NEVADA SECRETARY OF STATE
ROSS MILLER

Quarterly Business Report

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Dear Business Leader:

The New Year ushers opportunities for growth and prosperity. At the Secretary of State's office, we work toward this goal year-round, and it is more apparent than ever during the last quarter of 2011. Building the foundation for an economic development strategy, optimizing our online filing system to prepare for changes in election laws, preparing for investment scams in 2012, and deploying tools to launch financial education highlight the busy 4th quarter of my office.

Business and state leaders digested a 176-page study produced and presented by renowned research firms the Brookings Institution and SRI International in November. The five-month long study resulted in potential solutions to diversify and improve our economy. Seven major industry sectors are identified as Nevada's best opportunities for growth. The full report, a 12-page executive summary and additional supplement are available for download on our website, www.nvsos.gov.

As part of a comprehensive campaign finance reform package passed in the 2011 Legislative session, all contributions & expense reports and financial disclosure statements are now required to be filed electronically on earlier deadlines. Our Elections Division and IT staff worked hand-in-hand to update our online filing system, Aurora, for the election law changes that went into effect on January 1. Aurora encourages transparent elections and makes it easier for the public to access information in a timelier manner.

The Securities Division is also working hard for the public's best interest. As well as several investigations that resulted in arrests during the 4th quarter, they are preparing for the possibility of New Year investment scams. This is the time of year when people tend to review their finances from the past year and prepare for the next, making them more susceptible to investment schemes.

With the Securities Division as a branch of the Secretary of State's office, it is the responsibility of my office to assist in strengthening the financial literacy of Nevada's youths. Through partnerships with Visa, Inc. and Investor Protection Trust, my office distributed thousands of "Financial Football" and "Financial Soccer" DVD games, and delivered "The Basics of Saving and Investing" teaching guides to high school students and teachers throughout Nevada.

Thank you for allowing me to share our news from the 4th quarter of 2011. Happy New Year, and may 2012 be a productive and prosperous year for you.

Respectfully,

Inside This Issue

Secretary Miller visits a government class at Reno's Earl Wooster High School to play a round of "Financial Football."

Aurora online filing system sheds light on campaign finances

Changes to election reporting laws escalate accountability and transparency

Nevada politics is entering a new era of greater accountability and transparency with the passage of a comprehensive campaign finance reform bill supported by the Secretary of State's office. Effective January 1, AB 452 makes important changes to Nevada's disclosure laws.

Whether it is a candidate, a Political Action Committee (PAC), a political party or any other political group, AB 452 now requires all Contribution & Expense (C&E) Reports and Financial Disclosure Statements (FDS) to be filed electronically.

Aurora, the state's electronic campaign disclosure filing system, allows users to modify searches by various criteria including contributions and expenditures (by name, address, amount, date, type), political parties, elected offices, and political groups. Voters can search campaign funding information immediately after it is filed with the Secretary of State, making data publicly available in an accessible format and a more timely manner than ever before.

An exemption will only be granted to filers who submit an affidavit declaring they do not own, have access, or have the financial ability to obtain access to the necessary technology. The exemption cannot be granted to a filer who receives or expends in excess of $10,000.

AB 452 also changes reporting deadlines so additional and more relevant reports will be available to the public leading up to an election. Reports are due 4 days before the beginning of early voting and 4 days before election day for both the Primary and the General Election. Previously, reports were only filed seven days before the election days.

Under AB 452, the Secretary of State becomes the sole filing office for every race, regardless of the office the candidate is seeking or where the declaration of candidacy is filed. The public can easily obtain campaign finance information without having to go to multiple locations for information related to municipal and county elections and candidates.

Aurora gives the public a level of disclosure and transparency it has never seen before in Nevada. With more timely data in a searchable user-friendly format, Nevadans will know who is funding the candidates' campaigns prior to early voting and election day. AB 452 ushers in a new era of transparency in Nevada's electoral process and will ultimately strengthen the public's faith in the electoral process.

Access Aurora at http://nvsos.gov/SOSCandidateServices/AnonymousAccess/CEFDSearch/Candidate.aspx.

Brookings Institution/SRI International study develops foundation for state economic development plan

Analysis proposes sensible economic growth models, strategies to target new industries

After five months of research and in-depth analysis, Nevada now has the foundation on which it is building an economic development plan.

On November 14, the Brookings Institution and SRI International presented a 175-page study of Nevada's economy and a list of actionable ideas for serious, sustainable economic development as the state moves toward a brighter, financially viable future.

As the most comprehensive of its kind undertaken by the state, the study entitled "Unify, Regionalize, Diversify: An Economic Development Agenda for Nevada" represents the input of business, economic development and government leaders. Its purpose is to inform us of the best practices with which to revitalize our economy and identifying Nevada's untapped potential.

The study identifies seven major industries and some 30 narrower target opportunities that have potential for economic growth and diversification in Nevada:

- Tourism, Gaming and Entertainment
- Health and Medical Services
- Business IT Ecosystems
- Clean Energy
- Mining, Materials and Manufacturing
- Logistics and Operations
- Aerospace and Defense

The members of the Office of Economic Development board are in the process of creating a state plan based on information presented in this study. The plan will assist us in moving forward in a way that uses the state's existing strengths to develop a ground-up system of innovation, commercialization and production.

In five years, Nevada should see tangible results – new ideas developed within our universities; new incoming capital to get those ideas rolling; and new businesses to commercialize those ideas.

To download the full report, executive summary, and other associated reports, visit our website at http://nvsos.gov/index.aspx?page=1038.

Secretary of State tackles financial illiteracy with Nevada students

Money management video games and teaching guides are centerpieces of effort to improve financial literacy

Tackling the problem of financial illiteracy among Nevada students head-on, Secretary of State Ross Miller engaged in games of “Financial Football” – an interactive money management video game with an NFL theme – with Las Vegas and Reno students during the fourth quarter of 2011 to support and encourage fiscal responsibility in school curriculae.

The Secretary of State’s securities division distributed free copies of “Financial Football” and “Financial Soccer” and “The Basics of Saving and Investing: Investor Education 2020” teaching guides to Nevada school districts throughout the state.

The centerpieces of Visa, Inc.’s educational initiative with the NFL (National Football League) and FIFA (Fédération Internationale de Football Association), “Financial Football” and “Financial Soccer” put students’ fiscal knowledge to the test with a video game that combines the structure and rules of the NFL and FIFA with financial education questions of varying difficulty.

“It is critical for Nevada students to know how to make smart money management decisions before heading off to college or entering the workforce,” said Secretary Miller. “It takes the combined efforts of parents, teachers, and mentors within the community to help children develop and build strong financial muscles. Playing ‘Financial Football’ or ‘Financial Soccer’ is a great way to get Nevada students interested in personal finances and gives them a financial playbook they can use the rest of their lives.

“We are working hard to make sure all Nevada students have access to as many home and classroom resources as possible to help put them on a path to financial freedom and success. Raising the level of financial literacy awareness and education is not something that can be done overnight or by government alone. I am grateful to be joined by partners who share my commitment to financial education.”

The computer-based games are accompanied by a classroom curriculum, and “Financial Football” is available online at http://nv.financialfootball.com and as a free iPhone app on iTunes, along with an optimized HD iPad version. The games’ content, developed with the cooperation of the NFL and FIFA, incorporates lessons taught through *Practical Money Skills for Life*, Visa Inc.'s free, award-winning money management program.

Secretary of State Ross Miller plays a game of “Financial Football” with a student from Las Vegas’ Walter Bracken Elementary School. “Financial Football” is part of Visa, Inc.’s “Practical Money Skills for Life,” a free, award-winning, teacher-tested and approved financial education program available in multiple languages.

Upcoming Notary Training Classes

Carson City, Carson City Nugget
January 26, 2012 at 8 a.m.

Las Vegas, Gold Coast Casino
February 8, 2012 at 1 p.m.

Las Vegas, Gold Coast Casino
March 14, 2012 at 1 p.m.

Pre-registration required at www.nvsos.gov.

Secretary of States Warns to Beware of Investment Scams in New Year

As 2012 quickly approaches and households begin to organize their finances for the New Year, Secretary of State Ross Miller encourages the public to learn about popular investment scams so as not to become victims of fraud.

"As we evaluate our finances from 2011 and plan for 2012, Nevadans should be alert to several cons that appear to be legitimate investments," said Secretary Miller. "Our securities division investigates cases of fraud all year-round, and a little education goes a long way in prevention."

The securities division notes an increase in popularity among the following investment opportunities:

Regulation D Offerings

Businesses that file for Regulation D (Reg D) offerings are not required to register their securities or file reports with the Securities Exchange Commission (SEC), allowing small companies to access capital markets without the costs of normal SEC registration. Reg D companies must file "Form D" to the SEC after selling securities. Anyone interested in investing in Reg D companies should conduct a background search on the SEC's EDGAR (Electronic Data Gathering, Analysis, and Retrieval) system (www.sec.gov/edgar.shtml) to confirm that they properly file "Form D." If companies do not show up on the database, it is an indication that they may not be in compliance with federal securities laws.

Penny Stock Companies

The securities division also notes an increase in popularity in penny stock investments. Companies sell their stock shares for less than a dollar, which allows an individual or organization to purchase hundreds of thousands of shares, and then utilizes press releases or websites to manipulate the perception of its worth. When investors buy stock and drive up demand, the price of shares increase and the original individual or organization sells its holdings. The other investors then have a difficult time selling their shares because penny stock companies tend to have low liquidity.

Affinity Fraud

Although affinity fraud does not define any specific type of investment, it is a prevalent scam that targets members of particular groups, such as the elderly, industry professionals and religious or ethnic communities. Swindlers elicit trust by pretending to be a member of a group and defraud their victims with different scams, such as pyramid schemes.

The securities division says current and potential investors should take time to research and understand the investments they're considering. A few simple steps could prevent an individual from falling victim to fraud.

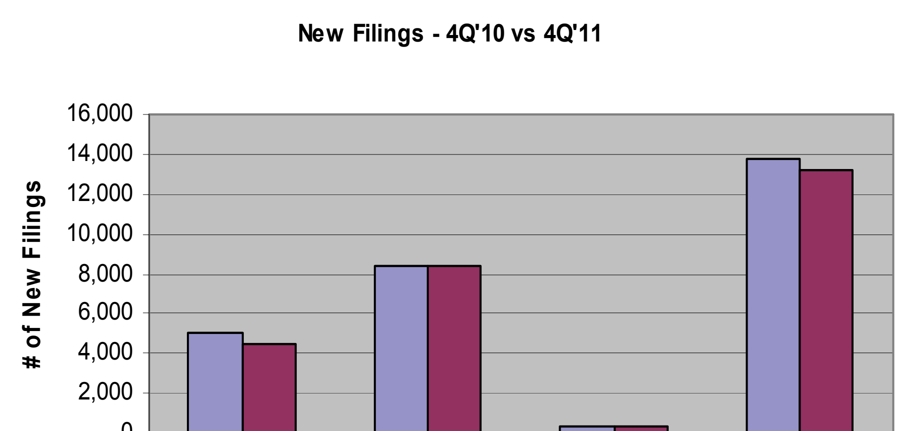
- Recognize what needs to be regulated, such as a Nevada business entity license, securities, brokerage firms and individual brokers.

- If a broker is placing undue pressure on potential investors to sign documents as soon as possible, consider it a red flag. Take the time to read through and understand all of the documents first. If it sounds too good to be true, it usually is.

- Contact state securities regulators at (702) 486-2440 or (775) 687-9950 to see if they have more information about the company and whether regulators have cleared the offering for sale in Nevada.

- Use the Financial Industry Regulatory Authority (FINRA) BrokerCheck to search for brokerage firms or individual brokers to ensure they are properly licensed. The database will display currently FINRA-registered brokerage firms or individuals, if they have been registered with FINRA in the last 10 years and if they have ever been the subject of regulatory event or crime. http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/index.htm

For more tips on investing and securities, visit the Secretary of State's Securities Center at www.nvsos.gov.



	Corporations	LLC	LP, LLP & Business Trusts	Total
4Q'10	5,051	8,437	302	13,790
4Q'11	4,480	8,387	330	13,197

New entity filings with the Secretary of State's office in the fourth quarter of 2011 was slightly less — 593 — than during the same quarter of 2010.