

Quarterly Business Report

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It is my pleasure to share the news that we are diligently working to develop the State Business Portal. Once operational, Nevada will be the first state in the country to maintain a comprehensive business portal. I believe it will revolutionize the ease of transacting business with government. Assembly Bill 146, sponsored by Assembly Majority Leader John Ocegüera, establishes this one stop shop where businesses can conduct most, if not all, of their transactions with Nevada state government. Our vision is that businesses will be able to access licensing, permitting, regulatory, and taxation requirements through one portal, a new website that will be created just for your use. The cost/benefit analysis says the Business Portal could net the state as much as \$49 million in the first five years. That doesn't count what you in the private sector would save. You can find more information inside this report.

The one-stop shop was further enabled by the transfer of the processing and issuance of the State Business License from the Department of Taxation to the Secretary of State's office.. This change takes effect this October 1, 2009. More details are provided inside this report.

Finally, I want to let you know of my disappointment in the legislature's failure to approve my omnibus bill that would have made a number of improvements in our election laws. I'm particularly troubled that the citizens of Nevada will continue to be disserved by the current laws regarding campaign finance reporting. Current law is sorely lacking in transparency and denies the public adequate access to information regarding who is giving money to political candidates and in what amounts. Of course, I remain absolutely committed to enforcing the campaign finance laws currently on the books.

Again, I want to assure you that my office is doing everything it can given our resources to better serve Nevada's business community. Please remember to visit www.whynevada.com from time to time. And, as always, we will post all new information that's important to you on our website at www.nvsos.gov. Thanks again for checking in with me and the Quarterly Business Report.




New Web Site Coming Soon...

Secretary of State Ross Miller's web site will soon have a new look and enhanced functions, including the ability for users to subscribe to notices and newsletters. The site will still be easy to navigate and will provide timely and important information for business owners and all citizens of Nevada.

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Commercial Recordings Legislative News

Nevada Business Portal (Assembly Bill 146)

This bill enables the Secretary of State to establish the Nevada Business Portal. This Portal will facilitate a one stop shop where entities doing business in the State of Nevada could seamlessly transact all their state business without having to visit several different agencies. This important tool will allow for streamlined entity formation, the payment of the annual business license and other business-related transactions online. This will provide a customized experience for each visitor reducing the amount of information that must be input each time the portal is visited.

An RFP for this project is currently being developed and is expected to be released in the next few months. Please direct all inquiries to Dave Jones, Nevada State Purchasing at dmjones@purchasing.state.nv.us or (775) 684-5812.

Other Business-Related Bills

Effective June 9, 2009 *Limitations on Corporation Sole Creation (Senate Bill 55)* – The provisions of SB 55 prohibit the creation of any new corporation sole, except for the creation of a subordinate corporation sole by the presiding officer of an existing corporation sole that is in good standing. The articles of incorporation for any new corporation sole created after June 9, 2009 must be accompanied by a statement, executed under penalty of perjury, by the presiding officer of the superior corporation sole attesting to the affiliation and stating the nature of the affiliation. A new “Statement to Accompany Article of Incorporation - Corporation Sole” form will soon be available on our web site at www.nvsos.gov. After June 30, 2011, no new corporation sole may be created.

Effective July 1, 2009 *Registered Agent Resignation (Senate Bill 55)* – Title 7 of the Nevada Revised Statutes no longer requires a registered agent to provide the name and address of each entity noticed of a resignation. The Registered Agent will provide the Secretary of State with its RA resignation form, a written affidavit that includes the name of each entity from which it resigns but excludes the contact information of each entity.



Cancellation of Filing Prior to Process Completion (Senate Bill 55) – The Secretary of State may charge a cancellation fee of \$50 on each unprocessed filing for which a customer wishes to cancel.

Filing, Default and Revocation Notices (Senate Bill 55) – In an effort to further standardize notification processes, the Secretary of State will no longer provide a blank form with his mailed notifications. Forms may be obtained by visiting our website at www.nvsos.gov. Electronic notification and delivery of lists due will still be available to those registered agents that have signed up to be commercial registered agents pursuant to NRS Chapter 77.

Domestication of non-Nevada Entities (Senate Bill 55) – Non-Nevada entities desiring to domesticate under Nevada Law may do so using the provisions of NRS 92A.270. Previously these provisions only applied to non-U.S. entities, but may now be used for the domestication of non-Nevada entities both in and out of the United States. Forms will be updated and available on our website at www.nvsos.gov.

Charging Order Changes (Senate Bill 55) – Changes were

made to the charging order provisions regarding number of stockholder requirements and the rights of assignees and the preclusion of a judgment creditor from participating in the management of a corporation or becoming a director of a corporation. While this will have no effect on the Secretary of State's filing processes, it does offer additional protection to the shareholders of a corporation.

Effective October 1, 2009 *Doing Business in Nevada Without Proper Registration (Senate Bill 350)* – Foreign and domestic business entities and those businesses purporting to do business in the state without being filing organizational documents with the Secretary of State are subject to a fine of from \$1,000 - \$10,000. The Secretary of State now will contact the district attorney or the Attorney General to commence action to recover the fine.

“Restricted” designation for Limited Liability Companies and Limited Partnerships (Senate Bill 350) – Limited Liability Companies and Limited Partnerships may elect to be restricted. Designation requires certain condition prescribed by Section 26, 27, 38, 39 and 49.2 of SB 350. Forms will be amended to include a place to designate the restriction and made available prior to October 1, 2009. Please check www.nvsos.gov for updates.

Payment & Issuance of State Business License Fee (Assembly Bill 146) – the State Business License (BLF) applications, renewals and related fees will be collected and issued by the Secretary of State. Pursuant to AB 146 passed by the 2009 Nevada Legislature, the authority for the State Business License was transferred from the Department of Taxation to the Secretary of State. The due date of the application or renewal of the BLF is based upon the due date of the initial or annual list, whichever is applicable, required to be filed with the Secretary of State. Business entities that are not required to file organizational documents or an initial or annual list of officers with the Secretary of State, such as sole proprietorships and general partnerships will also be required to file for the State Business License with the Secretary of State when they commence business in Nevada and renew every year by the end of the month in which the anniversary of their initial registration falls. NOTE: The State Business License fee increased from \$100 to \$200 as of July 1, 2009, however, the Secretary of State collection is not effective until October 1, 2009. The Department of Taxation will handle any new license application or renewals of the State Business License through September 30, 2009.

Commercial Recordings

SPECIAL NOTICE FROM COMMERCIAL RECORDINGS

***Reno Commercial Recordings Functions moved to Carson City
Effective August 1st***

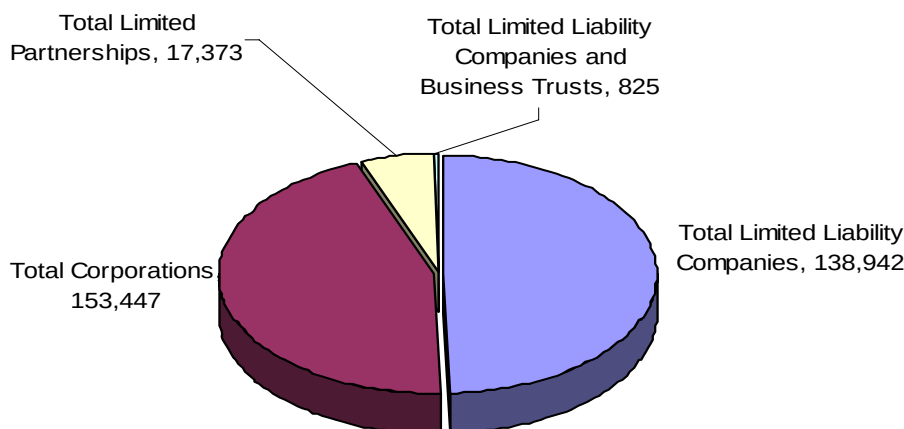
After extensive analysis and review, the decision has been made to consolidate the Reno Commercial Recordings expedite filing functions back into the Carson City office.

All Commercial Recording Staff and Services will relocate to Carson City. Any Documents awaiting pickup must be picked up prior to close of business on July 31, 2009, or they will be mailed to the Registered Agent.

Please visit our website at www.nvsos.gov for updates on these and other changes to the Secretary of State's office. Thank you for your patience as we implement these many changes.

LATEST NUMBERS FROM COMMERCIAL RECORDINGS

Entities in Good Standing As of May 31, 2009



Notaries

Did You Know?

SB 92 gives the Secretary of State the authority to develop procedures to allow for electronic notarization. A notary must complete at least a four-year appointment before applying for the ability to use electronic notarization. Be sure to watch www.nvsos.gov for updates.

UPCOMING NOTARY CLASSES

- **Elko (Red Lion Hotel Casino):**
Thursday, Sept. 17, 3pm—7 pm, ,
- **Las Vegas (Gold Coast Hotel Casino, 4000 W. Flamingo Rd.)**
Wednesday, August 12, 1 pm—5 pm
Thursday, August 13, 8 am—noon
Wednesday, September 9, 1 pm—5 pm
Thursday, September 10, 8 am—noon
Wednesday, October 14, 1 pm—5 pm
Thursday, October 15, 8 am—noon

LEGISLATIVE NEWS



Makes Changes Related to Securities (SB 101) - The highlights of SB 101 include revising the provisions for the imposition of civil penalties to allow for up to a \$25,000 penalty for each violation of securities laws, regulations or orders; authorizing the Securities Administrator to order the reimbursement of the costs of the Division's investigation as part of sanctions which may be imposed in an administrative proceeding; enabling the court to order a person convicted of securities fraud to pay the costs of investigation and prosecution in the case; and enabling criminal investigators employed by the Secretary of State to obtain driver's licenses issued for the purpose of undercover investigation activities. SB 101 is effective July 1, 2009.

Revises Provision Relating to Insurance (SB 426) - This bill addresses many changes to the Insurance Law provisions of the Nevada Revised Statutes. It also amends the definition of a "security" to include viatical settlement investments so that the Securities Division will now be regulating individuals and entities who sell viatical settlement investments as that term is defined by the new law.

Investor Education Program	Administrative Actions
- Enforcement Investigator Colin Haynes represented the Securities Division at the North Las Vegas Senior Citizen Fair where he gave a presentation on investment and consumer fraud. - Compliance Chief Bonnie Moore represented the Securities Division at the LIMRA conference where she gave a presentation on a range of current broker-dealer and investment advisor issues. - If you would like to request a Securities representative to give a presentation, call 702/486-2440	Legends Equities Corporation – Administrative Consent Order regarding employment of unlicensed individuals. Respondent paid civil penalty of \$7,500.00. Sports Dimensions, Inc. d/b/a SDI, and Marc Hubbard – Amended Summary Order to Cease and Desist regarding unlicensed sales activities of unregistered securities Andrew W. Quinn – Summary Order Revoking Respondent's license to work as an Investment Adviser Representative in NV. Oxenuk Financial Corp. – Summary Order to Cease and Desist Unlicensed Sales activities and the sale of unregistered securities in Nevada. Crown Capital Securities, L.P. – Consent Agreement regarding unlicensed investment advisory sales activities. Respondent paid civil penalty of \$15,000.00. Great Circle Financial Inc., and Daniel Pancake: Consent Agreement regarding multiple record keeping violations. Respondents to pay civil penalty of \$10,000.00 and investigative costs of \$600.00. Banc of America Securities LLC and Banc of America Investment Services, Inc. – Administrative Consent Order regarding violations with the sale of ARS. Respondents to buy back, at par value, eligible auction rate securities from Eligible
<u>Job Dislocation</u> <u>Making Smart Financial Choices after a Job Loss</u> The Division partnered with FINRA on this timely brochure. For a copy, please contact the Division's investor education coordinator (<i>let's put name and number</i>). Click here to learn how to avoid becoming the victim of an illegal investment scam...	

Other News From Securities

Secretary of State Criminal Investigator Colin Haynes lent a helping hand to his former colleagues across "the pond" when the Economic Crime Unit in Cheshire, England requested assistance from the Securities Division. Four defendants were found guilty of a variety of criminal fraud charges following hearings at the Liverpool Crown Court. Investigator Haynes, a former London police officer, was thanked by Detective David Stott of the Cheshire Constabulary for his assistance in obtaining information and records essential to the successful prosecution. Investigator Haynes' knowledge of British evidentiary rules enabled the Division to better assist in preparation of the documents for prosecution.

Nevadans Receive Jean Ford Democracy Award from Secretary of State Ross Miller



Kenya Pierce, Senator Valerie Wiener, Stephanie Hartman (front row, left to right) and Daniel Wong (back row, third from left) were the recipients of the 2008-2009 award that recognizes Nevadans who provide exemplary service in promoting leadership in the democratic process. The award is named in the honor of former Nevada State Senator Jean Ford.

Also pictured are Advisory Committee on Participatory Democracy members Julianna Ormsby (NTLA), Chuck Alvey (EDAWN), David Fraser (Nevada League of Cities), Judith Simpson (Center for Civic Education).

Elections



Employees of Nevada companies who are overseas or deployed in the military will now have more, and faster options, for casting their ballots come next June and November. With the passage of Assembly Bill 41, voters who are Armed Forces personnel and overseas citizens will now be able to vote by approved electronic transmission, in addition to regular mail. "Approved electronic transmission" means the sending of information by facsimile machine or by use of the Internet pursuant to the acceptable standards set forth by regulations of the Secretary of State. These overseas voters and Armed Forces personnel will also be able to request an absentee ballot by approved electronic means. Please direct any employees who are assigned overseas

or deployed in Nevada's military to visit the Secretary of State's *Uniformed and Overseas Citizens Absentee Voting Act* ("UOCAVA") webpage at <http://www.nvsos.gov/elections/voter/military.asp>, or the Federal Voting Assistance Program at <http://fvap.gov/> for detailed information about how to register to vote, request and absentee ballot, and vote.

NEW PRIMARY ELECTION DATE

The 2009 Nevada Legislature passed Senate Bill 162, which changes the date of the statewide primary election from the 12th Tuesday before the general election - typically early August - to the second Tuesday in June of each even-numbered year.

Important Election Reminder for Employers: Nevada law allows any registered voter may absent himself from his place of employment at a time to be designated by the employer for a sufficient time to vote, if it is impracticable for him to vote before or after his hours of employment. Depending on how far the distance of the polling place is from the voter's employment, employees may excuse themselves anywhere from one to three hours. Employees should apply for leave of absence to vote to the employer or person authorized to grant such leave prior to the day of the election. Any employer or person authorized to grant the leave of absence who denies any registered voter this right to leave is guilty of a misdemeanor.

Candidate Filing Dates:
March 1 - 12, 2010

Primary Election Date:
June 8, 2010

General Election Date:
November 3, 2010