

Quarterly Business Report

Volume VI, Issue I
First Quarter 2013

Dear Business Leader:

During the past few months, my office continues to assist business customers by educating them about the crime of business identity theft and appropriate prevention methods, learning about best practices from other state filing offices, and adding useful new features and information to SilverFlume, Nevada's Business Portal.

As president of the National Association of Secretaries of State (NASS), I and the organization make it a priority to educate companies about business identity theft. Criminals have the ability to completely cripple a company's reputation if the company fails to regularly monitor specific activities.

Secretaries of state and senior business filing officers from 27 jurisdictions convened in Las Vegas recently for the National NASS business symposium. We acquired knowledge about best practices, fostering business creation and growth, streamlining regulations, and innovative uses of technology to determine the greatest methods moving forward for each secretary's office. I intend to keep Nevada one of the top states to do business by making the process of setting up a company as easy and efficient as possible.

Our SilverFlume team persists in developing the website for all business owners and entrepreneurs. If you're thinking about starting a business, our New Business Checklist tells you the licenses you'll need based on a short, five-question survey. It's quick, easy, and insightful.

Nevada offers numerous advantages for companies that conduct business in the Silver State, making it the second most popular filing jurisdiction in the country. We recently retired our "Why Nevada?" site and added updated information to SilverFlume, making it the central hub of all business filings and what it means to do business in Nevada.

Thank you for allowing me to share our news and continuing to serve as your Secretary of State. We're looking forward to achieving more great accomplishments during the remainder of 2013.

Respectfully,



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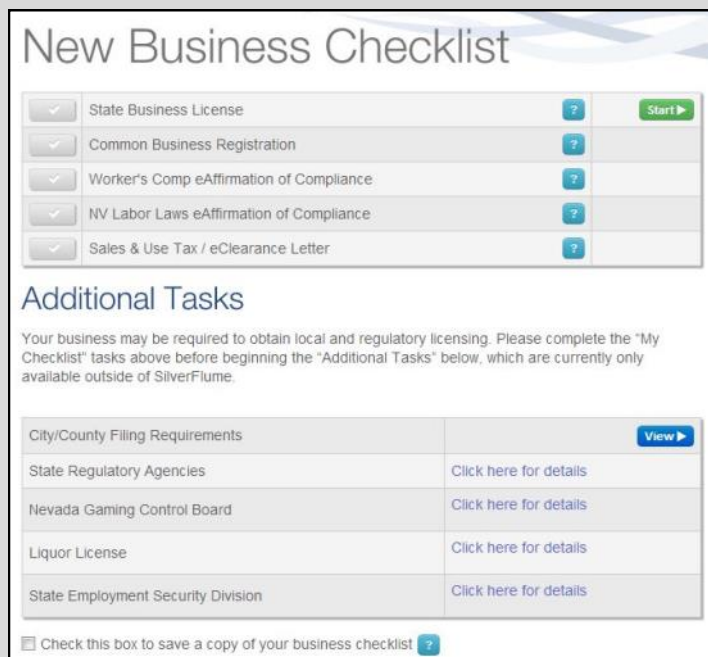
- ◆ New SilverFlume Features Assists Those Looking to Set Up Shop in Nevada
- ◆ NASS Business Symposium in Las Vegas Delivers Wealth of Knowledge
- ◆ On the Lookout for Business Identity Theft
- ◆ Commercial Recordings Filings



Players in the biennial Donkey-Elephant Basketball Classic are in good spirits after the March 2 game. The Donkeys beat the Elephants 67-56.

Features Added to SilverFlume, Nevada's Business Portal

New Business Checklist



New Business Checklist

- ☒ State Business License [?](#) [Start ▶](#)
- ☒ Common Business Registration [?](#)
- ☒ Worker's Comp eAffirmation of Compliance [?](#)
- ☒ NV Labor Laws eAffirmation of Compliance [?](#)
- ☒ Sales & Use Tax / eClearance Letter [?](#)

Additional Tasks

Your business may be required to obtain local and regulatory licensing. Please complete the "My Checklist" tasks above before beginning the "Additional Tasks" below, which are currently only available outside of SilverFlume.

City/County Filing Requirements	View ▶
State Regulatory Agencies	Click here for details
Nevada Gaming Control Board	Click here for details
Liquor License	Click here for details
State Employment Security Division	Click here for details

☐ Check this box to save a copy of your business checklist [?](#)

A sample checklist generated from the five-question survey.



Are you thinking about starting a business but aren't sure what licenses you'll need? SilverFlume now has a new feature on its homepage, www.NVSilverFlume.gov, that helps give you a starting point. Answer five simple questions, and SilverFlume will generate a preview of licenses and requirements for your company based on your responses. The questions cover type of business, business description, Nevada locations, employees, and tax requirements

You'll have a checklist of items you can complete on SilverFlume once you decide to start your business, as well as a list of tasks you'll need to complete with agencies not yet partnered with the website. You can save the list to your personal dashboard by creating a SilverFlume profile.

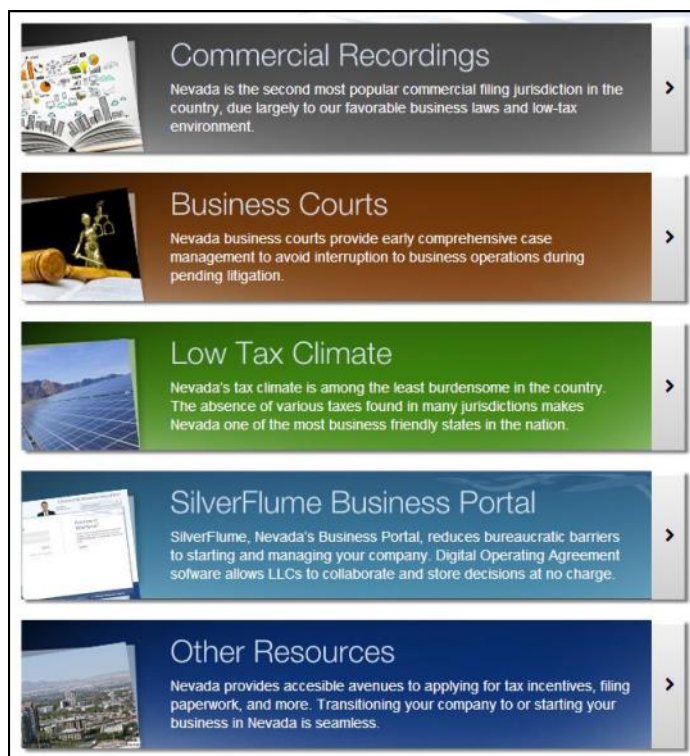
Why Nevada?

Nevada's many business advantages are detailed on SilverFlume

Do you know anyone who is interested in setting up a business? If they're unsure of which state to launch or incorporate, send them over to "Why Nevada?" on SilverFlume, Nevada's Business Portal.

"Why Nevada" details the advantages available to companies that decide to do business in the Silver State. Nevada's favorable business taxes, courts dedicated to resolving business disputes, low-tax climate, and one-stop shop to setting up a company are just a few benefits available to the business community.

Explore the information and share it with others who may be thinking about setting up shop in Nevada. You can find the Why Nevada tab at the bottom of the menu on the SilverFlume homepage, www.NVSilverFlume.gov.



Commercial Recordings
Nevada is the second most popular commercial filing jurisdiction in the country, due largely to our favorable business laws and low-tax environment.

Business Courts
Nevada business courts provide early comprehensive case management to avoid interruption to business operations during pending litigation.

Low Tax Climate
Nevada's tax climate is among the least burdensome in the country. The absence of various taxes found in many jurisdictions makes Nevada one of the most business friendly states in the nation.

SilverFlume Business Portal
SilverFlume, Nevada's Business Portal, reduces bureaucratic barriers to starting and managing your company. Digital Operating Agreement software allows LLCs to collaborate and store decisions at no charge.

Other Resources
Nevada provides accessible avenues to applying for tax incentives, filing paperwork, and more. Transitioning your company to or starting your business in Nevada is seamless.

Why Nevada serves as a resource for companies looking into setting up shop in the Silver State.

NASS Business Symposium Focuses on Reducing Bureaucracy, Fostering Economic Growth

In his capacity as president of the National Association of Secretaries of State (NASS), Nevada Secretary of State Ross Miller welcomed secretaries of state, lieutenant governors, and senior state business division leaders from 27 jurisdictions to Las Vegas for the NASS business symposium on May 6, 2013. The office of secretary of state has become increasingly powerful and in the public eye in recent years because of contested elections and the rise of technology in business filings. The NASS business symposium assisted the officials who oversee state business filing, reporting and licensing functions with the goal of reducing bureaucracy and streamlining government agencies.

“At a time when the creation and protection of jobs is a top priority at every level of government in almost every state, Secretaries of State are finding innovative ways for state filing and licensing offices to reduce bureaucracy, streamline state services and operate in a business-friendly manner,” said Secretary Miller. “From fee holidays to one-stop portals that connect businesses to multiple state agencies and eliminate bureaucratic confusion, the goal is to reduce the time and expense of dealing with state government, while helping states maximize their limited resources to foster business creation and expansion.”

Businesses typically interact with the Secretary of State's office on a variety of matters – from registering with the state to understanding regulations and reporting obligations, or obtaining licenses and permits. Some offices also provide information to business owners on grants, counseling and mentoring services, fraud alerts and enforcement practices. While some businesses owners know exactly which persons and programs to contact

within state government, many businesses contact the Secretary of State's office when they are uncertain about what support exists and where to start to find the services they might need.

The NASS symposium at the Aria Hotel included presentations on proven tools and strategies for providing the types of support and services that can foster business support, creation and growth. In addition to streamlining regulations and reducing paperwork, fees and processing times, discussions focused on innovative uses of technology. Mobile applications, online chat programs, electronic payment features and state business portals were prominently featured. The symposium featured the following panels and discussions:

- Utah's Competitive Advantage
- Re-thinking the Role of the SoS Office: Creating a Business-Friendly State Agency Environment
- Streamlining Business Processes: One-Stop Portals & Start-Up Success Strategies
- Hiring Our Heroes
- Promoting Growth & Support: State Partnerships/ Collaborations, Technological Innovations & Business Community Outreach
- Embracing Next Steps: Mobility, Technology & The Future of Business One-Stops
- What Businesses Need from Government: Private Sector Experts Share Their Insights

NASS will use participant input from the symposium to develop a white paper aimed at helping states maximize their potential to support business development and economic growth through state business filing and licensing offices, and release its findings in February 2014.



Panelists for “Streamlining Business Processes: One-Stop Portals & Start-Up Success Strategies,” from left to right: North Dakota Secretary of State Al Jaeger, Nevada Secretary of State Ross Miller, Arkansas Secretary of State Mark Martin, West Virginia Secretary of State Natalie Tennant, DOT Registry LLC CEO Shaul Jolles, and NIC Marketing Manager Bret Stott.

Regular Monitoring of Business Activities Assists in Detecting Possible Business Identity Theft

As president of the National Association of Secretaries of State (NASS) and a member of the NASS Business Identity Theft Forum, Ross Miller makes business identity theft prevention a top priority. He implemented a forged and fraudulent filing process where businesses whose records have been changed by an unrelated party may have the record corrected, and he has the authority to issue interrogatories as part of a criminal investigation.

Similar to individual identity theft, criminals use a variety of methods to impersonate or otherwise take the identity of legitimate business entities with the intent of obtaining loans, investments, or products with no intent to repay. They then disappear and defraud the target business, its owners, vendors, investors, financial institutions. In the process they harm the credit and reputation of the business whose identity was taken.

We are aware of several businesses in Colorado that have been victims of identity theft where the criminals obtained goods and money under false pretenses. While we are not aware of significant activity in Nevada, our state's business friendly statutes, minimal filing requirements and the historically ministerial nature of our filing office make Nevada ripe for this sort of activity.

Types of business identity theft include:

- Changing entity records with the Secretary of State or other filing offices and with credit bureaus
- Creating businesses with similar names and locations as legitimate businesses, reinstating dissolved or de-

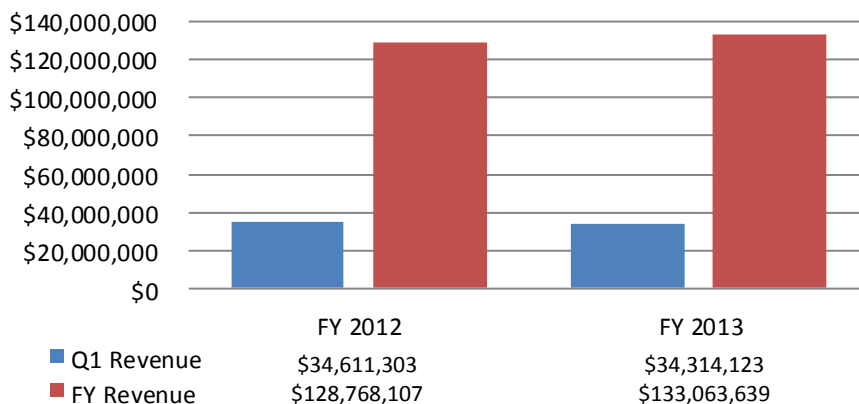
funct businesses without proper authority to give historic value, then altering officers, directors, registered agent

- Foreign entity filings mimicking those in other jurisdictions
- Creating fictitious websites
- Obtaining corporate and personal information through malware and other computer viruses
- Dumpster diving

Small- and medium-sized businesses that may not have the time or resources to regularly monitor these activities face the greatest risk, with negligence being the most common threat. Businesses focus on survival, making payments, and making payroll, not on keeping their business identities safe. Regardless of size, businesses should regularly monitor their corporate filings, business license filings, bank accounts and credit reports. They should also implement appropriate security protocols and document destruction policies, as well as limit the use of social network and internet surfing on office computers.

The NASS Business Identity Theft Forum is discussing and developing ways to minimize business identity theft. Potential solutions include use of analytical data and other tools to identify filings that might be fraudulent; additional validation of business reinstatements or revivals; and notification when a record has been changed. Most importantly, the business community needs to be educated about this potential danger and to be vigilant in protecting their own business identities.

Commercial Recordings Revenue Q1 '12 vs. Q1 '13



New and renewing business licenses remained steady during the first quarter of 2013, with a slight decrease in revenue compared to the first quarter of 2012. Overall, FY 2013 has generated more revenue than FY 2012 during the same time period.

Upcoming Notary Training Classes

Las Vegas
Gold Coast Casino,
Arizona Ballroom
4000 W. Flamingo Road
May 15, 2013
1 to 5 p.m.

Carson City
Carson City Nugget
507 N. Carson Street
June 27, 2013
8 a.m. to 12 p.m.

Pre-registration required at
www.nvsos.gov