. § 1371 et seq., as amended, or any successor provision;

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

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

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

(5) For any other reasonable purpose.

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

(Added to NRS by 1969, 112; A 1991, 1226; [2005, 2180](#); [2011, 2774](#))

NRS 78.245 Corporate stocks, bonds and securities not taxed when owned by nonresidents or foreign corporations. No stocks, bonds or other securities issued by any corporation organized under this chapter, nor the income or profits therefrom, nor the transfer thereof by assignment, descent, testamentary disposition or otherwise, shall be taxed by this State when such stocks, bonds or other securities shall be owned by nonresidents of this State or by foreign corporations.

[87:177:1925; A 1929, 413; NCL § 1686]

NRS 78.250 Cancellation of outstanding certificates or change in informational statements: Issuance of new certificates or statements; order for surrender of certificates; penalties for failure to comply.

1. When the articles of incorporation are amended in any way affecting the statements contained in certificates for outstanding shares or informational statements sent pursuant to [NRS 78.235](#), or it becomes desirable for any reason, in the discretion of the board of directors, to cancel any outstanding certificate for shares and issue a new certificate therefor conforming to the rights of the holder, the board of directors may send additional informational statements as provided in [NRS 78.235](#) and order any holders of outstanding certificates for shares to surrender and exchange them for new certificates within a reasonable time to be fixed by the board of directors.

2. Such an order may provide that the holder of any certificate so ordered to be surrendered is not entitled to vote or to receive distributions or exercise any of the other rights of stockholders of record until the holder of the certificate has complied with the order, but the order operates to suspend such rights only after notice and until compliance.

3. The duty to surrender any outstanding certificates may also be enforced by action at law.

[18a:177:1925; added 1937, 8; 1931 NCL § 1617.01]—(NRS A 1987, 580; 1993, 960)

NRS 78.257 Right of stockholders to inspect, copy and audit financial records; exceptions; civil and criminal liability; penalty.

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

2. All costs for making copies of records or conducting an audit must be borne by the person exercising the rights set forth in subsection 1.

3. The rights authorized by subsection 1 may be denied to any stockholder upon the stockholder's refusal to furnish the corporation an affidavit that such inspection, copies or audit is not desired for any purpose not related to his or her interest in the corporation as a stockholder. Any stockholder or other person, exercising rights set forth in subsection 1, who uses or attempts to use information, records or other data obtained from the corporation, for any purpose not related to the stockholder's interest in the corporation as a stockholder, is guilty of a gross misdemeanor.

4. If any officer or agent of any corporation keeping records in this State willfully neglects or refuses to permit an inspection of the books of account and financial records upon demand by a person entitled to inspect them, or refuses to permit an audit to be

conducted, as provided in subsection 1, the corporation shall forfeit to the State the sum of \$100 for every day of such neglect or refusal, and the corporation, officer or agent thereof is jointly and severally liable to the person injured for all damages resulting to the person.

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

- (a) Is entitled to costs and reasonable attorney's fees, if the stockholder prevails; or
- (b) Is liable for such costs and fees, if the stockholder does not prevail,

Ê in the action or proceeding.

6. Except as otherwise provided in this subsection, the provisions of this section do not apply to any corporation that furnishes to its stockholders a detailed, annual financial statement or any corporation that has filed during the preceding 12 months all reports required to be filed pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934. A person who owns, or is authorized in writing by the owners of, at least 15 percent of the issued and outstanding shares of the stock of a corporation that has elected to be governed by subchapter S of the Internal Revenue Code and whose shares are not listed or traded on any recognized stock exchange is entitled to inspect the books of the corporation pursuant to subsection 1 and has the rights, duties and liabilities provided in subsections 2 to 5, inclusive.

(Added to NRS by 1971, 863; A 1977, 659; [1997, 3092](#); [2001, 1368, 3199](#); [2003, 3092](#))

NRS 78.265 Preemptive rights of stockholders in corporations organized before October 1, 1991.

1. The provisions of this section apply to corporations organized in this State before October 1, 1991.

2. Except to the extent limited or denied by this section or the articles of incorporation, shareholders have a preemptive right to acquire unissued shares, treasury shares or securities convertible into such shares.

3. Unless otherwise provided in the articles of incorporation:

(a) A preemptive right does not exist:

(1) To acquire any shares issued to directors, officers or employees pursuant to approval by the affirmative vote of the holders of a majority of the shares entitled to vote or when authorized by a plan approved by such a vote of shareholders;

(2) To acquire any shares sold for a consideration other than cash;

(3) To acquire any shares issued at the same time that the shareholder who claims a preemptive right acquired his or her shares;

(4) To acquire any shares issued as part of the same offering in which the shareholder who claims a preemptive right acquired his or her shares; or

(5) To acquire any shares, treasury shares or securities convertible into such shares, if the shares or the shares into which the convertible securities may be converted are upon issuance registered pursuant to section 12 of the Securities Exchange Act of 1934, 15 U.S.C. § 781.

(d) Holders of shares of any class that is preferred or limited as to dividends or assets are not entitled to any preemptive right.

(c) Holders of common stock are not entitled to any preemptive right to shares of any class that is preferred or limited as to dividends or assets or to any obligations, unless convertible into shares of common stock or carrying a right to subscribe to or acquire shares of common stock.

(d) Holders of common stock without voting power have no preemptive right to shares of common stock with voting power.

(e) The preemptive right is only an opportunity to acquire shares or other securities upon such terms as the board of directors fixes for the purpose of providing a fair and reasonable opportunity for the exercise of such right.

[23:177:1925; NCL § 1622]—(NRS A 1977, 909; 1987, 581; 1991, 1227)

NRS 78.267 Preemptive rights of stockholders in corporations organized on or after October 1, 1991.

1. The provisions of this section apply to corporations organized in this State on or after October 1, 1991.

2. The stockholders of a corporation do not have a preemptive right to acquire the corporation's unissued shares except to the extent the articles of incorporation so provide.

3. A statement included in the articles of incorporation that "the corporation elects to have preemptive rights" or words of similar import have the following effects unless the articles of incorporation otherwise provide:

(a) The stockholders of the corporation have a preemptive right, granted on uniform terms and conditions prescribed by the board of directors to provide a fair and reasonable opportunity to exercise the right, to acquire proportional amounts of the corporation's unissued shares upon the decision of the board of directors to issue them.

(b) A stockholder may waive a preemptive right. A waiver evidenced by a writing is irrevocable even though it is not supported by consideration.

(c) There is no preemptive right with respect to:

(1) Shares issued as compensation to directors, officers, agents or employees of the corporation, its subsidiaries or affiliates;

(2) Shares issued to satisfy rights of conversion or options created to provide compensation to directors, officers, agents or employees of the corporation, its subsidiaries or affiliates;

(3) Shares authorized in articles of incorporation which are issued within 6 months from the effective date of incorporation; or

(4) Shares sold otherwise than for money.

(d) Holders of shares of any class without general voting rights but with preferential rights to distributions or assets have no preemptive rights with respect to shares of any class.

(e) Holders of shares of any class with general voting rights but without preferential rights to distributions or assets have no preemptive rights with respect to shares of any class with preferential rights to distributions or assets unless the shares with preferential rights are convertible into or carry a right to subscribe for or acquire shares without preferential rights.

(f) Shares subject to preemptive rights that are not acquired by stockholders may be issued to any person for 1 year after being offered to stockholders at a consideration set by the board of directors that is not lower than the consideration set for the exercise of preemptive rights. An offer at a lower consideration or after the expiration of one year is subject to the stockholders' preemptive rights.

4. As used in this section, "shares" includes a security convertible into or carrying a right to subscribe for or acquire shares.

(Added to NRS by 1991, 1187)

NRS 78.275 Assessments on stock: Levy and collection; sale after default in payment.

1. The directors may at such times and in such amount, as they may from time to time deem the interest of the corporation to require, levy and collect assessments upon the assessable stock of the corporation in the manner provided in this section.

2. Notice of each assessment must be given to the stockholders personally, or by publication once a week for at least 4 weeks, in some newspaper published in the county in which the principal office of the corporation is located or, if the principal office of the corporation is not located in this State, in the county in which the corporation's registered office is located, and in a newspaper published in the county wherein the property of the corporation is situated if in this State.

3. If, after the notice has been given, any stockholder defaults in the payment of the assessment upon the shares held by the stockholder, so many of those shares may be sold as will be necessary for the payment of the assessment upon all the shares held by the stockholder, together with all costs of advertising and expenses of sale. The sale of the shares must be made at the office of the corporation at public auction to the highest bidder, after a notice thereof published for 4 weeks as directed in this section, and a copy of the notice mailed to each delinquent stockholder if his or her address is known 4 weeks before the sale. At the sale the person who offers to pay the assessment so due, together with the expenses of advertising and sale, for the smallest number of shares, or portion of a share, as the case may be, shall be deemed the highest bidder.

[Part 74:177:1925; NCL § 1673]—(NRS A 1993, 960; [2007, 2646](#); [2009, 1678](#))

NRS 78.280 Purchase by corporation of its own stock at assessment sale when no other available purchaser.

1. Every corporation in this State may, whenever at any assessment sale of the stock of the corporation no person will take the stock and pay the assessment, or amount unpaid and due thereon and costs, purchase such stock and hold the stock for the benefit of the corporation.

2. All purchases of its own stock by any corporation in this State which have been previously made at assessment sales whereat outside persons have failed to bid, and which purchases were for the amount of assessments due, and costs or otherwise, are valid, and vest the legal title to the stock in the corporation.

3. The stock so purchased is subject to the control of the remaining stockholders, who may dispose of the stock as they may deem fit.

4. Whenever any portion of the stock of any corporation is held by the corporation by purchase or otherwise, a majority of the remaining shares of stock in the corporation is a majority of the shares of the stock in the incorporated company, for all purposes of election or voting on any question before a stockholders' meeting.

[Part 74:177:1925; NCL § 1673]—(NRS A 1993, 2764)

NRS 78.283 Treasury shares: Definition; limitations; retirement and disposal.

1. As used in this section, "treasury shares" means shares of a corporation issued and thereafter acquired by the corporation or another entity, the majority of whose outstanding voting power to elect its general partner, directors, managers or members of the governing body is beneficially held, directly or indirectly, by the corporation, which have not been retired or restored to the status of unissued shares.

2. Treasury shares held by the corporation do not carry voting rights or participate in distributions, may not be counted as outstanding shares for any purpose and may not be counted as assets of the corporation for the purpose of computing the amount available for distributions.

3. Treasury shares held by another entity, the majority of whose outstanding voting power to elect its general partner, directors, managers or members of the governing body is beneficially held, directly or indirectly, by the corporation, do not carry voting rights and, unless otherwise determined by the board of directors of the corporation, do not participate in distributions, may not be counted as outstanding shares for any purpose and may not be counted as assets of the entity.

4. Unless the articles of incorporation provide otherwise, treasury shares may be retired and restored to the status of authorized and unissued shares without an amendment to the articles of incorporation or may be disposed of for such consideration as the board of directors may determine.

5. This section does not limit the right of a corporation to vote its shares held by it in a fiduciary capacity.

(Added to NRS by 1959, 682; A 1981, 1890; 1991, 1228; [1997, 701](#); [2005, 2181](#))

NRS 78.288 Distributions to stockholders.

1. Except as otherwise provided in subsection 2 and the articles of incorporation, a board of directors may authorize and the corporation may make distributions to its stockholders, including distributions on shares that are partially paid.

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

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

(b) Except as otherwise specifically allowed by the articles of incorporation, the corporation's total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the corporation were to be dissolved at the time of distribution, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights are superior to those receiving the distribution.

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

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

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

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

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

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

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

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

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

(c) In all other cases, as of:

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

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

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

6. Indebtedness of a corporation, including indebtedness issued as a distribution, is not considered a liability for purposes of

determinations pursuant to subsection 2 if its terms provide that payment of principal and interest are made only if and to the extent that payment of a distribution to stockholders could then be made pursuant to this section. If the indebtedness is issued as a distribution, each payment of principal or interest must be treated as a distribution, the effect of which must be measured on the date the payment is actually made.

(Added to NRS by 1991, 1187; A [2001, 1369, 3199](#))

NRS 78.300 Liability of directors for unlawful distributions.

1. The directors of a corporation shall not make distributions to stockholders except as provided by this chapter.

2. Except as otherwise provided in subsection 3 and [NRS 78.138](#), in case of any violation of the provisions of this section, the directors under whose administration the violation occurred are jointly and severally liable, at any time within 3 years after each violation, to the corporation, and, in the event of its dissolution or insolvency, to its creditors at the time of the violation, or any of them, to the lesser of the full amount of the distribution made or of any loss sustained by the corporation by reason of the distribution to stockholders.

3. The liability imposed pursuant to subsection 2 does not apply to a director who caused his or her dissent to be entered upon the minutes of the meeting of the directors at the time the action was taken or who was not present at the meeting and caused his or her dissent to be entered on learning of the action.

[75:177:1925; A 1931, 415; 1949, 158; 1943 NCL § 1674]—(NRS A 1987, 83; 1991, 1229; [2001, 3174](#))

NRS 78.307 “Investment company” and “open-end investment company” defined; redemption of shares by open-end investment company.

1. As used in this section, unless the context requires otherwise:

(a) “Investment company” means any corporation, trust, association or fund which is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities, and whose assets are invested principally in cash or in securities of other issuers.

(b) “Open-end investment company” means any investment company which issues one or more series or classes of securities under the terms of which the holder of the security, upon presentation thereof to the issuer, is entitled to receive approximately his or her proportionate share of the current net assets of the issuer applicable to such series or class, or the cash equivalent thereof.

2. An open-end investment company may, from time to time, redeem its shares, in accordance with their terms, at approximately the proportionate share of the current net assets of the issuer applicable to such shares, or the cash equivalent thereof.

(Added to NRS by 1961, 174)

MEETINGS, ELECTIONS, VOTING AND NOTICE

NRS 78.310 Stockholders’ and directors’ meetings: Location; authority to call.

1. Meetings of stockholders and directors of any corporation organized pursuant to the provisions of this chapter may be held within or without this State, in the manner provided by the bylaws of the corporation. The articles of incorporation may designate any place or places where such stockholders’ or directors’ meetings may be held, but in the absence of any provision therefor in the articles of incorporation, then the meetings must be held within or without this State, as directed from time to time by the bylaws of the corporation.

2. Unless otherwise provided in the articles of incorporation or bylaws, the entire board of directors, any two directors or the president may call annual and special meetings of the stockholders and directors.

[Part 31:177:1925; NCL § 1630]—(NRS A 1993, 961; [2001, 1370, 3199](#))

NRS 78.315 Directors’ meetings: Quorum; consent for actions taken without meeting; alternative means for participating at meeting.

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

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

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

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

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

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

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

(1) Make a determination pursuant to [NRS 78.751](#) 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 which allows the members to communicate simultaneously or sequentially. Participation in a meeting pursuant to this subsection constitutes presence in person at the meeting.

[Part 31:177:1925; NCL § 1630]—(NRS A 1957, 75; 1959, 685; 1977, 412; 1991, 1229; 1993, 961; [1997, 701](#); [2001, 1370, 3199](#); [2007, 2418](#); [2011, 776](#))

NRS 78.320 Stockholders' meetings: Quorum; consent for actions taken without meeting; alternative means for participating at meeting.

1. Unless this chapter, the articles of incorporation or the bylaws provide for different proportions:
 - (a) A majority of the voting power, which includes the voting power that is present in person or by proxy, regardless of whether the proxy has authority to vote on all matters, constitutes a quorum for the transaction of business; and
 - (b) Action by the stockholders on a matter other than the election of directors is approved if the number of votes cast in favor of the action exceeds the number of votes cast in opposition to the action.
2. Unless otherwise provided in the articles of incorporation or the bylaws, any action required or permitted to be taken at a meeting of the stockholders may be taken without a meeting if, before or after the action, a written consent thereto is signed by stockholders holding at least a majority of the voting power, except that if a different proportion of voting power is required for such an action at a meeting, then that proportion of written consents is required.
3. In no instance where action is authorized by written consent need a meeting of stockholders be called or notice given.
4. Unless otherwise restricted by the articles of incorporation or bylaws, stockholders may participate in a meeting of stockholders through electronic communications, videoconferencing, teleconferencing or other available technology which allows the stockholders to communicate simultaneously or sequentially. Participation in a meeting pursuant to this subsection constitutes presence in person at the meeting.
5. Unless this chapter, the articles of incorporation or the bylaws provide for different proportions, if voting by a class or series of stockholders is permitted or required:
 - (a) A majority of the voting power of the class or series that is present in person or by proxy, regardless of whether the proxy has authority to vote on all matters, constitutes a quorum for the transaction of business; and
 - (b) An act by the stockholders of each class or series is approved if a majority of the voting power of a quorum of the class or series votes for the action.

[29(a):177:1925; added 1949, 158; 1943 NCL § 1628.01]—(NRS A 1959, 686; 1987, 581; 1989, 875; 1991, 1229; 1993, 961; [1997, 702](#); [1999, 1584](#); [2001, 1371](#), [3199](#); [2007, 2419](#); [2011, 776](#))

NRS 78.325 Actions at meetings not regularly called: Ratification and approval.

1. Whenever all persons entitled to vote at any meeting, whether of directors, trustees or stockholders, consent, either by:
 - (a) A writing on the records of the meeting or filed with the secretary;
 - (b) Presence at such meeting and oral consent entered on the minutes; or
 - (c) Taking part in the deliberations at such meeting without objection,
 the doings of such meeting shall be as valid as if had at a meeting regularly called and noticed.
2. At such meeting any business may be transacted which is not excepted from the written consent or to the consideration of which no objection for want of notice is made at the time.
3. If any meeting be irregular for want of notice or of such consent, provided a quorum was present at such meeting, the proceedings of the meeting may be ratified and approved and rendered likewise valid and the irregularity or defect therein waived by a writing signed by all parties having the right to vote at such meeting.
4. Such consent or approval of stockholders or creditors may be by proxy or attorney, but all such proxies and powers of attorney must be in writing.

[Part 92:177:1925; A 1929, 413; NCL § 1691]

NRS 78.330 Directors: Election; terms; classification; voting power.

1. Unless elected pursuant to [NRS 78.320](#), or unless the articles of incorporation or the bylaws require more than a plurality of the votes cast, directors of every corporation must be elected at the annual meeting of the stockholders by a plurality of the votes cast at the election. Unless otherwise provided in this chapter or in the bylaws, the board of directors has the authority to set the date, time and place for the annual meeting of the stockholders. If for any reason directors are not elected pursuant to [NRS 78.320](#) or at the annual meeting of the stockholders, they may be elected at any special meeting of the stockholders which is called and held for that purpose. Unless otherwise provided in the articles of incorporation or bylaws, each director holds office after the expiration of his or her term until a successor is elected and qualified, or until the director resigns or is removed.
2. The articles of incorporation or the bylaws may provide for the classification of directors as to the duration of their respective terms of office or as to their election by one or more authorized classes or series of shares, but at least one-fourth in number of the directors of every corporation must be elected annually. If an amendment reclassifying the directors would otherwise increase the term of a director, unless the amendment is to the articles of incorporation and otherwise provides, the term of each incumbent director on the effective date of the amendment terminates on the date it would have terminated had there been no reclassification.
3. The articles of incorporation may provide that the voting power of individual directors or classes of directors may be greater than or less than that of any other individual directors or classes of directors, and the different voting powers may be stated in the articles of incorporation or may be dependent upon any fact or event that may be ascertained outside the articles of incorporation if the manner in which the fact or event may operate on those voting powers is stated in the articles of incorporation. If the articles of incorporation provide that any directors may have voting power greater than or less than other directors, every reference in this chapter to a majority or other proportion of directors shall be deemed to refer to a majority or other proportion of the voting power of all of the directors or classes of directors, as may be required by the articles of incorporation.

[Part 33:177:1925; A 1929, 413; NCL § 1632]—(NRS A 1967, 267; 1979, 215; 1987, 582; 1989, 875; 1993, 962; [1999, 1585](#); [2001, 1371](#), [3199](#); [2007, 2420](#))

NRS 78.335 Directors: Removal; filling of vacancies.

1. Except as otherwise provided in this section, any director or one or more of the incumbent directors may be removed from office by the vote of stockholders representing not less than two-thirds of the voting power of the issued and outstanding stock entitled to vote.
2. In the case of corporations which have provided in their articles of incorporation for the election of directors by cumulative voting, any director or directors who constitute fewer than all of the incumbent directors may not be removed from office at any one time or as the result of any one transaction under the provisions of this section except upon the vote of stockholders owning sufficient shares to prevent each director's election to office at the time of removal.

3. The articles of incorporation may require the concurrence of more than two-thirds of the voting power of the issued and outstanding stock entitled to vote in order to remove one or more directors from office.

4. Whenever the holders of any class or series of shares are entitled to elect one or more directors, unless otherwise provided in the articles of incorporation, removal of any such director requires only the proportion of votes, specified in subsection 1, of the holders of that class or series, and not the votes of the outstanding shares as a whole.

5. All vacancies, including those caused by an increase in the number of directors, may be filled by a majority of the remaining directors, though less than a quorum, unless it is otherwise provided in the articles of incorporation.

6. Unless otherwise provided in the articles of incorporation, when one or more directors give notice of resignation to the board, effective at a future date, the board may fill the vacancy or vacancies to take effect when the resignation or resignations become effective, each director so appointed to hold office during the remainder of the term of office of the resigning director or directors.

7. If the articles or bylaws provide that the holders of any class or series of shares are entitled to elect one or more directors under specified circumstances and that, upon termination of those specified circumstances, the right terminates and the directors elected by the holders of the class or series of shares are no longer directors, the termination of a director pursuant to such provisions in the articles or bylaws shall not be deemed a removal of the director pursuant to this section.

[Part 33:177:1925; A 1929, 413; NCL § 1632]—(NRS A 1989, 875; 1991, 1230; 1993, 962; [1999, 1585](#); [2003, 3093](#))

NRS 78.340 Failure to hold election of directors on regular day does not dissolve corporation. If the directors shall not be elected on the day designated for the purpose, the corporation shall not for that reason be dissolved; but every director shall continue to hold office and discharge the duties of a director until a successor has been elected.

[34:177:1925; NCL § 1633]

NRS 78.345 Election of directors by order of court upon failure of regular election.

1. If any corporation fails to elect directors within 18 months after the last election of directors required by [NRS 78.330](#), the district court has jurisdiction in equity, upon application of any one or more stockholders holding stock entitling them to exercise at least 15 percent of the voting power, to order the election of directors in the manner required by [NRS 78.330](#).

2. The application must be made by petition filed in the county where the principal office of the corporation is located or, if the principal office is not located in this State, in the county in which the corporation's registered office is located, and must be brought on behalf of all stockholders desiring to be joined therein. Such notice must be given to the corporation and the stockholders as the court may direct.

3. The directors elected pursuant to this section have the same rights, powers and duties and the same tenure of office as directors elected by the stockholders at the annual meeting held at the time prescribed therefor, next before the date of the election pursuant to this section, would have had.

[35:177:1925; NCL § 1634]—(NRS A 1991, 1231; [2007, 2646](#); [2009, 1678](#))

NRS 78.347 Application by stockholder for order of court appointing custodian or receiver; requirements of custodian; authority of custodian; adoption of regulations by Secretary of State.

1. Any stockholder may apply to the district court to appoint one or more persons to be custodians of the corporation, and, if the corporation is insolvent, to be receivers of the corporation when:

(a) The business of the corporation is suffering or is threatened with irreparable injury because the directors are so divided respecting the management of the affairs of the corporation that a required vote for action by the board of directors cannot be obtained and the stockholders are unable to terminate this division; or

(b) The corporation has abandoned its business and has failed within a reasonable time to take steps to dissolve, liquidate or distribute its assets in accordance with this chapter.

2. An applicant on whose behalf a stockholder has applied to the district court for a custodianship pursuant to subsection 1 shall provide the following information, along with an affidavit attesting that such information is true and correct, to the district court:

(a) A detailed list of all previous applications to a court in any jurisdiction for a custodianship of a publicly traded corporation that were filed by the applicant or an affiliate or subsidiary of the applicant.

(b) If an application listed in paragraph (a) was approved, a detailed description of the activities performed during the custodianship by the applicant or the affiliate or subsidiary of the applicant.

(c) A description of the current corporate status and business operation of any publicly traded corporation for which the applicant and any affiliate or subsidiary of the applicant has held a custodianship.

(d) A full disclosure of any and all previous criminal, administrative, civil or National Association of Securities Dealers, Inc., or Securities and Exchange Commission investigations, violations or convictions concerning the applicant and any affiliate or subsidiary of the applicant.

(e) Evidence of reasonable efforts by the applicant to contact the officers and directors of the corporation for which the custodianship is sought.

(f) Evidence of a demand by the applicant to the officers and directors of the corporation for which the custodianship is sought that the corporation comply with the provisions of [chapter 78](#) of NRS and that the applicant did not receive a response.

3. The district court shall order any applicant who is granted custodianship pursuant to this section to:

(a) Comply with the provisions of [NRS 78.180](#) or [80.170](#), as applicable. The custodian shall submit evidence of compliance with this paragraph to the district court.

(b) Provide reasonable notice to all shareholders of record of a shareholder meeting to be held within a reasonable time after an application for custodianship or receivership has been granted. The custodian shall submit evidence of compliance with this paragraph to the district court.

(c) Provide the district court with a report of the actions taken at the shareholder meeting noticed by the custodian.

(d) Provide the district court with periodic reports, at intervals to be determined by the court, of the activities of the custodian and the board of directors and the progress of the corporation.

(e) Provide any other information deemed necessary by the court.

4. Within 10 days after being appointed custodian of a Nevada publicly traded corporation, the custodian shall file with the Secretary of State an amendment to the articles of incorporation containing the following information:

(a) Disclosures of any previous criminal, administrative, civil or National Association of Securities Dealers, Inc., or Securities

and Exchange Commission investigations, violations or convictions concerning the custodian and any affiliate of the custodian.

(b) A statement indicating that:

(1) Reasonable attempts were made to contact the officers or directors of the corporation to request that the corporation comply with corporate formalities and to continue its business.

(2) The custodian is in fact continuing the business and attempting to further the interests of the shareholders.

(3) The custodian will reinstate or maintain the corporate charter.

(c) Any other information required by regulation to be submitted to the Secretary of State.

5. The Secretary of State may adopt regulations to administer the provisions of subsection 4.

6. A custodian appointed pursuant to this section has all the powers and title of a trustee appointed under [NRS 78.590](#), [78.635](#) and [78.650](#), but the authority of the custodian is to continue the business of the corporation and not to liquidate its affairs or distribute its assets, except when the district court so orders and except in cases arising pursuant to paragraph (b) of subsection 1.

(Added to NRS by 1991, 1188; A [2007, 1317](#))

NRS 78.350 Voting rights of stockholders; determination of stockholders entitled to notice of and to vote at meeting.

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

2. Unless a period of more than 60 days or a period of less than 10 days is prescribed or fixed in the articles of incorporation, the directors may prescribe a period not exceeding 60 days before any meeting of the stockholders during which no transfer of stock on the books of the corporation may be made, or may fix, in advance, a record date not more than 60 or less than 10 days before the date of any such meeting as the date as of which stockholders entitled to notice of and to vote at such meetings must be determined. Only stockholders of record on that date are entitled to notice or to vote at such a meeting. If a record date is not fixed, the record date is at the close of business on the day before the day on which the first notice is given or, if notice is waived, at the close of business on the day before the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders applies to an adjournment of the meeting unless the board of directors fixes a new record date for the adjourned meeting. The board of directors must fix a new record date if the meeting is adjourned to a date more than 60 days later than the date set for the original meeting.

3. The board of directors may adopt a resolution prescribing a date upon which the stockholders of record entitled to give written consent pursuant to [NRS 78.320](#) must be determined. The date prescribed by the board of directors may not precede or be more than 10 days after the date the resolution is adopted by the board of directors. If the board of directors does not adopt a resolution prescribing a date upon which the stockholders of record entitled to give written consent pursuant to [NRS 78.320](#) must be determined and:

(a) No prior action by the board of directors is required by this chapter or [chapter 92A](#) of NRS before the matter is submitted for consideration by the stockholders, the date is the first date on which a valid, written consent is delivered in accordance with the provisions of [NRS 78.320](#).

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

4. The provisions of this section do not restrict the directors from taking action to protect the interests of the corporation and its stockholders, including, but not limited to, adopting or signing plans, arrangements or instruments that grant or deny rights, privileges, power or authority to a holder or holders of a specified number of shares or percentage of share ownership or voting power.

[28:177:1925; NCL § 1627]—(NRS A 1965, 1012; 1989, 876; 1991, 1231; 1993, 963; [1999, 1586](#); [2003, 3094](#); [2005, 2181](#); [2009, 1679](#))

NRS 78.352 Voting rights: Persons holding stock in fiduciary capacity; persons whose stock is pledged; joint owners of stock.

1. A person holding stock in a fiduciary capacity is entitled to vote the shares so held.

2. A person whose stock is pledged is entitled to vote, unless in the pledge the pledgor has expressly empowered the pledgee to vote the stock, in which case only the pledgee or the proxy of the pledgee may vote the stock.

3. If shares or other securities having voting power stand of record in the names of two or more persons, whether fiduciaries, joint tenants, tenants in common or otherwise, or if two or more persons have the same fiduciary relationship respecting the shares or securities, unless the secretary of the corporation is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship, their acts with respect to voting have the following effect:

(a) If only one votes, that person's act binds all;

(b) If more than one votes, the act chosen by a majority of votes binds all; or

(c) If more than one votes, but the vote is evenly split on any particular matter, each faction may vote the shares or securities in question proportionally.

(Added to NRS by [2001, 1356](#); A [2001, 3199](#))

NRS 78.355 Stockholders' proxies.

1. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy. If any stockholder designates two or more persons to act as proxies, a majority of those persons present at the meeting or a majority of those persons granting consent or exercising a right of dissent in writing, or, if only one is present or consenting or dissenting in writing, then that one has and may exercise all of the powers conferred by the stockholder upon all of the persons so designated unless the stockholder provides otherwise. The proxy may be limited to action on designated matters.

2. Without limiting the manner in which a stockholder may authorize another person or persons to act for him or her as proxy pursuant to subsection 1, a stockholder may sign a writing authorizing another person or persons to act for him or her as proxy.

3. Any copy, communication by electronic transmission or other reliable reproduction of the writing created pursuant to subsection 2 may be substituted for the original writing for any purpose for which the original writing could be used, if the copy, communication by electronic transmission or other reproduction is a complete reproduction of the entire original writing.

4. Except as otherwise provided in subsection 5, no such proxy is valid after the expiration of 6 months from the date of its creation unless the stockholder specifies in it the length of time for which it is to continue in force, which may not exceed 7 years from the date of its creation. Subject to these restrictions, any proxy properly created is not revoked and continues in full force and effect until:

(a) Another instrument or transmission revoking it or a properly created proxy bearing a later date is filed with or transmitted to the secretary of the corporation or another person or persons appointed by the corporation to count the votes of stockholders and determine the validity of proxies and ballots; or

(b) In the case of a meeting of stockholders, the stockholder revokes the proxy by attending the meeting and voting the stockholder's shares in person, in which case, any vote cast by the person or persons designated by the stockholder to act as a proxy or proxies must be disregarded by the corporation when the votes are counted.

5. A proxy shall be deemed irrevocable if the written authorization states that the proxy is irrevocable, but is irrevocable only for as long as it is coupled with an interest sufficient in law to support an irrevocable power, including, without limitation, the appointment as proxy of a pledgee, a person who purchased or agreed to purchase the shares, a creditor of the corporation who extended it credit under terms requiring the appointment, an employee of the corporation whose employment contract requires the appointment or a party to a voting agreement created pursuant to subsection 3 of [NRS 78.365](#). Unless otherwise provided in the proxy, a proxy made irrevocable pursuant to this subsection is revoked when the interest with which it is coupled is extinguished, but the corporation may honor the proxy until notice of the extinguishment of the proxy is received by the corporation. A transferee for value of shares subject to an irrevocable proxy may revoke the proxy if the transferee did not know of its existence when the transferee acquired the shares and the existence of the irrevocable appointment was not noted conspicuously on the certificate representing the shares or on the information statement for shares without certificates.

6. If any stockholder subject to a properly created irrevocable proxy attends any meeting of the stockholders or attempts to grant a consent or exercise a right of dissent for which the authorization grants authority to act on the stockholder's behalf at the meeting, or in granting a consent or exercising a right of dissent, as applicable, to a proxy or proxies, unless expressly otherwise provided in the written authorization or electronic record:

(a) Only the proxy or proxies may have and exercise all the powers of the stockholder at the meeting or in granting a consent or exercising a right of dissent, as applicable; and

(b) Only a vote, consent or dissent, as applicable, of the proxy or proxies may be regarded as valid by the corporation.

[29:177:1925; A 1953, 180]—(NRS A 1991, 1232; [1997, 702](#); [2003, 3095](#); [2005, 2182](#); [2011, 2775](#))

NRS 78.360 Cumulative voting.

1. The articles of incorporation of any corporation may provide that at all elections of directors of the corporation each holder of stock possessing voting power is entitled to as many votes as equal the number of his or her shares of stock multiplied by the number of directors to be elected, and that the holder of stock may cast all of his or her votes for a single director or may distribute them among the number to be voted for or any two or more of them, as the holder of stock may see fit. To exercise the right of cumulative voting, one or more of the stockholders requesting cumulative voting must give written notice to the president or secretary of the corporation that the stockholder desires that the voting for the election of directors be cumulative.

2. The notice must be delivered not less than 48 hours before the time fixed for holding the meeting, if notice of the meeting has been delivered at least 10 days before the date of the meeting, and otherwise not less than 24 hours before the meeting. At the meeting, before the commencement of voting for the election of directors, an announcement of the delivery of the notice must be made by the chair or the secretary of the meeting or by or on behalf of the stockholder delivering the notice. Notice to stockholders of the requirement of this subsection must be contained in the notice calling the meeting or in the proxy material accompanying the notice.

[30:177:1925; NCL § 1629]—(NRS A 1969, 101; 1991, 1233; 1993, 963; [2011, 2776](#))

NRS 78.365 Voting trusts.

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.

3. An agreement between two or more stockholders, if in writing and signed by them, may provide that in exercising any voting rights the stock held by them must be voted:

(a) Pursuant to the provisions of the agreement;

(b) As they may subsequently agree; or

(c) In accordance with a procedure agreed upon.

4. An agreement entered into pursuant to the provisions of subsection 3 is not 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 as many additional periods, each not to exceed 15 years, as they wish.

5. An agreement entered into pursuant to the provisions of subsection 1 or 3 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.

[22:177:1925; A 1929, 413; 1951, 328]—(NRS A 1987, 582; 1989, 976; 1991, 1234; 1993, 964)

NRS 78.370 Notice to stockholders.

1. If under the provisions of this chapter stockholders are required or authorized to take any action at a meeting, the notice of the meeting must be in writing.

2. Except in the case of the annual meeting, the notice must state the purpose or purposes for which the meeting is called. In all instances, the notice must state the time when, and the place, which may be within or without this State, where the meeting is to be held, and the means of electronic communications, if any, by which stockholders and proxies shall be deemed to be present in person and vote.

3. A copy of the notice must be delivered personally, mailed postage prepaid or delivered as provided in [NRS 75.150](#) to each stockholder of record entitled to vote at the meeting not less than 10 nor more than 60 days before the meeting. If mailed, it must be directed to the stockholder at his or her address as it appears upon the records of the corporation. Personal delivery of any such notice to any officer of a corporation or association, to any member of a limited-liability company managed by its members, to any manager of a limited-liability company managed by managers, to any general partner of a partnership or to any trustee of a trust constitutes delivery of the notice to the corporation, association, limited-liability company, partnership or trust.

4. The articles of incorporation or the bylaws may require that the notice be also published in one or more newspapers.

5. Notice delivered or mailed to a stockholder in accordance with the provisions of this section and [NRS 75.150](#) and the provisions, if any, of the articles of incorporation or the bylaws is sufficient, and in the event of the transfer of the stockholder's stock after such delivery or mailing and before the holding of the meeting it is not necessary to deliver or mail notice of the meeting to the transferee.

6. Unless otherwise provided in the articles of incorporation or the bylaws, if notice is required to be delivered, under any provision of this chapter or the articles of incorporation or bylaws of any corporation, to any stockholder to whom:

(a) Notice of two consecutive annual meetings, and all notices of meetings or of the taking of action by written consent without a meeting to the stockholder during the period between those two consecutive annual meetings; or

(b) All, and at least two, payments sent by first-class mail of dividends or interest on securities during a 12-month period, have been mailed addressed to the stockholder at his or her address as shown on the records of the corporation and have been returned undeliverable, the delivery of further notices to the stockholder is not required. Any action or meeting taken or held without notice to such a stockholder has the same effect as if the notice had been delivered. If any such stockholder delivers to the corporation a written notice setting forth his or her current address, the requirement that notice be delivered to the stockholder is reinstated. If the action taken by the corporation is such as to require the filing of a certificate under any of the other sections of this chapter, the certificate need not state that notice was not delivered to persons to whom notice was not required to be delivered pursuant to this subsection. The delivery of further notices to a stockholder is still required for any notice returned as undeliverable if the notice was delivered by electronic transmission.

7. Unless the articles of incorporation or bylaws otherwise require, and except as otherwise provided in this subsection, if a stockholders' meeting is adjourned to another date, time or place, notice need not be delivered of the date, time or place of the adjourned meeting if they are announced at the meeting at which the adjournment is taken. If a new record date is fixed for the adjourned meeting, notice of the adjourned meeting must be delivered to each stockholder of record as of the new record date.

[27:177:1925; A 1941, 110; 1931 NCL § 1626]—(NRS A 1991, 1235; 1993, 965; [1999, 1587](#); [2003, 3096](#); [2011, 2777](#))

NRS 78.375 Waiver of notice or other communication. Whenever any notice or other communication is required to be delivered under the provisions of this chapter, a waiver thereof in a signed writing by the person or persons entitled to the notice or communication, whether before or after the time stated therein, shall be deemed equivalent thereto.

[Part 92:177:1925; A 1929, 413; NCL § 1691]—(NRS A [2003, 3098](#); [2011, 2779](#))

ACQUISITION OF CONTROLLING INTEREST

NRS 78.378 Applicability; imposition of stricter requirements; protection of corporation and its stockholders.

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

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

3. The provisions of [NRS 78.378](#) to [78.3793](#), inclusive, do not restrict the directors of an issuing corporation from taking action to protect the interests of the corporation and its stockholders, including, but not limited to, adopting or signing plans, arrangements or instruments that grant or deny rights, privileges, power or authority to a holder or holders of a specified number of shares or percentage of share ownership or voting power.

(Added to NRS by 1987, 755; A 1989, 877; [1999, 1588](#); [2003, 3098](#); [2009, 1680](#))

NRS 78.3781 Definitions. As used in [NRS 78.378](#) to [78.3793](#), inclusive, unless the context otherwise requires, the words and terms defined in [NRS 78.3782](#) to [78.3788](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NRS by 1987, 756)

NRS 78.3782 "Acquiring person" defined. "Acquiring person" means any person who, individually or in association with others, acquires or offers to acquire, directly or indirectly, a controlling interest in an issuing corporation. The term does not include any person who, in the ordinary course of business and without an intent to avoid the requirements of [NRS 78.378](#) to [78.3793](#), inclusive, acquires voting shares for the benefit of others, in respect of which the person is not specifically authorized to exercise or direct the exercise of voting rights.

(Added to NRS by 1987, 756)

NRS 78.3783 "Acquisition" defined.

1. Except as otherwise provided in subsection 2, "acquisition" means the direct or indirect acquisition of a controlling interest.
 2. "Acquisition" does not include any acquisition of shares in good faith, and without an intent to avoid the requirements of [NRS 78.378](#) to [78.3793](#), inclusive:
 - (a) By an acquiring person authorized pursuant to [NRS 78.378](#) to [78.3793](#), inclusive, to exercise voting rights, to the extent that the new acquisition does not result in the acquiring person obtaining a controlling interest greater than that previously authorized; or
 - (b) Pursuant to:
 - (1) The laws of descent and distribution;
 - (2) The enforcement of a judgment;
 - (3) The satisfaction of a pledge or other security interest; or
 - (4) A merger, exchange, conversion, domestication or reorganization effected in compliance with the provisions of [NRS 78.622](#), [92A.200](#) to [92A.240](#), inclusive, or [92A.270](#) to which the issuing corporation is a party.
- (Added to NRS by 1987, 756; A 1991, 1236; 1995, 2099; [2001, 1372, 3199](#))

NRS 78.3784 "Control shares" defined. "Control shares" means those outstanding voting shares of an issuing corporation which an acquiring person and those persons acting in association with an acquiring person:

1. Acquire in an acquisition or offer to acquire in an acquisition; and
 2. Acquire within 90 days immediately preceding the date when the acquiring person became an acquiring person.
- (Added to NRS by 1987, 756)

NRS 78.3785 "Controlling interest" defined. "Controlling interest" means the ownership of outstanding voting shares of an issuing corporation sufficient, but for the provisions of [NRS 78.378](#) to [78.3793](#), inclusive, to enable the acquiring person, directly or indirectly and individually or in association with others, to exercise:

1. One-fifth or more but less than one-third;
 2. One-third or more but less than a majority; or
 3. A majority or more,
- Ê of all the voting power of the corporation in the election of directors.
- (Added to NRS by 1987, 756)

NRS 78.3786 "Fair value" defined. "Fair value" means a value not less than the highest price per share paid by the acquiring person in an acquisition.

(Added to NRS by 1987, 756)

NRS 78.3787 "Interested stockholder" defined. "Interested stockholder" means a person who directly or indirectly exercises voting rights in the shares of an issuing corporation and who is:

1. An acquiring person;
2. An officer or a director of the corporation; or
3. An employee of the corporation.

(Added to NRS by 1987, 757; A [1999, 1588](#))

NRS 78.3788 "Issuing corporation" defined. "Issuing corporation" means a corporation which is organized in this State and which:

1. Has 200 or more stockholders of record, at least 100 of whom have addresses in this State appearing on the stock ledger of the corporation; and
 2. Does business in this State directly or through an affiliated corporation.
- (Added to NRS by 1987, 757; A 1989, 877; [1999, 1588](#))

NRS 78.3789 Delivery of offeror's statement by acquiring person; contents of statement. An acquiring person who has made or offered to make an acquisition of a controlling interest in an issuing corporation may deliver an offeror's statement to the registered office of the corporation. The acquiring person may request in the statement that the directors of the corporation call a special meeting of the stockholders of the corporation, as provided in [NRS 78.379](#). The statement must set forth:

1. A recital that the statement is given pursuant to this section;
 2. The name of the acquiring person and of every person associated with him or her in the acquisition;
 3. The number of shares in any class of voting securities owned, as of the date of the statement, by the acquiring person and each person with whom he or she is associated, or which the acquiring person intends to acquire;
 4. The percentage of the voting securities of the corporation owned, as of the date of the statement, by the acquiring person and each person with whom he or she is associated, or which the acquiring person intends to acquire; and
 5. If the acquiring person has not yet acquired the securities of the corporation, a detailed description of:
 - (a) The terms and conditions of the proposed acquisition; and
 - (b) The means by which any required consideration, and any indebtedness incurred to consummate the transaction, are to be paid.
- (Added to NRS by 1987, 757; A 1993, 966)

NRS 78.379 Voting rights of acquiring person; meeting of stockholders; statements to accompany notice of meeting.

1. An acquiring person and those acting in association with an acquiring person obtain only such voting rights in the control shares as are conferred by a resolution of the stockholders of the corporation, approved at a special or annual meeting of the stockholders.
2. If an acquiring person so requests in an offeror's statement delivered pursuant to [NRS 78.3789](#), and if the acquiring person gives an undertaking to pay the expenses of the meeting, the directors of the corporation shall, within 10 days after delivery of the statement, call a special meeting of the stockholders to determine the voting rights to be accorded the control shares.
3. A notice of any meeting of stockholders at which the question of voting rights is to be determined must be accompanied by:
 - (a) A complete copy of the offeror's statement; and
 - (b) A statement of the board of directors of the corporation setting forth the position of the board with respect to the acquisition or, if it is the case, stating that the board makes no recommendation concerning the matter.

4. A special meeting of stockholders called pursuant to this section:

(a) Must not be held before the expiration of 30 days after the delivery of the offeror's statement, unless the statement contains a request that the meeting be held sooner.

(b) Must be held within 50 days after the delivery of the statement, unless the acquiring person otherwise agrees in writing that the meeting may be held after that time.

5. If the offeror's statement does not include a request that a special meeting be called, the question of voting rights must be presented to the next special or annual meeting of the stockholders.

(Added to NRS by 1987, 757)

NRS 78.3791 Approval of voting rights of acquiring person. Except as otherwise provided by the articles of incorporation of the issuing corporation, a resolution of the stockholders granting voting rights to the control shares acquired by an acquiring person must be approved by:

1. The holders of a majority of the voting power of the corporation; and

2. If the acquisition would adversely alter or change any preference or any relative or other right given to any other class or series of outstanding shares, the holders of a majority of each class or series affected,

È excluding those shares as to which any interested stockholder exercises voting rights.

(Added to NRS by 1987, 758; A 1991, 1236; [1999, 1589](#); [2001, 1372, 3199](#); [2003, 3098](#))

NRS 78.3792 Redemption of control shares.

1. If so provided in the articles of incorporation or the bylaws of the issuing corporation in effect on the 10th day following the acquisition of a controlling interest by an acquiring person, the issuing corporation may call for redemption of not less than all the control shares at the average price paid for the control shares, if:

(a) An offeror's statement is not delivered with respect to the acquisition as provided in [NRS 78.3789](#) on or before the 10th day after the acquisition of the control shares; or

(b) An offeror's statement is delivered, but the control shares are not accorded full voting rights by the stockholders.

2. The issuing corporation shall call for redemption within 30 days after the occurrence of the event prescribed in paragraph (a) or (b) of subsection 1, and the shares must be redeemed within 60 days after the call.

(Added to NRS by 1987, 758; A 1989, 877)

NRS 78.3793 Rights of dissenting stockholders. Unless otherwise provided in the articles of incorporation or the bylaws of the issuing corporation in effect on the 10th day following the acquisition of a controlling interest by an acquiring person, if the control shares are accorded full voting rights pursuant to [NRS 78.378](#) to [78.3793](#), inclusive, and the acquiring person has acquired control shares with a majority or more of all the voting power, any stockholder, as that term is defined in [NRS 92A.325](#), other than the acquiring person, whose shares are not voted in favor of authorizing voting rights for the control shares may dissent in accordance with the provisions of [NRS 92A.300](#) to [92A.500](#), inclusive, and obtain payment of the fair value of his or her shares.

(Added to NRS by [1987, 758](#); A 1989, 877; 1993, 966; [2001, 1373, 3199](#))

AMENDMENT AND RESTATEMENT OF ARTICLES OF INCORPORATION

NRS 78.380 Amendment of articles before issuance of voting stock.

1. At least two-thirds of the incorporators or of the board of directors of any corporation, if no voting stock of the corporation has been issued, may amend the articles of incorporation of the corporation by signing and filing with the Secretary of State a certificate amending, modifying, changing or altering the articles, in whole or in part. The certificate must state that:

(a) The signers thereof are at least two-thirds of the incorporators or of the board of directors of the corporation, and state the name of the corporation; and

(b) As of the date of the certificate, no voting stock of the corporation has been issued.

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

3. If a certificate specifies a later effective date and if no voting stock of the corporation has been issued, the board of directors may terminate the effectiveness of a certificate by filing a certificate of termination with the Secretary of State that:

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

(b) Identifies the certificate being terminated;

(c) States that no voting stock of the corporation has been issued;

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

(e) Is signed by at least two-thirds of the board of directors of the corporation; and

(f) Is accompanied by the fee required pursuant to [NRS 78.765](#).

4. This section does not permit the insertion of any matter not in conformity with this chapter.

[Part 6:177:1925; A 1951, 28]—(NRS A 1959, 686; 1991, 1236; 1993, 966; [1999, 1589](#); [2001, 1373, 3199](#); [2003, 3099](#); [2005, 2184](#); [2011, 2779](#))

NRS 78.385 Scope of amendments.

1. Any corporation may amend its articles of incorporation in any of the following respects:

(a) By addition to its corporate powers and purposes, or diminution thereof, or both.

(b) By substitution of other powers and purposes, in whole or in part, for those prescribed by its articles of incorporation.

(c) By increasing, decreasing or reclassifying its authorized stock, by changing the number, par value, preferences, or relative, participating, optional or other rights, or the qualifications, limitations or restrictions of such rights, of its shares, or of any class or series of any class thereof whether or not the shares are outstanding at the time of the amendment, or by changing shares with par value, whether or not the shares are outstanding at the time of the amendment, into shares without par value or by changing shares without par value, whether or not the shares are outstanding at the time of the amendment, into shares with par value, either with or

without increasing or decreasing the number of shares, and upon such basis as may be set forth in the certificate of amendment.

(d) By changing the name of the corporation.

(e) By making any other change or alteration in its articles of incorporation that may be desired.

2. All such changes or alterations may be effected by one certificate of amendment, but any articles of incorporation so amended, changed or altered may contain only such provisions as it would be lawful and proper to insert in original articles of incorporation pursuant to [NRS 78.035](#) and [78.037](#), if the original articles were signed and filed at the time of making the amendment.

[Part 7:177:1925; A 1931, 415; 1937, 8; 1949, 158; 1943 NCL § 1606]—(NRS A 1989, 878; 1991, 1237; [1999, 1589](#); [2003, 3099](#))

NRS 78.390 Amendment of articles after issuance of stock: Procedure.

1. Except as otherwise provided in [NRS 77.340](#), every amendment to the articles of incorporation must be made in the following manner:

(a) The board of directors must adopt a resolution setting forth the amendment proposed and either call a special meeting of the stockholders entitled to vote on the amendment or direct that the proposed amendment be considered at the next annual meeting of the stockholders entitled to vote on the amendment.

(b) At the meeting, of which notice must be given to each stockholder entitled to vote pursuant to the provisions of this section, a vote of the stockholders entitled to vote in person or by proxy must be taken for and against the proposed amendment. If it appears upon the canvassing of the votes that stockholders holding shares in the corporation entitling them to exercise 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 voted in favor of the amendment, an officer of the corporation shall sign a certificate setting forth the amendment, or setting forth the articles of incorporation as amended, and the vote by which the amendment was adopted.

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

2. Except as otherwise provided in this subsection, if any proposed amendment would adversely alter or change any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of 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 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 amendment if the articles of incorporation specifically deny the right to vote on such an amendment.

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

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

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

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 and if the resolution of the stockholders approving the proposed amendment provides that the board of directors may abandon the proposed amendment pursuant to subsection 5, the board of directors may terminate the effectiveness of the certificate by resolution and by filing a certificate of termination with the Secretary of State that:

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

(b) Identifies the certificate being terminated;

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

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

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

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

[Part 7:177:1925; A 1931, 415; 1937, 8; 1949, 158; 1943 NCL § 1606]—(NRS A 1959, 686; 1971, 1101; 1979, 395; 1991, 1238; 1993, 967; [1997, 703](#); [1999, 1590](#); [2001, 1374, 3174, 3196, 3199](#); [2003, 225, 3100](#); [2003, 20th Special Session, 34](#); [2005, 2184](#); [2007, 2647](#); [2011, 2780](#))

NRS 78.403 Restatement of articles.

1. A corporation may restate, or amend and restate, in a single certificate the entire text of its articles of incorporation as amended by filing with the Secretary of State a certificate in the manner provided in this section. If the certificate alters or amends the articles in any manner, it must comply with the provisions of [NRS 78.380](#), [78.385](#) and [78.390](#), as applicable.

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

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

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

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

(c) The information required pursuant to [NRS 77.310](#).

4. Whenever a corporation is required to file a certified copy of its articles, in lieu thereof it may file a certified copy of the most recent certificate restating its articles as amended, subject to the provisions of subsection 2, together with certified copies of all certificates of amendment filed subsequent to the restated articles and certified copies of all certificates supplementary to the original articles.

5. A certificate filed pursuant to this section is effective at the time of the filing of the certificate with the Secretary of State or

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

(Added to NRS by 1959, 682; A 1985, 1789; 1989, 977; 1995, 2100; [1997, 704](#); [2001, 1375, 3199](#); [2003, 3101](#); [2003, 20th Special Session, 35](#); [2005, 2186](#); [2007, 2648](#); [2011, 2781](#))

COMBINATIONS WITH INTERESTED STOCKHOLDERS

NRS 78.411 Definitions. As used in [NRS 78.411](#) to [78.444](#), inclusive, unless the context otherwise requires, the words and terms defined in [NRS 78.412](#) to [78.432](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NRS by 1991, 1200; A [2011, 2782](#))

NRS 78.412 “Affiliate” defined. “Affiliate” means a person that directly, or indirectly through one or more intermediaries, is controlled by, or is under common control with, a specified person.

(Added to NRS by 1991, 1200)

NRS 78.413 “Associate” defined. “Associate,” when used to indicate a relationship with any person, means:

1. Any corporation or organization of which that person is an officer or partner or is, directly or indirectly, the beneficial owner of 10 percent or more of any class of voting shares;
2. Any trust or other estate in which that person has a substantial beneficial interest or as to which that person serves as trustee or in a similar fiduciary capacity; and
3. Any relative or spouse of that person, or any relative of the spouse, who has a common principal residence with that person.

(Added to NRS by 1991, 1200; A [2011, 2782](#))

NRS 78.414 “Beneficial owner” defined. “Beneficial owner,” when used with respect to any shares, means a person that:

1. Individually or with or through any of its affiliates or associates, possesses:
 - (a) Voting power over the shares, including, without limitation, the power to vote, or to direct the voting of, the shares; or
 - (b) Investment power over the shares, including, without limitation, the power to dispose, or to direct the disposition, of the shares,È under any agreement, arrangement or understanding, whether or not in writing, but a person is not considered the beneficial owner of any shares under this subsection if the power to vote, or to direct the voting of, the shares arises solely from a revocable proxy or consent given in response to a solicitation made in accordance with the applicable regulations under the Securities Exchange Act and is not then reportable on a Schedule 13D under the Securities Exchange Act or any comparable or successor report;
2. Individually or with or through any of its affiliates or associates, has the right to acquire the shares, whether the right is exercisable immediately or only after the passage of time, under any agreement, arrangement or understanding, whether or not in writing, or upon the exercise of rights to convert or exchange, warrants or options, or otherwise, but a person is not considered the beneficial owner of shares tendered under an offer for a tender or exchange made by the person or any of the person’s affiliates or associates until the tendered shares are accepted for purchase or exchange; or
3. Has any agreement, arrangement or understanding, whether or not in writing, for the purpose of acquiring, holding, voting, except voting under a revocable proxy or consent as described in subsection 1, or disposing of the shares with any other person who beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, the shares.

(Added to NRS by 1991, 1200; A [2011, 2782](#))

NRS 78.416 “Combination” defined. “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 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,

È 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.

(Added to NRS by 1991, 1200; A [2009, 1680](#); [2011, 2783](#))

NRS 78.417 “Common shares” defined. “Common shares” means any shares other than preferred shares.

(Added to NRS by 1991, 1202)

NRS 78.418 “Control,” “controlling,” “controlled by” and “under common control with” defined; presumption of control.

1. Except as otherwise provided in subsection 2:

(a) “Control,” used alone or in the terms “controlling,” “controlled by” and “under common control with,” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

(b) A person’s beneficial ownership of 10 percent or more of the voting power of a corporation’s outstanding voting shares creates a presumption that the person has control of the corporation:

(1) In the absence of proof by a preponderance of the evidence to the contrary; or

(2) Unless any other stockholder of the corporation, other than an affiliate or associate of the person, is the beneficial owner of an equal or greater percentage of the voting power of the corporation’s outstanding voting shares.

2. A person is not considered to have control of a corporation if the person holds voting power, in good faith and not for the purpose of circumventing the provisions of this chapter, as an agent, bank, broker, nominee, custodian or trustee for one or more beneficial owners who do not individually or as a group have control of the corporation.

(Added to NRS by 1991, 1202; A [2011, 2784](#))

NRS 78.421 “Date of announcement” defined. “Date of announcement,” when used in reference to any combination, means the date of the first public announcement of the final, definitive proposal for the combination.

(Added to NRS by 1991, 1202)

NRS 78.422 “Date of consummation” defined. “Date of consummation,” with respect to any combination, means the date of the consummation of the combination or, in the case of a combination as to which a vote of stockholders is taken, the later of:

1. The business day before the vote; or

2. Twenty days before the date of consummation of the combination.

(Added to NRS by 1991, 1202)

NRS 78.423 “Interested stockholder” defined.

1. “Interested stockholder,” when used in reference to any resident domestic corporation, means any person, other than the resident domestic corporation or any subsidiary of the resident domestic corporation, who is:

(a) The beneficial owner, directly or indirectly, of 10 percent or more of the voting power of the outstanding voting shares of the resident domestic corporation; or

(b) An affiliate or associate of the resident domestic corporation and at any time within 2 years immediately before the date in question was the beneficial owner, directly or indirectly, of 10 percent or more of the voting power of the then outstanding shares of the resident domestic corporation.

2. To determine whether a person is an interested stockholder, the number of voting shares of the resident domestic corporation considered to be outstanding includes shares considered to be beneficially owned by that person through the application of [NRS 78.414](#), but does not include any other unissued shares of a class of voting shares of the resident domestic corporation which may be issuable to any person, other than the interested stockholder and its affiliates and associates, under any agreement, arrangement or understanding, or upon exercise of rights to convert, warrants or options, or otherwise.

(Added to NRS by 1991, 1202; A 1993, 968; [2011, 2784](#))

NRS 78.424 “Market value” defined. “Market value,” when used in reference to the shares or property of any resident domestic corporation, means:

1. In the case of shares, the highest closing sale price of a share during the 30 calendar days immediately preceding the date in question on the principal United States securities exchange registered under the Securities Exchange Act on which the shares are listed, or, if the shares are not listed on any such exchange, the fair market value on the date in question of a share as determined by the board of directors of the resident domestic corporation in good faith.

2. In the case of property other than cash or shares, the fair market value of the property on the date in question as determined by the board of directors of the resident domestic corporation in good faith.

(Added to NRS by 1991, 1203; A [2009, 1681](#); [2011, 2785](#))

NRS 78.426 “Preferred shares” defined. “Preferred shares” means any class or series of shares of a resident domestic corporation that under the articles of incorporation of the resident domestic corporation:

1. Is entitled to receive payment of dividends before any payment of dividends on some other class or series of shares; or

2. Is entitled in the event of any voluntary liquidation, dissolution or winding up of the corporation to receive payment or distribution of a preferential amount before any payments or distributions are received by some other class or series of shares.

(Added to NRS by 1991, 1203; A [2011, 2785](#))

NRS 78.4265 “Publicly traded corporation” defined. “Publicly traded corporation” means a domestic corporation that has a class or series of voting shares which is:

1. 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; or
2. Traded in an organized market and that has at least 2,000 stockholders and a market value of at least \$20,000,000, exclusive of the value of such shares held by the corporation’s subsidiaries, senior executives, directors and beneficial stockholders owning more than 10 percent of such shares.

(Added to NRS by [2011, 2769](#))

NRS 78.427 “Resident domestic corporation” defined.

1. “Resident domestic corporation” is limited to a domestic corporation that has 200 or more stockholders of record.
2. A resident domestic corporation does not cease to be a resident domestic corporation by reason of events occurring or actions taken while the resident domestic corporation is subject to [NRS 78.411](#) to [78.444](#), inclusive.

(Added to NRS by 1991, 1203; A [1999, 1591](#))

NRS 78.428 “Securities Exchange Act” defined. “Securities Exchange Act” means the Act of Congress known as the Securities Exchange Act of 1934, as amended, 15 U.S.C. §§ 78a et seq.

(Added to NRS by 1991, 1203)

NRS 78.429 “Share” defined. “Share” means:

1. Any share of stock or similar security, any certificate of interest, any participation in any profit-sharing agreement, any voting-trust certificate, or any certificate of deposit for a share, in each case representing, directly or indirectly, equity ownership; and

2. Any security convertible, with or without consideration, into shares, or any warrant, call or other option or privilege of buying shares without being bound to do so, or any other security carrying any right to acquire, subscribe to, or purchase shares.

(Added to NRS by 1991, 1203; A [2011, 2785](#))

NRS 78.431 “Subsidiary” defined. “Subsidiary” of any resident domestic corporation means any other entity of which a majority of the voting power is held, directly or indirectly, by the resident domestic corporation.

(Added to NRS by 1991, 1203; A [2011, 2785](#))

NRS 78.432 “Voting shares” defined. “Voting shares” means shares of stock of a corporation entitled to vote generally in the election of directors.

(Added to NRS by 1991, 1204)

NRS 78.433 Applicability: Generally.

1. [NRS 78.411](#) to [78.444](#), inclusive, do not apply to any combination of a resident domestic corporation:

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

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

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

3. The provisions of [NRS 78.411](#) to [78.444](#), inclusive, do not restrict the directors of a resident domestic corporation from taking action to protect the interests of the corporation and its stockholders, including, without limitation, adopting or signing plans, arrangements or instruments that grant or deny rights, privileges, power or authority to a holder or holders of a specified number of shares or percentage of share ownership or voting power.

(Added to NRS by 1991, 1206; A [2003, 3101](#); [2011, 2786](#))

NRS 78.434 Applicability: Election not to be governed by provisions. [NRS 78.411](#) to [78.444](#), inclusive, do not apply to any combination of a resident domestic corporation:

1. Whose original articles of incorporation contain a provision expressly electing not to be governed by [NRS 78.411](#) to [78.444](#), inclusive, unless the articles of incorporation are subsequently amended to provide that the corporation is subject to [NRS 78.411](#) to [78.444](#), inclusive;

2. Whose articles of incorporation have been amended pursuant to subsection 1 and the combination is with a person who first became an interested stockholder before the effective date of the amendment;

3. Which, within 30 days after October 1, 1991, adopts an amendment to its bylaws expressly electing not to be governed by [NRS 78.411](#) to [78.444](#), inclusive, which may be rescinded by subsequent amendment of the bylaws;

4. Which adopts an amendment to its articles of incorporation, approved by the affirmative vote of the holders of stock representing a majority of the outstanding voting power of the resident domestic corporation not beneficially owned by interested stockholders or their affiliates and associates, expressly electing not to be governed by [NRS 78.411](#) to [78.444](#), inclusive, but the amendment to the articles of incorporation is not effective until 18 months after the vote of the resident domestic corporation’s stockholders and does not apply to any combination of the resident domestic corporation with a person who first became an interested stockholder on or before the effective date of the amendment; or

5. Whose articles of incorporation were amended to contain a provision expressly electing not to be governed by [NRS 78.411](#) to [78.444](#), inclusive, before the date the corporation first became a resident domestic corporation.

(Added to NRS by 1991, 1206; A [2003, 3102](#); [2011, 2786](#))

NRS 78.436 Applicability: Combination with inadvertent interested stockholder. [NRS 78.411](#) to [78.444](#), inclusive, do not apply to any combination of a resident domestic corporation with an interested stockholder of the resident domestic corporation who became an interested stockholder inadvertently, if the interested stockholder:

1. As soon as practicable and before the date of consummation with respect to the combination, divests a sufficient amount of the voting power of the corporation so that the interested stockholder no longer is the beneficial owner, directly or indirectly, of 10 percent or more of the outstanding voting power of the resident domestic corporation; and
2. Would not at any time within 12 months preceding the date of announcement with respect to the combination have been an interested stockholder but for the inadvertent acquisition.

(Added to NRS by 1991, 1207; A 1993, 968; [2011, 2787](#))

NRS 78.437 Applicability: Combination with interested stockholder as of certain date. [NRS 78.411](#) to [78.444](#), inclusive, do not apply to any combination with an interested stockholder who:

1. Was an interested stockholder on January 1, 1991; or
2. First became an interested stockholder on the date that the resident domestic corporation first became a resident domestic corporation solely as a result of the corporation becoming a resident domestic corporation.

(Added to NRS by 1991, 1207; A [2003, 3102](#); [2009, 1682](#))

NRS 78.438 Combination prohibited within 2 years after stockholder becomes interested; exception; action on proposal.

1. Except as otherwise provided in [NRS 78.433](#) to [78.437](#), inclusive, a resident domestic corporation may not engage in any combination with any interested stockholder of the resident domestic corporation for 2 years after the date that the person first became an interested stockholder unless:

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

(b) The combination is approved by the board of directors of the resident domestic corporation and, at or after that time, the combination is approved at an annual or special meeting of the stockholders of the resident domestic corporation, and not by written consent, by the affirmative vote of the holders of stock representing at least 60 percent of the outstanding voting power of the resident domestic corporation not beneficially owned by the interested stockholder or the affiliates or associates of the interested stockholder.

2. If a proposal in good faith regarding a combination is made in writing to the board of directors of the resident domestic corporation, the board of directors shall respond, in writing, within 30 days or such shorter period, if any, as may be required by the Securities Exchange Act, setting forth its reasons for its decision regarding the proposal.

3. If a proposal in good faith to enter into a transaction by which the person will become an interested stockholder is made in writing to the board of directors of the resident domestic corporation, the board of directors, unless it responds affirmatively in writing within 30 days or such shorter period, if any, as may be required by the Securities Exchange Act, is considered to have disapproved the transaction.

(Added to NRS by 1991, 1204; A 1993, 968; [2003, 3102](#); [2009, 1682](#); [2011, 2787](#))

NRS 78.439 Authorized combinations: General requirements. A resident domestic corporation may not engage in any combination with an interested stockholder of the resident domestic corporation after the expiration of 2 years after the person first became an interested stockholder other than a combination meeting all of the requirements of the articles of incorporation of the resident domestic corporation and either the requirements specified in subsection 1, 2 or 3 or all of the requirements specified in [NRS 78.441](#) to [78.444](#), inclusive:

1. The combination was approved by the board of directors of the resident domestic corporation before such person first became an interested stockholder.

2. The transaction by which the person first became an interested stockholder was approved by the board of directors of the resident domestic corporation before the person first became an interested stockholder.

3. The combination is approved at an annual or special meeting of the stockholders of the resident domestic corporation held no earlier than 2 years after the date that the person first became an interested stockholder, and not by written consent, by the affirmative vote of the holders of stock representing a majority of the outstanding voting power of the resident domestic corporation not beneficially owned by the interested stockholder or any affiliate or associate of the interested stockholder.

(Added to NRS by 1991, 1204; A 1993, 969; [2003, 3103](#); [2011, 2787](#))

NRS 78.441 Authorized combinations: Consideration to be received by disinterested holders of common shares. As an alternative to a combination satisfying the requirements of subsection 1, 2 or 3 of [NRS 78.439](#), a combination with an interested stockholder of the resident domestic corporation engaged in more than 2 years after the date that the person first became an interested stockholder is permissible if the requirements of [NRS 78.442](#), [78.443](#) and [78.444](#) are satisfied and the aggregate amount of the cash and the market value, as of the date of consummation, of consideration other than cash to be received per share by all of the holders of outstanding common shares of the resident domestic corporation not beneficially owned by such interested stockholder immediately before that date is at least equal to the higher of the following:

1. The highest price per share paid by the interested stockholder, at a time when the interested stockholder was the beneficial owner, directly or indirectly, of 5 percent or more of the outstanding voting shares of the corporation, for any common shares of the same class or series acquired by the interested stockholder within 2 years immediately before the date of announcement with respect to the combination or within 2 years immediately before, or in, the transaction in which the person became an interested stockholder, whichever is higher, plus, in either case, interest compounded annually from the earliest date on which the highest price per share was paid through the date of consummation at the rate for one-year obligations of the United States Treasury in effect on that earliest date, less the aggregate amount of any dividends paid in cash and the market value of any dividends paid other than in cash, per common share since that earliest date.

2. The market value per common share on the date of announcement with respect to the combination or on the date that the person first became an interested stockholder, whichever is higher, plus interest compounded annually from that date through the date of consummation at the rate for one-year obligations of the United States Treasury in effect on that date, less the aggregate amount of any dividends paid in cash and the market value of any dividends paid other than in cash, per common share since that date.

(Added to NRS by 1991, 1204; A 1993, 969; [2003, 3103](#); [2011, 2788](#))

NRS 78.442 Authorized combinations: Consideration to be received by disinterested holders of class or series of shares other than common shares. As an alternative to a combination satisfying the requirements of subsection 1, 2 or 3 of [NRS 78.439](#), a combination with an interested stockholder of the resident domestic corporation engaged in more than 2 years after the date that the person first became an interested stockholder is permissible if the requirements of [NRS 78.441](#), [78.443](#) and [78.444](#) are satisfied and the aggregate amount of the cash and the market value, as of the date of consummation, of consideration other than cash to be received per share by all of the holders of outstanding shares of any class or series of shares, other than common shares, of the resident domestic corporation not beneficially owned by the interested stockholder immediately before that date is at least equal to the highest of the following, whether or not the interested stockholder has previously acquired any shares of the class or series of shares:

1. The highest price per share paid by the interested stockholder, at a time when the interested stockholder was the beneficial owner, directly or indirectly, of 5 percent or more of the outstanding voting shares of the corporation, for any shares of that class or series of shares acquired by the interested stockholder within 2 years immediately before the date of announcement with respect to the combination or within 2 years immediately before, or in, the transaction in which the person became an interested stockholder, whichever is higher, plus, in either case, interest compounded annually from the earliest date on which the highest price per share was paid through the date of consummation at the rate for one-year obligations of the United States Treasury in effect on that earliest date, less the aggregate amount of any dividends paid in cash and the market value of any dividends paid other than in cash, per share of the class or series of shares since that earliest date.

2. The amount specified in the articles of incorporation of the resident domestic corporation, including in any certificate of designation for the class or series, to which the holders of shares of the class or series of shares are entitled upon the consummation of a transaction of a type encompassing the combination, determined as if the transaction had been consummated on the date of consummation with respect to the combination or on the date that the interested stockholder first became an interested stockholder, whichever is higher or, if the articles of incorporation, including any certificate of designation, do not so provide, the highest preferential amount per share to which the holders of shares of the class or series of shares are entitled in the event of any voluntary liquidation, dissolution or winding up of the resident domestic corporation, plus the aggregate amount of any dividends declared or due to which the holders are entitled before payment of the dividends on some other class or series of shares, unless the aggregate amount of the dividends is included in the preferential amount.

3. The market value per share of the class or series of shares on the date of announcement with respect to the combination or on the date that the person first became an interested stockholder, whichever is higher, plus interest compounded annually from that date through the date of consummation at the rate for one-year obligations of the United States Treasury in effect on that date, less the aggregate amount of any dividends paid in cash and the market value of any dividends paid other than in cash, per share of the class or series of shares since that date.

(Added to NRS by 1991, 1205; A 1993, 970; [2003, 3104](#); [2011, 2789](#))

NRS 78.443 Authorized combinations: Required form and distribution of consideration. The consideration to be received by holders of a particular class or series of outstanding shares, including common shares, of the resident domestic corporation in a combination pursuant to [NRS 78.441](#) and [78.442](#) must be in cash or in the same form as the interested stockholder has used to acquire the largest number of shares of the class or series of shares previously acquired by the interested stockholder, and the consideration must be distributed promptly.

(Added to NRS by 1991, 1206; A [2011, 2790](#))

NRS 78.444 Authorized combinations: Restrictions on beneficial ownership of additional voting shares by interested stockholder. As an alternative to a combination satisfying the requirements of subsection 1, 2 or 3 of [NRS 78.439](#), a combination with an interested stockholder of the resident domestic corporation engaged in more than 2 years after the date that the person first became an interested stockholder is permissible if the requirements of [NRS 78.441](#), [78.442](#) and [78.443](#) are satisfied and, after the date that such person first became an interested stockholder and before the date of consummation with respect to the combination, the interested stockholder has not become the beneficial owner of any additional voting shares of the resident domestic corporation except:

1. As part of the transaction that resulted in the person becoming an interested stockholder;
2. By virtue of any transaction or series of transactions not constituting a combination;
3. Through a combination meeting the requirements of [NRS 78.439](#); or
4. Through a purchase at any price that, if the price had been paid in an otherwise permissible combination whose date of announcement and date of consummation were the date of the purchase, would have satisfied the requirements of [NRS 78.441](#), [78.442](#) and [78.443](#).

(Added to NRS by 1991, 1206; A 1993, 971; [2003, 3105](#); [2011, 2790](#))

SALE OF ASSETS; DISSOLUTION AND WINDING UP

NRS 78.565 Sale, lease or exchange of assets: Authority; vote of stockholders.

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

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

- (a) For a transfer of assets by way of mortgage, or in trust or in pledge to secure indebtedness of the corporation; or
- (b) To abandon the sale, lease or exchange of assets.

[37:177:1925; NCL § 1636]—(NRS A 1989, 886; 1993, 973; [2001, 1376](#), [3199](#); [2007, 2420](#))

NRS 78.570 Sale of property and franchise under decree of court. Sales of the property and franchises of corporations that may be sold under a decree of court shall be made after such notice of the time and place as the court may deem proper. If the sales are made in the foreclosure of one or more mortgages, the court may order the sale to be made for the whole amount of indebtedness secured by the mortgage or mortgages, or for the amount of interest due under the mortgage or mortgages, subject to the payment by the purchaser of the outstanding indebtedness and interest secured thereby as they become due. In the latter event the court may, by proper

orders, secure the assumption thereof by the purchaser. When a sale shall be ordered to be made, subject as aforesaid, the court shall direct the officer making such sale, in the event that the property and franchises offered do not sell for enough to pay the amount aforesaid, to sell the same free from encumbrances. Sales under this section shall be made on such credits as the court may deem proper.

[38:177:1925; NCL § 1637]

NRS 78.575 Procedure for dissolution before payment of capital and beginning of business. Before the payment of any part of the capital and before beginning the business for which the corporation was created, the incorporators or the board of directors named in the articles of incorporation may dissolve a corporation by filing in the Office of the Secretary of State a certificate, signed by a majority of the incorporators or of the board of directors named in the articles of incorporation, stating that no part of the capital has been paid and the business has not begun, and thereupon the corporation is dissolved.

[73:177:1925; NCL § 1672]—(NRS A 1993, 973; 1995, 1114; [1999, 1591](#))

NRS 78.580 Procedure for dissolution after beginning of business.

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. 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.

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 signed by an officer of the corporation setting forth 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.

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

[64:177:1925; NCL § 1663]—(NRS A 1963, 1391; 1979, 397; 1991, 1239; 1993, 973; [2001, 1376, 3199; 2003, 3105; 2003, 20th Special Session, 36; 2011, 2790](#))

NRS 78.585 Continuation of corporation after dissolution for winding up and liquidating its business and affairs; limitation on actions by or against dissolved corporation. The dissolution of a corporation does not impair any remedy or cause of action available to or against it or its directors, officers or shareholders arising before its dissolution and commenced within 2 years after the date of the dissolution. The corporation continues as a body corporate for the purpose of prosecuting and defending suits, actions, proceedings and claims of any kind or character by or against it and of enabling it gradually to settle and close its business, to collect its assets, to collect and discharge its obligations, to dispose of and convey its property, to distribute its money and other property among the stockholders, after paying or adequately providing for the payment of its liabilities and obligations, and to do every other act to wind up and liquidate its business and affairs, but not for the purpose of continuing the business for which it was established.

[65:177:1925]—(NRS A 1949, 170; 1955, 165; 1985, 1793; [2011, 2791](#))

NRS 78.590 Trustees of dissolved corporation: Powers of directors.

1. Upon the dissolution of any corporation under the provisions of [NRS 78.580](#), or upon the expiration of the period of its corporate existence, limited by its articles of incorporation, the directors become trustees thereof, with full power to prosecute and defend suits, actions, proceedings and claims of any kind or character by or against the corporation, to enable the corporation gradually to settle and close its business, to collect its assets, to collect and discharge its obligations, to dispose of and convey its property, to distribute its money and other property among the stockholders, after paying or adequately providing for the payment of its liabilities and obligations, and to do every other act to wind up and liquidate its business and affairs, but not for the purpose of continuing the business for which the corporation was established.

2. After paying or adequately providing for the liabilities and obligations of the corporation, the trustees, with the written consent of stockholders holding stock in the corporation entitling them to exercise at least a majority of the voting power, may sell the remaining assets or any part thereof to a corporation organized under the laws of this or any other state, and take in payment therefor the stock or bonds, or both, of that corporation and distribute them among the stockholders of the liquidated corporation, in proportion to their interest therein. No such sale is valid as against any stockholder who, within 30 days after the mailing of notice to the stockholder of the sale, applies to the district court for an appraisal of the value of his or her interest in the assets so sold, and unless within 30 days after the appraisal is confirmed by the court the stockholders consenting to the sale, or some of them, pay to the objecting stockholder or deposit for the objecting stockholder's account, in the manner directed by the court, the amount of the appraisal. Upon the payment or deposit the interest of the objecting stockholder vests in the person or persons making the payment or deposit.

3. In winding up and liquidating the business and affairs of the corporation, the trustees have the duties imposed upon them, and the benefit of the presumptions established, by [NRS 78.138](#).

[66:177:1925; NCL § 1665]—(NRS A 1993, 974; [2011, 2791](#))

NRS 78.595 Trustees of dissolved corporation: Authority to sue and be sued; joint and several responsibility. Repealed. (See chapter 455, [Statutes of Nevada 2011, at page 2816](#).)

NRS 78.597 Liability of stockholders of dissolved corporation.

1. A stockholder of a corporation dissolved pursuant to [NRS 78.580](#) or whose period of corporate existence has expired, the assets of which were distributed pursuant to [NRS 78.590](#), is not liable for any claim against the corporation in an amount in excess of such stockholder's pro rata share of the claim or the amount so distributed to such stockholder, whichever is less.

2. A stockholder of a corporation dissolved pursuant to [NRS 78.580](#) or whose period of corporate existence has expired, the assets of which were distributed pursuant to [NRS 78.590](#), is not liable for any claim against the corporation on which an action, suit or proceeding is not begun before the expiration of the period described in [NRS 78.585](#).

3. The aggregate liability of any stockholder of a corporation dissolved pursuant to [NRS 78.580](#) or whose period of corporate existence has expired for claims against such corporation must not exceed the amount distributed to such stockholder pursuant to [NRS 78.590](#).

(Added to NRS by [2011, 2769](#))

NRS 78.600 Trustees or receivers for dissolved corporations: Appointment; powers. When any corporation organized under this chapter shall be dissolved or cease to exist in any manner whatever, the district court, on application of any creditor or stockholder of the corporation, at any time, may either continue the directors trustees as provided in [NRS 78.590](#), or appoint one or more persons to be receivers of and for the corporation, to take charge of the estate and effects thereof, and to collect the debts and property due and belonging to the corporation, with power to prosecute and defend, in the name of the corporation, or otherwise, all such suits as may be necessary or proper for the purposes aforesaid, and to appoint an agent or agents under them, and to do all other acts which might be done by the corporation, if in being, that may be necessary for the final settlement of the unfinished business of the corporation. The powers of the trustees or receivers may be continued as long as the district court shall think necessary for the purposes aforesaid.

[68:177:1925; NCL § 1667]

NRS 78.605 Jurisdiction of district court. The district court shall have jurisdiction of the application prescribed in [NRS 78.600](#) and of all questions arising in the proceedings thereon, and may make such orders and decrees and issue injunctions therein as justice and equity shall require.

[69:177:1925; NCL § 1668]

NRS 78.610 Duties of trustees or receivers; payment and distribution to creditors and stockholders. The trustees or receivers, after payment of all allowances, expenses and costs, and the satisfaction of all special and general liens upon the funds of the corporation to the extent of their lawful priority, shall pay the other debts due from the corporation, if the funds in their hands shall be sufficient therefor, and if not, they shall distribute the same ratably among all the creditors who shall prove their debts in the manner that shall be directed by an order or decree of the court for that purpose. If there shall be any balance remaining after the payment of the debts and necessary expenses (or the making of adequate provision therefor), they shall distribute and pay the same to and among those who shall be justly entitled thereto, as having been stockholders of the corporation, or their legal representatives.

[70:177:1925; NCL § 1669]

NRS 78.615 Abatement of pending actions; substitution of dissolution trustees or receivers. If any corporation organized under this chapter becomes dissolved by the expiration of its charter or otherwise, before final judgment obtained in any action pending or commenced in any court of record of this State against the corporation, the action shall not abate by reason thereof, but the dissolution of the corporation being suggested upon the record, and the names of the trustees or receivers of the corporation being entered upon the record, and notice thereof served upon the trustees or receivers, or if such service be impracticable upon the counsel of record in such case, the action shall proceed to final judgment against the trustees or receivers by the name of the corporation.

[71:177:1925; NCL § 1670]

NRS 78.620 Dissolution or forfeiture of charter by decree of court; filing. Whenever any corporation is dissolved or its charter forfeited by decree or judgment of the district court, the decree or judgment shall be forthwith filed by the clerk of the court in the Office of the Secretary of State.

[72:177:1925; NCL § 1671]

INSOLVENCY; RECEIVERS AND TRUSTEES

NRS 78.622 Reorganization under federal law: Powers of corporation.

1. If a corporation is under reorganization in a federal court pursuant to Title 11 of U.S.C., it may take any action necessary to carry out any proceeding and do any act directed by the court relating to reorganization, without further action by its directors or stockholders. This authority may be exercised by:

- (a) The trustee in bankruptcy appointed by the court;
- (b) Officers of the corporation designated by the court; or
- (c) Any other representative appointed by the court,

Ê with the same effect as if exercised by the directors and stockholders of the corporation.

2. By filing a confirmed plan or order of reorganization, certified by the bankruptcy court, with the Secretary of State, the corporation may:

- (a) Alter, amend or repeal its bylaws;
- (b) Constitute or reconstitute and classify or reclassify its board of directors;
- (c) Name, constitute or appoint directors and officers in place of or in addition to all or some of the directors or officers then in office;
- (d) Amend its articles of incorporation;
- (e) Make any change in its authorized and issued stock;
- (f) Make any other amendment, change, alteration or provision authorized by this chapter; and
- (g) Be dissolved, transfer all or part of its assets, or merge or consolidate, or make any other change authorized by this chapter.

3. In any action taken pursuant to subsections 1 and 2, a stockholder has no right to demand payment for his or her stock.

4. Any amendment of the articles of incorporation made pursuant to subsection 2 must be signed under penalty of perjury by the person authorized by the court and filed with the Secretary of State. If the amendment is filed in accordance with the order of reorganization, it becomes effective when it is filed unless otherwise ordered by the court.

5. Any filing with the Secretary of State pursuant to this section must be accompanied by the appropriate fee, if any.

(Added to NRS by 1985, 1042; A 1993, 2765; [2001, 1376, 3199](#); [2003, 20th Special Session, 36](#))

NRS 78.630 Application of creditors or stockholders of insolvent corporation for injunction and appointment of receiver or trustee; hearing.

1. Whenever any corporation becomes insolvent or suspends its ordinary business for want of money to carry on the business, or if its business has been and is being conducted at a great loss and greatly prejudicial to the interest of its creditors or stockholders, any creditors holding 10 percent of the outstanding indebtedness, or stockholders owning 10 percent of the outstanding stock entitled to vote, may, by petition setting forth the facts and circumstances of the case, apply to the district court of the county in which the principal office of the corporation is located or, if the principal office is not located in this State, to the district court in the county in which the corporation's registered office is located for a writ of injunction and the appointment of a receiver or receivers or trustee or trustees.

2. The court, being satisfied by affidavit or otherwise of the sufficiency of the application and of the truth of the allegations contained in the petition and upon hearing after such notice as the court by order may direct, shall proceed in a summary way to hear the affidavits, proofs and allegations which may be offered in behalf of the parties.

3. If upon such inquiry it appears to the court that the corporation has become insolvent and is not about to resume its business in a short time thereafter, or that its business has been and is being conducted at a great loss and greatly prejudicial to the interests of its creditors or stockholders, so that its business cannot be conducted with safety to the public, it may issue an injunction to restrain the corporation and its officers and agents from exercising any of its privileges or franchises and from collecting or receiving any debts or paying out, selling, assigning or transferring any of its estate, money, lands, tenements or effects, except to a receiver appointed by the court, until the court otherwise orders.

[46:177:1925; NCL § 1645]—(NRS A 1993, 974, 2765, 2820; [2007, 2649](#); [2009, 1682](#))

NRS 78.635 Appointment of receiver or trustee of insolvent corporation: Powers.

1. The district court, at the time of ordering the injunction, or at any time afterwards, may appoint a receiver or receivers or a trustee or trustees for the creditors and stockholders of the corporation.

2. Receivers or trustees shall have full power and authority:

(a) To demand, sue for, collect, receive and take into possession all the goods and chattels, rights and credits, moneys and effects, lands and tenements, books, papers, choses in action, bills, notes and property, of every description of the corporation;

(b) To institute suits at law or in equity for the recovery of any estate, property, damages or demands existing in favor of the corporation;

(c) In their discretion to compound and settle with any debtor or creditor of the corporation, or with persons having possession of its property or in any way responsible at law or in equity to the corporation at the time of its insolvency or suspension of business, or afterwards, upon such terms and in such manner as they shall deem just and beneficial to the corporation; and

(d) In case of mutual dealings between the corporation and any person to allow just setoffs in favor of such person in all cases in which the same ought to be allowed according to law and equity.

3. A debtor who shall have in good faith paid a debt to the corporation without notice of its insolvency or suspension of business, shall not be liable therefor, and the receiver or receivers or trustee or trustees shall have power to sell, convey and assign all the estate, rights and interests, and shall hold and dispose of the proceeds thereof under the directions of the district court.

[Part 47:177:1925; NCL § 1646]—(NRS A 1969, 93)

NRS 78.640 Property and privileges of insolvent corporation vest in appointed receiver. All real and personal property of an insolvent corporation, wheresoever situated, and all its franchises, rights, privileges and effects shall, upon the appointment of a receiver, forthwith vest in the receiver, and the corporation shall be divested of the title thereto.

[48:177:1925; NCL § 1647]

NRS 78.645 Corporation may resume control upon payment of debts and receipt of capital to conduct business; order of court dissolving corporation and forfeiting charter.

1. Whenever a receiver shall have been appointed as provided in [NRS 78.635](#) and it shall afterwards appear that the debts of the corporation have been paid or provided for, and that there remains or can be obtained by further contributions sufficient capital to enable it to resume its business, the district court may, in its discretion, a proper case being shown, direct the receiver to reconvey to the corporation all its property, franchises, rights and effects, and thereafter the corporation may resume control of and enjoy the same as fully as if the receiver had never been appointed.

2. In every case in which the district court shall not direct such reconveyance, the court may, in its discretion, make a decree dissolving the corporation and declaring its charter forfeited and void.

[49:177:1925; NCL § 1648]

NRS 78.650 Stockholders' application for injunction and appointment of receiver when corporation mismanaged.

1. Any holder or holders of one-tenth of the issued and outstanding stock may apply to the district court in the county in which the corporation has its principal place of business or, if the principal place of business is not located in this State, to the district court in the county in which the corporation's registered office is located, for an order dissolving the corporation and appointing a receiver to wind up its affairs, and by injunction restrain the corporation from exercising any of its powers or doing business whatsoever, except by and through a receiver appointed by the court, whenever:

(a) The corporation has willfully violated its charter;

(b) Its trustees or directors have been guilty of fraud or collusion or gross mismanagement in the conduct or control of its affairs;

(c) Its trustees or directors have been guilty of misfeasance, malfeasance or nonfeasance;

(d) The corporation is unable to conduct the business or conserve its assets by reason of the act, neglect or refusal to function of any of the directors or trustees;

(e) The assets of the corporation are in danger of waste, sacrifice or loss through attachment, foreclosure, litigation or otherwise;

(f) The corporation has abandoned its business;

(g) The corporation has not proceeded diligently to wind up its affairs, or to distribute its assets in a reasonable time;

(h) The corporation has become insolvent;

- (i) The corporation, although not insolvent, is for any cause not able to pay its debts or other obligations as they mature; or
- (j) The corporation is not about to resume its business with safety to the public.

2. The application may be for the appointment of a receiver, without at the same time applying for the dissolution of the corporation, and notwithstanding the absence, if any there be, of any action or other proceeding in the premises pending in such court.

3. In any such application for a receivership, it is sufficient for a temporary appointment if notice of the same is given to the corporation alone, by process as in the case of an application for a temporary restraining order or injunction, and the hearing thereon may be had after 5 days' notice unless the court directs a longer or different notice and different parties.

4. The court may, if good cause exists therefor, appoint one or more receivers for such purpose, but in all cases directors or trustees who have been guilty of no negligence nor active breach of duty must be preferred in making the appointment. The court may at any time for sufficient cause make a decree terminating the receivership, or dissolving the corporation and terminating its existence, or both, as may be proper.

5. Receivers so appointed have, among the usual powers, all the functions, powers, tenure and duties to be exercised under the direction of the court as are conferred on receivers and as provided in [NRS 78.635](#), [78.640](#) and [78.645](#), whether the corporation is insolvent or not.

[49a:177:1925; added 1941, 405; 1931 NCL § 1648.01]—(NRS A 1993, 2766; [2009, 1683](#))

NRS 78.655 Reorganization of corporation by majority of stockholders during receivership. Whenever stockholders holding stock entitling them to exercise at least a majority of the voting power of the corporation shall have agreed upon a plan for the reorganization of the corporation and a resumption by it of the management and control of its property and business, the corporation may, with the consent of the district court:

1. Upon the reconveyance to it of its property and franchises, mortgage the same for such amount as may be necessary for the purposes of reorganization; and

2. Issue bonds or other evidences of indebtedness, or additional stock of one or more classes, with or without nominal or par value, or both, or both bonds and stock, or certificates of investment or participation certificates, and use the same for the full or partial payment of the creditors who will accept the same, or otherwise dispose of the same for the purposes of the reorganization.

[50:177:1925; NCL § 1649]

NRS 78.660 Powers of district court.

1. The court shall have power to send for persons and papers and to examine any persons, including the creditors and claimants, and the president, directors and other officers and agents of the corporation, on oath or affirmation, respecting its affairs and transactions and its estate, money, goods, chattels, credits, notes, bills and choses in action, real and personal estate and effects of every kind, and also respecting its debts, obligations, contracts and liabilities, and the claims against it.

2. If any person shall refuse to be sworn or affirmed, or to make answers to such questions as shall be put to the person, or refuse to declare the whole truth touching the subject matter of the examination, the district court may commit such person to a place of confinement, there to remain until the person shall submit to be examined, and pay all the costs of the proceedings against the person.

[51:177:1925; NCL § 1650]

NRS 78.665 Receiver to take possession of corporate assets upon court order. The receiver, upon order of the court, with the assistance of a peace officer, may break open, in the daytime, the houses, shops, warehouses, doors, trunks, chests or other places of the corporation where any of its goods, chattels, choses in action, notes, bills, moneys, books, papers or other writings or effects have been usually kept, or shall be, and take possession of the same and of the lands and tenements belonging to the corporation.

[52:177:1925; NCL § 1651]

NRS 78.670 Inventory, list of debts and reports by receiver. The receiver, as soon as convenient, shall lay before the district court a full and complete inventory of all the estate, property and effects of the corporation, its nature and probable value, and an account of all debts due from and to it, as nearly as the same can be ascertained, and make a report to the court of his or her proceedings at least every 3 months thereafter during the continuance of the trust, and whenever the receiver shall be so ordered.

[53:177:1925; NCL § 1652]

NRS 78.675 Creditors' proofs of claims; when participation barred; notice. All creditors shall present and make proof to the receiver of their respective claims against the corporation within 6 months from the date of appointment of the receiver or trustee for the corporation, or sooner if the court shall order and direct, and all creditors and claimants failing to do so within the time limited by this section, or the time prescribed by the order of the court, shall by the direction of the court be barred from participating in the distribution of the assets of the corporation. The court shall also prescribe what notice, by publication or otherwise, shall be given to creditors of such limitation of time.

[54:177:1925; A 1949, 158; 1943 NCL § 1653]

NRS 78.680 Creditors' claims to be in writing under oath; examination of claimants. Every claim against any corporation for which a receiver has been appointed shall be presented to the receiver in writing and upon oath. The claimant, if required, shall submit to such examination in relation to the claim as the court shall direct, and shall produce such books and papers relating to the claim as shall be required. The court shall have power to authorize the receiver to examine, under oath or affirmation, all witnesses produced before the receiver touching the claim or any part thereof.

[55:177:1925; NCL § 1654]

NRS 78.685 Action on creditors' claims; appeal of disallowed claims.

1. The clerk of the district court, immediately upon the expiration of the time fixed for the filing of claims, shall notify the trustee or receiver of the filing of the claims. The trustee or receiver shall inspect the claims and within 30 days notify each claimant of his or her decision. The trustee or receiver may require all creditors whose claims are disputed to submit themselves to an examination in relation to their claims, and to produce such books and papers relating to their claims as the trustee or receiver requests. The trustee or receiver may examine, under oath or affirmation, all witnesses produced before him or her regarding the claims, and shall pass upon and allow or disallow the claims, or any part thereof, and notify the claimants of the determination.

2. Every creditor or claimant who has received notice from the receiver or trustee that his or her claim has been disallowed in whole or in part may appeal to the district court within 30 days thereafter. The court, after a hearing, shall determine the rights of the parties.

[56:177:1925; NCL § 1655] + [Part 57:177:1925; NCL § 1656]—(NRS A 1991, 1239)

NRS 78.695 Substitution of receiver as party; abatement of actions.

1. A receiver, upon application by him or her, shall be substituted as party plaintiff or complainant in the place and stead of the corporation in any suit or proceeding at law or in equity which was pending at the time of the receiver's appointment.

2. No action against a receiver of a corporation shall abate by reason of the receiver's death, but, upon suggestion of the facts on the record, shall be continued against the receiver's successor, or against the corporation in case no new receiver be appointed.

[58:177:1925; NCL § 1657] + [59:177:1925; NCL § 1658]

NRS 78.700 Sales of encumbered or deteriorating property. Where property of an insolvent corporation is at the time of the appointment of a receiver encumbered with mortgages or other liens, the legality of which is brought in question, or the property is of a character which will materially deteriorate in value pending the litigation, the district court may order the receiver to sell the same, clear of encumbrances, at public or private sale, for the best price that can be obtained, and pay the money into court, there to remain subject to the same liens and equities of all parties in interest as was the property before sale, to be disposed of as the court shall direct.

[60:177:1925; NCL § 1659]

NRS 78.705 Compensation, costs and expenses of receiver. Before distribution of the assets of an insolvent corporation among the creditors or stockholders, the district court shall allow a reasonable compensation to the receiver for his or her services and the costs and expenses of the administration of the trust, and the cost of the proceedings in the court, to be first paid out of the assets.

[61:177:1925; NCL § 1660]

NRS 78.710 Distribution of money to creditors and stockholders. After payment of all allowances, expenses and costs, and the satisfaction of all special and general liens upon the funds of the corporation to the extent of their lawful priority, the creditors shall be paid proportionately to the amount of their respective debts, excepting mortgage and judgment creditors when the judgment has not been by confession for the purpose of preferring creditors. The creditors shall be entitled to distribution on debts not due, making in such case a rebate of interest, when interest is not accruing on the same. The surplus funds, if any, after payment of the creditors and the costs, expenses and allowances, shall be distributed among the stockholders or their legal representatives in proportion to their interests.

[62:177:1925; NCL § 1661]

NRS 78.715 Acts of majority of receivers effectual; removal and vacancies.

1. Every matter and thing by this chapter required to be done by receivers or trustees shall be good and effectual, to all intents and purposes, if performed by a majority of them.

2. The district court may remove any receiver or trustee and appoint another or others in his or her place to fill any vacancy which may occur.

[63:177:1925; NCL § 1662]

NRS 78.720 Employees' liens for wages when corporation insolvent.

1. Whenever any corporation becomes insolvent or is dissolved in any way or for any cause, the employees doing labor or service, of whatever character, in the regular employ of the corporation, have a lien upon the assets thereof for the amount of wages due to them, not exceeding \$1,000, which have been earned within 3 months before the date of the insolvency or dissolution, which must be paid before any other debt of the corporation.

2. The word "employees" does not include any of the officers of the corporation.

[86:177:1925; NCL § 1685]—(NRS A 1959, 607; 1983, 1362)

REINCORPORATION; RENEWAL AND REVIVAL OF CHARTERS

NRS 78.725 Domestic corporations in existence on April 1, 1925, may reincorporate under this chapter.

1. Any corporation organized and existing under the laws of this State on April 1, 1925, may reincorporate under this chapter, either under the same or a different name, by:

(a) Filing with the Secretary of State a certificate signed by its president and attested by its secretary and duly authorized by a meeting of the stockholders called for that purpose, setting forth the statements required in an original certificate of incorporation by [NRS 78.035](#); and

(b) Surrendering the existing charter or certificate of incorporation of the corporation, and accepting the provisions of this chapter.

2. Upon the filing of the certificate, the corporation shall be deemed to be incorporated under this chapter and is entitled to and possesses all the privileges, franchises and powers as if originally incorporated under this chapter. All the properties, rights and privileges theretofore belonging to the corporation, which were acquired by gift, grant, conveyance, assignment or otherwise, are hereby ratified, approved and confirmed and assured to the corporation with like effect and to all intents and purposes as if the same had been originally acquired through incorporation under this chapter.

3. Any corporation reincorporating under this chapter is subject to all the contracts, duties and obligations theretofore resting upon the corporation whose charter or certificate of incorporation is thus surrendered or to which the corporation is then in any way liable.

[82:177:1925; NCL § 1681]—(NRS A 1971, 1105; [2003, 3106](#))

NRS 78.730 Renewal or revival: Procedure; fee; certificate as evidence.

1. Except as otherwise provided in [NRS 78.152](#), any corporation which did exist or is existing under the laws of this State may, upon complying with the provisions of [NRS 78.180](#), procure a renewal or revival of its charter for any period, together with all the rights, franchises, privileges and immunities, and subject to all its existing and preexisting debts, duties and liabilities secured or

imposed by its original charter and amendments thereto, or existing charter, by filing:

- (a) A certificate with the Secretary of State, which must set forth:
 - (1) The name of the corporation, which must be the name of the corporation at the time of the renewal or revival, or its name at the time its original charter expired.
 - (2) The information required pursuant to [NRS 77.310](#).
 - (3) The date when the renewal or revival of the charter is to commence or be effective, which may be, in cases of a revival, before the date of the certificate.
 - (4) Whether or not the renewal or revival is to be perpetual, and, if not perpetual, the time for which the renewal or revival is to continue.
 - (5) That the corporation desiring to renew or revive its charter is, or has been, organized and carrying on the business authorized by its existing or original charter and amendments thereto, and desires to renew or continue through revival its existence pursuant to and subject to the provisions of this chapter.
 - (b) A list of its president, secretary and treasurer, or the equivalent thereof, and all of its directors and their addresses, either residence or business.
2. A corporation whose charter has not expired and is being renewed shall cause the certificate to be signed by an officer of the corporation. The certificate must be approved by a majority of the voting power of the shares.
 3. A corporation seeking to revive its original or amended charter shall cause the certificate to be signed by a person or persons designated or appointed by the stockholders of the corporation. The signing and filing of the certificate must be approved by the written consent of stockholders of the corporation holding at least a majority of the voting power and must contain a recital that this consent was secured. If no stock has been issued, the certificate must contain a statement of that fact, and a majority of the directors then in office may designate the person to sign the certificate. The corporation shall pay to the Secretary of State the fee required to establish a new corporation pursuant to the provisions of this chapter.

4. The filed certificate, or a copy thereof which has been certified under the hand and seal of the Secretary of State, must be received in all courts and places as prima facie evidence of the facts therein stated and of the existence and incorporation of the corporation therein named.

[93:177:1925]—(NRS A 1937, 4; 1953, 314; 1985, 1872; 1993, 975; 1995, 2100; [1997, 705](#); [1999, 1591](#); [2003, 3106](#); [2003, 20th Special Session, 37](#); [2007, 1319, 2649](#))

NRS 78.740 Renewal or revival: Status of corporation.

1. Any corporation existing on or incorporated after April 1, 1925, desiring to renew or revive its corporate existence, upon complying with the provisions of this chapter, is and continues for the time stated in its certificate of renewal to be a corporation, and in addition to the rights, privileges and immunities conferred by its original charter, possesses and enjoys all the benefits of this chapter that are applicable to the nature of its business, and is subject to the restrictions and liabilities by this chapter imposed on such corporations.

2. Except as otherwise provided in [NRS 78.185](#), a renewal or revival pursuant to [NRS 78.730](#) relates back to the date on which the corporation's charter expired or was revoked and renews or revives the corporation's charter and right to transact business as if such right had at all times remained in full force and effect.

[95:177:1925; NCL § 1694]—(NRS A 1993, 976; [2007, 2421](#))

SUITS AGAINST CORPORATIONS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND STOCKHOLDERS

NRS 78.745 Action against stockholder for unpaid subscriptions; limitation of action. No action shall be brought by the corporation against any stockholder for any unpaid subscription unless within 2 years after the debt becomes due, and no action shall be brought against the stockholder after the stockholder shall cease to be the owner of the shares, unless brought within 2 years from the time the stockholder shall have ceased to be a stockholder.

[17:177:1925; NCL § 1616]

NRS 78.746 Action against stockholder by judgment creditor; limitations.

1. On application to a court of competent jurisdiction by any judgment creditor of a stockholder, the court may charge the stockholder's stock with payment of the unsatisfied amount of the judgment with interest. To the extent so charged, the judgment creditor has only the rights of an assignee of the stockholder's stock.

2. Subject to the provisions of [NRS 78.747](#), this section:

(a) Provides the exclusive remedy by which a judgment creditor of a stockholder or an assignee of a stockholder may satisfy a judgment out of the stock of the judgment debtor. No other remedy, including, without limitation, foreclosure on the stockholder's stock or a court order for directions, accounts and inquiries that the debtor or stockholder might have made, is available to the judgment creditor attempting to satisfy the judgment out of the judgment debtor's interest in the corporation, and no other remedy may be ordered by a court.

(b) Does not deprive any stockholder of the benefit of any exemption applicable to the stockholder's stock.

(c) Applies only to a corporation that:

- (1) Has fewer than 100 stockholders of record at any time.
- (2) Is not a publicly traded corporation or a subsidiary of a publicly traded corporation, either in whole or in part.
- (3) Is not a professional corporation as defined in [NRS 89.020](#).

(d) Does not apply to any liability of a stockholder that exists as the result of an action filed before July 1, 2007.

(e) Does not supersede any written agreement between a stockholder and a creditor if the written agreement does not conflict with the corporation's articles of incorporation, bylaws or any shareholder agreement to which the stockholder is a party.

3. As used in this section, "rights of an assignee" means the rights to receive the share of the distributions or dividends paid by the corporation to which the judgment debtor would otherwise be entitled. The term does not include the rights to participate in the management of the business or affairs of the corporation or to become a director of the corporation.

(Added to NRS by [2007, 2639](#); A [2009, 2829](#); [2011, 2792](#))

NRS 78.747 Liability of stockholder, director or officer for debt or liability of corporation.

1. Except as otherwise provided by specific statute, no stockholder, director or officer of a corporation is individually liable for a debt or liability of the corporation, unless the stockholder, director or officer acts as the alter ego of the corporation.
2. A stockholder, director or officer acts as the alter ego of a corporation if:
 - (a) The corporation is influenced and governed by the stockholder, director or officer;
 - (b) There is such unity of interest and ownership that the corporation and the stockholder, director or officer are inseparable from each other; and
 - (c) Adherence to the corporate fiction of a separate entity would sanction fraud or promote a manifest injustice.
3. The question of whether a stockholder, director or officer acts as the alter ego of a corporation must be determined by the court as a matter of law.
(Added to NRS by [2001, 3170](#))

NRS 78.750 Service of process on corporations.

1. In any action commenced against any corporation in any court of this State, service of process may be made in the manner provided by law and rule of court for the service of civil process.
 2. Service of process on a corporation whose charter has been revoked or which has been continued as a body corporate pursuant to [NRS 78.585](#) may be made by mailing copies of the process and any associated records by certified mail, with return receipt requested, to:
 - (a) The registered agent of the corporation, if there is one; and
 - (b) Each officer and director of the corporation as named in the list last filed with the Secretary of State before the dissolution or expiration of the corporation or the forfeiture of its charter.
- È The manner of serving process described in this subsection does not affect the validity of any other service authorized by law.
[81:177:1925; NCL § 1680]—(NRS A 1979, 568; [1997, 474](#); [2001, 1377](#), [3199](#); [2003, 3107](#); [2007, 2650](#))

NRS 78.7502 Discretionary and mandatory indemnification of officers, directors, employees and agents: General provisions.

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

- (a) Is not liable pursuant to [NRS 78.138](#); or
 - (b) Acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful.
- È The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person is liable pursuant to [NRS 78.138](#) or did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, or that, with respect to any criminal action or proceeding, he or she had reasonable cause to believe that the conduct was unlawful.

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

- (a) Is not liable pursuant to [NRS 78.138](#); or
- (b) Acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation.

È Indemnification may not be made for any claim, issue or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

3. To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections 1 and 2, or in defense of any claim, issue or matter therein, the corporation shall indemnify him or her against expenses, including attorneys' fees, actually and reasonably incurred by him or her in connection with the defense.

(Added to NRS by [1997, 694](#); A [2001, 3175](#))

NRS 78.751 Authorization required for discretionary indemnification; advancement of expenses; other rights to indemnification and advancement of expenses.

1. Any discretionary indemnification pursuant to [NRS 78.7502](#), unless ordered by a court or advanced pursuant to subsection 2, may be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances. The determination must be made:

- (a) By the stockholders;
- (b) By the board of directors by majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding;
- (c) If a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding so orders, by independent legal counsel in a written opinion; or
- (d) If a quorum consisting of directors who were not parties to the action, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion.

2. The articles of incorporation, the bylaws or an agreement made by the corporation may provide that the expenses of officers

and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that the director or officer is not entitled to be indemnified by the corporation. The provisions of this subsection do not affect any rights to advancement of expenses to which corporate personnel other than directors or officers may be entitled under any contract or otherwise by law.

3. The indemnification pursuant to [NRS 78.7502](#) and advancement of expenses authorized in or ordered by a court pursuant to this section:

(a) Does not exclude any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the articles of incorporation or any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, for either an action in the person's official capacity or an action in another capacity while holding office, except that indemnification, unless ordered by a court pursuant to [NRS 78.7502](#) or for the advancement of expenses made pursuant to subsection 2, may not be made to or on behalf of any director or officer if a final adjudication establishes that the director's or officer's acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action. A right to indemnification or to advancement of expenses arising under a provision of the articles of incorporation or any bylaw is not eliminated or impaired by an amendment to such provision after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

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

(Added to NRS by 1969, 118; A 1987, 83; 1993, 976; [1997, 706](#); [2001, 1377](#), [3199](#); [2011, 2793](#))

NRS 78.752 Insurance and other financial arrangements against liability of directors, officers, employees and agents.

1. A corporation may purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise for any liability asserted against the person and liability and expenses incurred by the person in his or her capacity as a director, officer, employee or agent, or arising out of his or her status as such, whether or not the corporation has the authority to indemnify such a person against such liability and expenses.

2. The other financial arrangements made by the corporation pursuant to subsection 1 may include the following:

- (a) The creation of a trust fund.
- (b) The establishment of a program of self-insurance.
- (c) The securing of its obligation of indemnification by granting a security interest or other lien on any assets of the corporation.
- (d) The establishment of a letter of credit, guaranty or surety.

Ê No financial arrangement made pursuant to this subsection may provide protection for a person adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable for intentional misconduct, fraud or a knowing violation of law, except with respect to the advancement of expenses or indemnification ordered by a court.

3. Any insurance or other financial arrangement made on behalf of a person pursuant to this section may be provided by the corporation or any other person approved by the board of directors, even if all or part of the other person's stock or other securities is owned by the corporation.

4. In the absence of fraud:

(a) The decision of the board of directors as to the propriety of the terms and conditions of any insurance or other financial arrangement made pursuant to this section and the choice of the person to provide the insurance or other financial arrangement is conclusive; and

(b) The insurance or other financial arrangement:

- (1) Is not void or voidable; and
- (2) Does not subject any director approving it to personal liability for his or her action,

Ê even if a director approving the insurance or other financial arrangement is a beneficiary of the insurance or other financial arrangement.

5. A corporation or its subsidiary which provides self-insurance for itself or for another affiliated corporation pursuant to this section is not subject to the provisions of title 57 of NRS.

(Added to NRS by 1987, 80)

SECRETARY OF STATE: DUTIES AND FEES

NRS 78.755 Duties: Collection of fees; employment of new technology to aid in performance.

1. The Secretary of State, for services relating to official duties and the records of the Office of the Secretary of State, shall charge and collect the fees designated in [NRS 78.760](#) to [78.785](#), inclusive.

2. The Secretary of State may accept the filing of records by facsimile machine and employ new technology, as it is developed, to aid in the performance of all duties required by law. The Secretary of State may establish rules, fee schedules and regulations not inconsistent with law, for filing records by facsimile machine and for the adoption, employment and use of new technology in the performance of his or her duties.

[Part 1:52:1933; A 1949, 363; 1951, 393] + [Part 2:52:1933; A 1949, 409; 1943 NCL § 7421.02]—(NRS A 1979, 76; 1991, 1239; [1997, 2810](#); [2003, 3107](#))

NRS 78.760 Filing fees: Articles of incorporation.

1. The fee for filing articles of incorporation is prescribed in the following schedule:

If the amount represented by the total number of shares provided for in the articles is:	
\$75,000 or less.....	\$75
Over \$75,000 and not over \$200,000.....	175
Over \$200,000 and not over \$500,000.....	275

Over \$500,000 and not over \$1,000,000.....	375
Over \$1,000,000:	
For the first \$1,000,000.....	375
For each additional \$500,000 or fraction thereof.....	275

2. The maximum fee which may be charged pursuant to this section:

- (a) Is \$35,000 for the original filing of the articles of incorporation.
 (b) Is \$34,925 for a subsequent filing of any instrument which authorizes an increase in stock.

3. For the purposes of computing the filing fees according to the schedule in subsection 1, the amount represented by the total number of shares provided for in the articles of incorporation is:

- (a) The aggregate par value of the shares, if only shares with a par value are therein provided for;
 (b) The product of the number of shares multiplied by \$1, regardless of any lesser amount prescribed as the value or consideration for which shares may be issued and disposed of, if only shares without par value are therein provided for; or
 (c) The aggregate par value of the shares with a par value plus the product of the number of shares without par value multiplied by \$1, regardless of any lesser amount prescribed as the value or consideration for which the shares without par value may be issued and disposed of, if shares with and without par value are therein provided for.

È For the purposes of this subsection, shares with no prescribed par value shall be deemed shares without par value.

4. The Secretary of State shall calculate filing fees pursuant to this section with respect to shares with a par value of less than one-tenth of a cent as if the par value were one-tenth of a cent.

[Part 1:52:1933; A 1949, 363; 1951, 393]—(NRS A 1975, 478; 1977, 402; 1983, 690; 1989, 978; 1991, 1240; 1993, 555, 978; 1995, 1115; [2001, 1378, 3176, 3199](#); [2003, 20th Special Session, 37](#); [2011, 2794](#))

NRS 78.765 Filing fees: Certificate changing number of authorized shares; certificate of amendment to articles; certificate of correction; certificate of designation; certificate of termination; certificate of withdrawal.

1. The fee for filing a certificate changing the number of authorized shares pursuant to [NRS 78.209](#) or a certificate of amendment to articles of incorporation that increases the corporation's authorized stock or a certificate of correction that increases the corporation's authorized stock is the difference between the fee computed at the rates specified in [NRS 78.760](#) upon the total authorized stock of the corporation, including the proposed increase, and the fee computed at the rates specified in [NRS 78.760](#) upon the total authorized capital, excluding the proposed increase. In no case may the amount be less than \$175.

2. The fee for filing a certificate of amendment to articles of incorporation that does not increase the corporation's authorized stock or a certificate of correction that does not increase the corporation's authorized stock is \$175.

3. The fee for filing a certificate or an amended certificate pursuant to [NRS 78.1955](#) is \$175.

4. The fee for filing a certificate of termination pursuant to [NRS 78.209](#), [78.380](#) or [78.390](#) or a certificate of withdrawal pursuant to [NRS 78.1955](#) is \$175.

[Part 1:52:1933; A 1949, 363; 1951, 393]—(NRS A 1983, 691; 1989, 978; 1991, 1240; 1993, 979; 1995, 1115, 2101; [1997, 708](#); [1999, 1592](#); [2001, 1379, 3177, 3199](#); [2003, 20th Special Session, 38](#))

NRS 78.767 Filing fees: Certificates of restated articles of incorporation.

1. The fee for filing a certificate of restated articles of incorporation that does not increase the corporation's authorized stock is \$175.

2. The fee for filing a certificate of restated articles of incorporation that increases the corporation's authorized stock is the difference between the fee computed pursuant to [NRS 78.760](#) based upon the total authorized stock of the corporation, including the proposed increase, and the fee computed pursuant to [NRS 78.760](#) based upon the total authorized stock of the corporation, excluding the proposed increase. In no case may the amount be less than \$175.

(Added to NRS by 1959, 682; A 1983, 691; 1989, 979; 1993, 979; 1995, 1116; [2001, 3177](#); [2003, 20th Special Session, 39](#))

NRS 78.780 Filing fee: Certificate of dissolution. The fee for filing a certificate of dissolution whether it occurs before or after payment of capital and beginning of business is \$100.

[Part 1:52:1933; A 1949, 363; 1951, 393]—(NRS A 1981, 1890; 1989, 979; 1993, 979; [2001, 3178](#); [2003, 20th Special Session, 39](#); [2005, 2252](#); [2010, 26th Special Session, 73](#))

NRS 78.785 Miscellaneous fees.

1. The fee for certifying a copy of articles of incorporation is \$30.

2. The fee for certifying a copy of an amendment to articles of incorporation, or to a copy of the articles as amended, is \$30.

3. The fee for certifying an authorized printed copy of the general corporation law as compiled by the Secretary of State is \$30.

4. The fee for reserving a corporate name is \$25.

5. The fee for signing a certificate of corporate existence which does not list the previous records relating to the corporation, or a certificate of change in a corporate name, is \$50.

6. The fee for signing a certificate of corporate existence which lists the previous records relating to the corporation is \$50.

7. The fee for signing, certifying or filing any certificate or record not provided for in [NRS 78.760](#) to [78.785](#), inclusive, is \$50.

8. The fee for copies provided by the Office of the Secretary of State is \$2 per page.

9. The fees for filing articles of incorporation, articles of merger, or certificates of amendment increasing the basic surplus of a mutual or reciprocal insurer must be computed pursuant to [NRS 78.760](#), [78.765](#) and [92A.210](#), on the basis of the amount of basic surplus of the insurer.

10. The fee for examining and provisionally approving any record at any time before the record is presented for filing is \$125.

[Part 1:52:1933; A 1949, 363; 1951, 393]—(NRS A 1959, 689; 1975, 565; 1977, 403; 1979, 398; 1981, 141; 1983, 692; 1985, 1873; 1987, 1058; 1989, 979; 1991, 1241; 1993, 979; 1995, 1116; [2001, 1379, 3178, 3199](#); [2003, 225, 3107](#); [2003, 20th Special Session, 39](#); [2005, 2252](#); [2007, 2650](#))

MISCELLANEOUS PROVISIONS

NRS 78.795 Registration of natural person or corporation willing to serve as registered agent for corporation, limited-liability company or limited partnership.

1. Any natural person or corporation residing or located in this State may register for that calendar year a willingness to serve as the registered agent of a domestic or foreign corporation, limited-liability company or limited partnership with the Secretary of State. The registration must state the full, legal name of the person or corporation willing to serve as the registered agent and be accompanied by a fee of \$500 per office location of the registered agent.

2. The Secretary of State shall maintain a list of those persons who are registered pursuant to subsection 1 and make the list available to persons seeking to do business in this State.

3. The Secretary of State may amend any information provided in the list if a person who is included in the list:

(a) Requests the amendment; and

(b) Pays a fee of \$50.

4. The Secretary of State may adopt regulations prescribing the content, maintenance and presentation of the list.

(Added to NRS by 1995, 1111; A [1999, 1593](#); [2003, 20th Special Session, 39](#); [2007, 2651](#))