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CHAPTER 86 - LIMITED-LIABILITY COMPANIES

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GENERAL PROVISIONS

NRS 86.011 Definitions. As used in this chapter, unless the context otherwise requires, the words and terms defined in [NRS 86.022](#) to [86.1255](#), inclusive, have the meanings ascribed to them in those sections.
(Added to NRS by 1991, 1292; A 1993, 1012; 1995, 2107; [1999, 1611](#); [2001, 1388, 3199](#); [2003, 3136](#); [2005, 2190](#); [2007, 2669](#); [2009, 1693](#); [2011, 2798](#))

NRS 86.022 “Articles” and “articles of organization” defined. “Articles” and “articles of organization” are synonymous terms and, unless the context otherwise requires, include certificates and restated articles of organization filed pursuant to [NRS 86.221](#) and articles of merger, conversion, exchange or domestication filed pursuant to [NRS 92A.200](#) to [92A.240](#), inclusive, or [92A.270](#).
(Added to NRS by [2001, 1384](#); A [2001, 3199](#))

NRS 86.031 “Bankrupt” defined. “Bankrupt” is limited to the effect of the federal statutes codified as Title 11 of the United States Code.
(Added to NRS by 1991, 1292)

NRS 86.051 “Foreign limited-liability company” defined. “Foreign limited-liability company” means a limited-liability company formed under the laws of any jurisdiction other than this State.
(Added to NRS by 1991, 1292)

NRS 86.061 “Limited-liability company” and “company” defined. “Limited-liability company” or “company” means a limited-liability company organized and existing under this chapter, including a restricted limited-liability company.
(Added to NRS by 1991, 1292; A [2009, 1693](#))

NRS 86.065 “Majority in interest” defined. “Majority in interest” means a majority of the interests in the current profits of a limited-liability company.
(Added to NRS by 1995, 2106; A [1997, 715](#))

NRS 86.071 “Manager” defined. “Manager” means a person, or one of several persons, designated in or selected pursuant to the articles of organization or operating agreement of a limited-liability company to manage the company.
(Added to NRS by 1991, 1293; A [1997, 715](#))

NRS 86.081 “Member” defined. “Member” means the owner of a member’s interest in a limited-liability company or a noneconomic member.
(Added to NRS by 1991, 1293; A [1997, 715](#); [2001, 1388, 3199](#))

NRS 86.091 “Member’s interest” defined. “Member’s interest” means a share of the economic interests in a limited-liability company, including profits, losses and distributions of assets.
(Added to NRS by 1991, 1293; A [1997, 715](#))

NRS 86.095 “Noneconomic member” defined. “Noneconomic member” means a member of a limited-liability company who:

1. Does not own a member’s interest in the company;
2. Does not have an obligation to contribute capital to the company;
3. Does not have a right to participate in or receive distributions of profits of the company or an obligation to contribute to the losses of the company; and
4. May have voting rights and other rights and privileges given to noneconomic members of the company by the articles of organization or operating agreement.

(Added to NRS by [2001, 1384](#); A [2001, 3199](#))

NRS 86.101 “Operating agreement” defined. “Operating agreement” means any valid agreement of the members as to the affairs of a limited-liability company and the conduct of its business, whether in any tangible or electronic format.
(Added to NRS by 1991, 1293; A [2011, 779](#))

NRS 86.111 “Real property” defined. “Real property” includes land, any interest, leasehold or estate in land, and any improvements on it.
(Added to NRS by 1991, 1293)

NRS 86.116 “Record” defined. Repealed. (See chapter 455, [Statutes of Nevada 2011, at page 2816.](#))

NRS 86.118 “Registered agent” defined. “Registered agent” has the meaning ascribed to it in [NRS 77.230](#).
(Added to NRS by [2007, 2669](#))

NRS 86.121 “Registered office” defined. “Registered office” of a limited-liability company means the office maintained at the street address of its registered agent.
(Added to NRS by 1991, 1293; A 1993, 1012; 1995, 1126; [2007, 2669](#))

NRS 86.1252 “Restricted limited-liability company” defined. “Restricted limited-liability company” means a limited-liability company organized and existing under this chapter that elects to include the optional provisions permitted by [NRS 86.161](#).
(Added to NRS by [2009, 1691](#))

NRS 86.1255 “Series” and “series of members” defined. “Series” and “series of members” are synonymous terms and, unless the context otherwise requires, mean a series of members’ interests having separate rights, powers or duties with respect to property, obligations or profits and losses associated with property or obligations, which are specified in the articles of organization or operating agreement or specified by one or more members or managers or other persons as provided in the articles of organization or operating agreement.
(Added to NRS by [2005, 2189](#))

NRS 86.126 “Sign” defined. Repealed. (See chapter 455, [Statutes of Nevada 2011, at page 2816.](#))

NRS 86.127 “Signature” defined. Repealed. (See chapter 455, [Statutes of Nevada 2011, at page 2816.](#))

NRS 86.128 “Street address” defined. Repealed. (See chapter 455, [Statutes of Nevada 2011, at page 2816.](#))

NRS 86.131 Applicability of chapter to foreign and interstate commerce. The provisions of this chapter apply to commerce with foreign nations and among the several states. It is the intention of the Legislature by enactment of this chapter that the legal existence of limited-liability companies formed under this chapter be recognized beyond the limits of this State and that, subject to any reasonable requirement of registration, any such company transacting business outside this State be granted protection of full faith and credit under Section 1 of Article IV of the Constitution of the United States.
(Added to NRS by 1991, 1304)

NRS 86.135 Amendment or repeal of provisions of chapter; chapter deemed part of articles of company. The provisions of this chapter may be amended or repealed at the pleasure of the legislature. A limited-liability company created pursuant to the provisions of this chapter or availing itself of any of the provisions of this chapter and all members and managers of the limited-liability company are bound by the amendment. An amendment or repeal does not take away or impair any remedy against a limited-liability company or its managers or members for a liability that has been previously incurred. The provisions of this chapter and all amendments thereof are a part of the articles of every limited-liability company.
(Added to NRS by [2001, 1385](#); A [2001, 3199](#))

NRS 86.137 Secretary of State authorized to adopt certain regulations to allow limited-liability company 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 limited-liability company 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, 779](#))

ORGANIZATION

NRS 86.141 Purpose for organization.

1. Except as otherwise provided in subsection 2, a limited-liability company may be organized under this chapter for any lawful purpose.
2. A limited-liability company may not be organized for the purpose of insurance unless approved to do so by the Commissioner of Insurance.
(Added to NRS by 1991, 1293; A 1995, 496; [2005, 2257](#))

NRS 86.151 Filing requirements.

1. One or more persons may form a limited-liability company by signing and filing with the Secretary of State articles of organization for the company.
2. Upon the filing of the articles of organization with the Secretary of State and the payment of the required filing fees, the Secretary of State shall issue to the company a certificate that the articles, containing the required statement of facts, have been filed.
3. A signer of the articles of organization or a manager designated in the articles does not thereby become a member of the company. At all times after commencement of business by the company, the company must have one or more members. The filing of the articles does not, by itself, constitute commencement of business by the company.
(Added to NRS by 1991, 1293; A 1993, 1012; 1995, 1126, 2107; [1997, 715](#); [1999, 1611](#); [2003, 3136](#); [2007, 2669](#))

NRS 86.155 Perpetual existence of company. Unless otherwise provided in its articles of organization or operating agreement, a limited-liability company has perpetual existence.

(Added to NRS by [1997, 714](#))

NRS 86.161 Articles of organization: Required and optional provisions.

1. The articles of organization must set forth:
 - (a) The name of the limited-liability company;
 - (b) The information required pursuant to [NRS 77.310](#);
 - (c) The name and address, either residence or business, of each of the organizers signing the articles;
 - (d) If the company is to be managed by:
 - (1) One or more managers, the name and address, either residence or business, of each initial manager; or
 - (2) The members, the name and address, either residence or business, of each initial member;
 - (e) If the company is to have one or more series of members and the debts or liabilities of any series are to be enforceable against the assets of that series only and not against the assets of another series or the company generally, a statement to that effect and a statement:
 - (1) Setting forth the relative rights, powers and duties of the series; or
 - (2) Indicating that the relative rights, powers and duties of the series will be set forth in the operating agreement or established as provided in the operating agreement; and
 - (f) If the company is to be a restricted limited-liability company, a statement to that effect.
2. The articles may set forth any other provision, not inconsistent with law, which the members elect to set out in the articles of organization for the regulation of the internal affairs of the company, including any provisions which under this chapter are required or permitted to be set out in the operating agreement of the company.
3. It is not necessary to set out in the articles of organization:
 - (a) The rights of the members to contract debts on behalf of the limited-liability company if the limited-liability company is managed by its members;
 - (b) The rights of the manager or managers to contract debts on behalf of the limited-liability company if the limited-liability company is managed by a manager or managers; or
 - (c) Any of the powers enumerated in this chapter.

(Added to NRS by 1991, 1293; A 1993, 1012; 1995, 1126, 2107; [1997, 716](#); [1999, 1612](#); [2003, 3136](#); [2003, 20th Special Session, 63](#); [2005, 2190](#); [2007, 2670](#); [2009, 1694](#))

NRS 86.171 Name of company: Distinguishable name required; availability of name of revoked, merged or otherwise terminated company; limitations; regulations.

1. The name of a limited-liability company formed under the provisions of this chapter must contain the words "Limited-Liability Company," "Limited Liability Company," "Limited Company," or "Limited" or the abbreviations "Ltd.," "L.L.C.," "L.C.," "LLC" or "LC." The word "Company" may be abbreviated as "Co."
2. The name proposed for a limited-liability company 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 organization to the organizer, 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 organization.
3. For the purposes of this section and [NRS 86.176](#), 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 thereof.
4. The name of a limited-liability company 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.
5. The Secretary of State shall not accept for filing any articles of organization for any limited-liability company if the name of the limited-liability company contains the word "accountant," "accounting," "accountancy," "auditor" or "auditing" unless the Nevada State Board of Accountancy certifies that the limited-liability company:
 - (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 limited-liability company 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 organization or certificate of amendment of articles of organization of any limited-liability company formed or existing pursuant to the laws of this State which provides that the name of the limited-liability company contains the word "bank" or "trust" unless:
 - (a) It appears from the articles of organization or the certificate of amendment that the limited-liability company 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 of organization or certificate of amendment is first approved by the Commissioner of Financial Institutions.
7. The Secretary of State shall not accept for filing any articles of organization or certificate of amendment of articles of organization of any limited-liability company formed or existing 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 limited-liability company 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 limited-liability company.
8. Except as otherwise provided in subsection 7, the Secretary of State shall not accept for filing any articles of organization or certificate of amendment of articles of organization of any limited-liability company formed or existing pursuant to the laws of this State which provides that the name of the limited-liability company 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 limited-liability company 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 limited-liability company is exempt from the prohibitions of [NRS 625.520](#).

9. Except as otherwise provided in subsection 7, the Secretary of State shall not accept for filing any articles of organization or certificate of amendment of articles of organization of any limited-liability company formed or existing pursuant to the laws of this State which provides that the name of the limited-liability company 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 limited-liability company 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 limited-liability company is qualified to do business in this State pursuant to [NRS 623.349](#).

10. The Secretary of State shall not accept for filing any articles of organization or certificate of amendment of articles of organization of any limited-liability company formed or existing pursuant to the laws of this State which provides that the name of the limited-liability company contains the words "common-interest community," "community association," "master association," "unit-owners' association" or "homeowners' association" or if it appears in the articles of organization or certificate of amendment of articles of organization that the purpose of the limited-liability company 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 limited-liability company 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](#).

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

(Added to NRS by 1991, 1294; A 1993, 1013; 1995, 2108; [1997, 2812](#); [1999, 1612, 1709](#); [2001, 101](#); [2003, 3137](#); [2003, 20th Special Session, 64](#); [2005, 2190, 2258, 2627](#); [2007, 6, 2284](#))

NRS 86.176 Name of company; 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 86.171](#), for the use of any proposed limited-liability company. 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 86.171](#) 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.

(Added to NRS by 1993, 1009; A [1999, 1613](#); [2003, 3138](#))

NRS 86.201 Commencement of organizational existence.

1. A limited-liability company is considered legally organized pursuant to this chapter:

(a) At the time of the filing of the articles of organization with the Secretary of State, upon a later date and time as specified in the articles, which date must not be more than 90 days after the date on which the articles are filed or, if the articles specify a later effective date but do not specify an effective time, at 12:01 a.m. in the Pacific time zone on the specified later date, whichever is applicable; and

(b) Upon paying the required filing fees to the Secretary of State.

2. A limited-liability company must not transact business or incur indebtedness, except that which is incidental to its organization or to obtaining subscriptions for or payment of contributions, until the company is considered legally organized pursuant to subsection 1.

3. A limited-liability company is an entity distinct from its managers and members.

(Added to NRS by 1991, 1294; A 1993, 1014; 1995, 1127, 2108; [2001, 1388, 3199](#); [2007, 2424, 2670](#); [2011, 2798](#))

NRS 86.211 Articles of organization: Notice imparted by filing. The fact that the articles of organization are on file in the Office of the Secretary of State is notice that the limited-liability company is a limited-liability company and is notice of all other facts set forth therein which are required to be set forth in the articles of organization, unless the existence and facts set forth have been rebutted and made a part of a record of any court of competent jurisdiction.

(Added to NRS by 1991, 1294)

NRS 86.213 Penalty for purporting to do business as limited-liability company without filing articles of organization; enforcement; regulations.

1. Every person, other than a foreign limited-liability company, who is purporting to do business in this State as a limited-liability company and who willfully fails or neglects to file with the Secretary of State articles of organization 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, 1691](#))

NRS 86.216 Amendment of articles of organization before issuance of member's interest.

1. For any limited-liability company where management is vested in one or more managers and where no member's interest in the limited-liability company has been issued, at least two-thirds of the organizers or the managers of the limited-liability company may amend the articles of organization of the limited-liability company 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 organizers or the managers of the limited-liability company, and state the name of the limited-liability company; and

(b) As of the date of the certificate, no member's interest in the limited-liability company 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 filed pursuant to this section specifies a later effective date and if no member's interest in the limited-liability company has been issued, the managers of the limited-liability company may terminate the effectiveness of the 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 member's interest in the limited-liability company has been issued;

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

(e) Is signed by at least two-thirds of the managers; and

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

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

(Added to NRS by [2005, 2189](#); A [2011, 2798](#))

NRS 86.221 Amendment and restatement of articles of organization.

1. The articles of organization of a limited-liability company may be amended for any purpose, not inconsistent with law, as determined by all of the members or permitted by the articles or an operating agreement.

2. Except as otherwise provided in [NRS 77.340](#), an amendment must be made in the form of a certificate setting forth:

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

(b) Whether the limited-liability company is managed by managers or members; and

(c) The amendment to the articles of organization.

3. The certificate of amendment must be signed by a manager of the company or, if management is not vested in a manager, by a member.

4. Restated articles of organization may be signed and filed in the same manner as a certificate of amendment. If the certificate alters or amends the articles in any manner, it must be accompanied by a form prescribed by the Secretary of State setting forth which provisions of the articles of organization on file with the Secretary of State are being altered or amended.

5. The following may be omitted from the restated articles of organization:

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

(b) The names and addresses of the past and present members or managers; and

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

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

(Added to NRS by 1991, 1304; A 1993, 1014; 1995, 1127, 2108; [1997, 716](#); [1999, 1613](#); [2001, 1388, 3199](#); [2003, 3138](#); [2003, 20th Special Session, 65](#); [2005, 2192, 2259](#); [2007, 2671](#); [2011, 2799](#))

NRS 86.226 Filing and effectiveness of certificate of amendment or judicial decree of amendment.

1. A signed certificate of amendment, or a certified copy of a judicial decree of amendment, must be filed with the Secretary of State. A person who signs a certificate as an agent, officer or fiduciary of the limited-liability company need not exhibit evidence of his or her authority as a prerequisite to filing. Unless the Secretary of State finds that a certificate does not conform to law, upon receipt of all required filing fees the Secretary of State shall file the certificate.

2. A certificate of amendment or judicial decree of amendment is effective at the time of the filing of the certificate or judicial decree with the Secretary of State or upon a later date and time as specified in the certificate or judicial decree, which date must not be more than 90 days after the certificate or judicial decree is filed. If a certificate or judicial decree filed pursuant to subsection 1 specifies a later effective date but does not specify an effective time, the certificate or judicial decree is effective at 12:01 a.m. in the Pacific time zone on the specified later date.

3. If a certificate filed pursuant to subsection 1 specifies a later effective date or a later effective date and time and if the resolution of the members approving the proposed amendment provides that one or more managers or, if management is not vested in a manager, one or more members may abandon the proposed amendment, then those managers or members may terminate the effectiveness of the certificate by filing a certificate of termination with the Secretary of State that:

(a) Is filed before the effective date and time specified in the certificate filed pursuant to subsection 1 or, if the certificate specifies a later effective date but does not specify an effective time, on or before the day preceding the specified later date;

(b) Identifies the certificate being terminated;

(c) States that, pursuant to the resolution of the members, the manager of the company or, if management is not vested in a manager, a designated member is authorized to terminate the effectiveness of the certificate;

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

(e) Is signed by a manager of the company or, if management is not vested in a manager, a designated member; and

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

(Added to NRS by 1993, 1009; A 1995, 2109; [1997, 717](#); [1999, 1613](#); [2001, 1388, 3180, 3199](#); [2003, 3138](#); [2003, 20th Special Session, 65](#); [2005, 2193](#); [2011, 2800](#))

REGISTERED AGENT AND REGISTERED OFFICE

NRS 86.231 Registered agent required; address of registered office. A limited-liability company shall have a registered agent who must have a street address for the service of process. The street address of the registered agent is the registered office of the limited-liability company in this State.

(Added to NRS by 1991, 1295; A 1993, 1015; 1995, 1127, 2109; [2007, 2671](#))

NRS 86.241 Maintenance of records at office in State; right of members and managers to obtain or examine records.

1. Each limited-liability company shall continuously maintain in this State an office, which may but need not be a place of its business in this State, at which it shall keep, unless otherwise provided by an operating agreement:

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

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

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

2. In lieu of keeping at an office in this State the information required in paragraphs (a) and (b) of subsection 1, the limited-liability company may keep a statement with the registered agent setting out the name of the custodian of the information required in paragraphs (a) and (b) of subsection 1, and the present and complete address, including street and number, if any, where the information required in paragraphs (a) and (b) of subsection 1 is kept.

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

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

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

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

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

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

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

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

5. Any demand by a member or manager under subsection 3 or 4 is subject to such reasonable standards regarding at what time and location and at whose expense records are to be furnished as may be set forth in the articles of organization or in an operating agreement adopted or amended as provided in subsection 8 or, if no such standards are set forth in the articles of organization or operating agreement, the records must be provided or made available for examination, as the case may be, during ordinary business hours, at the company's office required to be maintained pursuant to subsection 1 and at the expense of the demanding member or manager.

6. Any demand by a member or manager under this section must be in writing and must state the purpose of such demand. When a demanding member seeks to obtain or a manager seeks to examine the records described in subsection 3, the demanding member or manager must first establish that:

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

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

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

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

(Added to NRS by 1991, 1295; A 1993, 1015; 1995, 2110; [2003, 3139](#); [2009, 1694](#))

NRS 86.243 Denial of right to obtain or examine records; action to enforce right to obtain or examine records; defense to action for penalties or damages; authority of court to compel production of records.

1. The rights authorized by [NRS 86.241](#) may be denied to a member or manager, as the case may be, or to such person's attorney or other agent, upon the refusal of the member or manager to furnish to the limited-liability company an affidavit that the provision or examination of records is not desired for a purpose which is in the interest of a business or object other than the business of the company and that such person has not at any time sold or offered for sale any list of members of any domestic or foreign limited-liability company or any list of stockholders of any domestic or foreign corporation or aided or abetted any person in procuring any such record for any such purpose.

2. Any action to enforce any rights arising under [NRS 86.241](#) must be brought in the district court for the county in which the limited-liability company has its principal place of business or if such principal office is not located in this State, the county in which the company's registered office is located. If the company refuses to permit a member to obtain or a manager to examine the records described in [NRS 86.241](#) or does not reply to a demand within 10 business days after the demand has been made, the demanding member or manager may apply to the district court for an order to compel such action.

3. The district court has exclusive jurisdiction to determine whether or not the person seeking such records is entitled to the records sought. The district court may:

(a) Order the limited-liability company to permit the demanding member to obtain or manager to examine the records described in [NRS 86.241](#) and to make copies or abstracts therefrom;

(b) Order the company to furnish to the demanding member or manager the records described in [NRS 86.241](#) on the condition that the demanding member or manager first pay to the company the reasonable cost of obtaining and furnishing such records and on such other conditions as the district court deems appropriate;

(c) In its discretion, prescribe any limitations or conditions with reference to the obtaining or examining of records, or award such other or further relief including an award of attorney's fees and costs to the prevailing party in the dispute as the district court may deem just and proper; or

(d) Order records, pertinent extracts therefrom, or duly authenticated copies thereof, to be brought within this State and kept in this State upon such terms and conditions as the order may prescribe.

4. It is a defense to any action for penalties or damages under this section that the person bringing such action has at any time sold or offered for sale any list of members of any domestic or foreign limited-liability company or any list of stockholders of any domestic or foreign corporation, or has aided or abetted any person in procuring any such record for any such purpose, or that the person bringing such action desired inspection for a purpose which is in the interest of a business or object other than the business of the company.

5. This section does not impair the power or jurisdiction of any court to compel the production for examination of the records of a limited-liability company in any proper case.

(Added to NRS by [2009, 1691](#))

NRS 86.246 Statement to be maintained at registered office or principal place of business; requirement to assist in criminal investigation; failure to comply; regulations.

1. A limited-liability company shall maintain at its registered office or principal place of business in this State a statement indicating where the list required pursuant to paragraph (a) of subsection 1 of [NRS 86.241](#) is maintained.

2. Upon the request of the Secretary of State, the limited-liability company shall:

(a) Provide the Secretary of State with the name and contact information of the custodian of the list described in subsection 1, if different than the registered agent for such company. 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 custodian of 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 limited-liability company to:

(a) Submit to the Secretary of State, within 3 business days, a copy of the list required to be maintained pursuant to paragraph (a) of subsection 1 of [NRS 86.241](#); or

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

4. If a limited-liability company 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 charter of the limited-liability company.

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

(a) The limited-liability company 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 charter.

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

(Added to NRS by [2007, 1323](#); A [2009, 1696, 2836](#))

NRS 86.251 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 limited-liability company, 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. Each limited-liability company which fails to comply with subsection 1 shall be deemed in default and is subject to the provisions of [NRS 86.272](#) and [86.274](#).

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

(Added to NRS by 1991, 1296; A 1993, 1016; 1995, 1128; [1999, 1614](#); [2003, 3139](#); [2003, 20th Special Session, 66](#); [2007, 2671](#))

NRS 86.261 Service of process, notice or demand upon registered agent.

1. The registered agent appointed by a limited-liability company is an agent of the company upon whom any process, notice or demand required or permitted by law to be served upon the company may be served.

2. This section does not limit or affect the right to serve any process, notice or demand required or permitted by law to be served upon a limited-liability company in any other manner permitted by law.

(Added to NRS by 1991, 1296; A 1995, 1128; [1997, 474](#); [2007, 2672](#))

ANNUAL LIST; DEFAULTING COMPANIES

NRS 86.263 Filing requirements; fees; notice.

1. A limited-liability company shall, on or before the last day of the first month after the filing of its articles of organization with the Secretary of State, file with the Secretary of State, on a form furnished by the Secretary of State, a list that contains:

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

(b) The file number of the limited-liability company, if known;

(c) The names and titles of all of its managers or, if there is no manager, all of its managing members;

(d) The address, either residence or business, of each manager or managing member listed, following the name of the manager or managing member;

(e) The information required pursuant to [NRS 77.310](#); and

(f) The signature of a manager or managing member of the limited-liability company certifying that the list is true, complete and accurate.

2. The limited-liability company shall thereafter, on or before the last day of the month in which the anniversary date of its organization occurs, 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 subsections 1 and 2 must be accompanied by a declaration under penalty of perjury that the limited-liability company:

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

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

4. Upon filing:

(a) The initial list required by subsection 1, the limited-liability company shall pay to the Secretary of State a fee of \$125.

(b) Each annual list required by subsection 2, the limited-liability company shall pay to the Secretary of State a fee of \$125.

5. If a manager or managing member of a limited-liability company resigns and the resignation is not reflected on the annual or amended list of managers and managing members, the limited-liability company or the resigning manager or managing member 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 list required by subsection 2, provide to each limited-liability company which is required to comply with the provisions of this section, and which has not become delinquent, a notice of the fee due under subsection 4 and a reminder to file the list required by subsection 2. Failure of any company 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 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 limited-liability company not in default received by the Secretary of State more than 90 days before its due date shall be deemed an amended list for the previous year.

(Added to NRS by 1993, 1010; A 1995, 1129, 2110; [1997, 2813](#); [2001, 3181](#); [2003, 20th Special Session, 67, 184](#); [2005, 2259](#); [2007, 1324, 2672](#); [2009, 2036, 2837](#))

NRS 86.264 Additional filing requirements for certain companies: Criteria; statement; fees.

1. At the time of submitting any list required pursuant to [NRS 86.263](#), a limited-liability company 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 limited-liability company must submit a statement pursuant to this section if the limited-liability company, 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 limited-liability company within this State; and

(b) Has had, during the previous 5-year period, a total of five or more investigations commenced against the limited-liability company, 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 limited-liability company being fined or otherwise penalized or which resulted in the limited-liability company 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 limited-liability company 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 limited-liability company and whether the limited-liability company 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, 20th Special Session, 58](#))

NRS 86.266 Certificate of authorization to transact business. If a limited-liability company has filed the initial or annual list in compliance with [NRS 86.263](#) and has paid the appropriate fee for the filing, the cancelled check or other proof of payment received by the limited-liability company 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 formation occurs in the next succeeding calendar year.

(Added to NRS by 1993, 1010; A 1995, 1129; [1999, 1615](#); [2001, 3182](#); [2003, 20th Special Session, 68](#))

NRS 86.269 Addresses of managers and members required; failure to file.

1. Each list required to be filed under the provisions of [NRS 86.263](#) must, after the name of each manager and member listed thereon, set forth the address, either residence or business, of each manager or member.

2. If the addresses are not stated for each person on any list offered for filing, the Secretary of State may refuse to file the list, and the limited-liability company for which the list has been offered for filing is subject to the provisions of [NRS 86.272](#) and [86.274](#) relating to failure to file the list within or at the times therein specified, unless a list is subsequently submitted for filing which conforms to the provisions of this section.

(Added to NRS by 1993, 1010; A [2003, 3140](#); [2003, 20th Special Session, 68](#))

NRS 86.272 Defaulting companies: Identification; reinstatement; penalty.

1. Each limited-liability company which is required to make a filing and pay the fee prescribed in [NRS 86.263](#) and [86.264](#) and which refuses or neglects to do so within the time provided is in default.

2. Upon notification from the Administrator of the Real Estate Division of the Department of Business and Industry that a limited-liability company 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 limited-liability company to be in default. If, after the limited-liability company is deemed to be in default, the Administrator notifies the Secretary of State that the limited-liability company 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 limited-liability company if the limited-liability company complies with the requirements for reinstatement as provided in this section and [NRS 86.276](#).

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.

(Added to NRS by 1993, 1010; A 1995, 1129; [2001, 3182](#); [2003, 20th Special Session, 69](#); [2005, 2629](#); [2007, 2286](#))

NRS 86.274 Defaulting companies: Duties of Secretary of State; forfeiture; distribution of assets.

1. The Secretary of State shall notify, by providing written notice to its registered agent, each limited-liability company deemed in default pursuant to the provisions of this chapter. 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 company 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 limited-liability companies 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 limited-liability company 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 limited-liability company is revoked and the right to transact business is forfeited, all of the property and assets of the defaulting company must be held in trust by the managers or, if none, by the members of the company, and the same proceedings may be had with respect to its property and assets as apply to the dissolution of a limited-liability company pursuant to [NRS 86.505](#) and [86.521](#). 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 be dismissed and all property restored to the company.

6. If 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 to the State; and
- (b) To the payment of the creditors of the company.

È Any balance remaining must be distributed among the members as provided in subsection 1 of [NRS 86.521](#).

(Added to NRS by 1993, 1011; A 1995, 1130; [2001, 1389, 3199](#); [2003, 48](#); [2003, 20th Special Session, 69](#); [2007, 2673](#))

NRS 86.276 Defaulting companies: Conditions and procedure for reinstatement.

1. Except as otherwise provided in subsections 3 and 4 and [NRS 86.246](#), the Secretary of State shall reinstate any limited-liability company which has forfeited or which forfeits its right to transact business pursuant to the provisions of this chapter and shall restore to the company its right to carry on business in this State, and to exercise its privileges and immunities, if it:

(a) Files with the Secretary of State:

- (1) The list required by [NRS 86.263](#);
- (2) The statement required by [NRS 86.264](#), 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 86.263](#) and [86.272](#) for each year or portion thereof during which it failed to file in a timely manner each required annual list;
- (2) The fee set forth in [NRS 86.264](#), if applicable; and
- (3) A fee of \$300 for reinstatement.

2. When the Secretary of State reinstates the limited-liability company, the Secretary of State shall issue to the company a certificate of reinstatement if the limited-liability company:

- (a) Requests a certificate of reinstatement; and
- (b) Pays the required fees pursuant to [NRS 86.561](#).

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 company's 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 86.278](#), a reinstatement pursuant to this section relates back to the date on which the company forfeited its right to transact business under the provisions of this chapter and reinstates the company's right to transact business as if such right had at all times remained in full force and effect.

(Added to NRS by 1993, 1011; A 1995, 1130; [1997, 2814](#); [2001, 1390, 3182, 3199](#); [2003, 20th Special Session, 70](#); [2007, 1325, 2424, 2674](#))

NRS 86.278 Defaulting companies: Reinstatement under old or new name; regulations.

1. Except as otherwise provided in subsection 2, if a limited-liability company applies to reinstate its charter but its name has been legally acquired or reserved by any other 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 company shall submit in writing to the Secretary of State some other name under which it desires its existence to be reinstated. If that name is distinguishable from all other names reserved or otherwise on file, the Secretary of State shall reinstate the limited-liability company under that new name.

2. If the applying limited-liability company submits the written, acknowledged consent of the artificial person having the name, or the person reserving the name, which is not distinguishable from the old name of the applying company or a new name it has

submitted, it may be reinstated 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.

(Added to NRS by 1993, 1012; A [1997, 2814](#); [1999, 1615](#); [2003, 20th Special Session, 70](#))

OPERATION

NRS 86.281 General powers. A limited-liability company organized and existing pursuant to this chapter may exercise the powers and privileges granted by this chapter and may:

1. Sue and be sued, complain and defend, in its name;
2. Purchase, take, receive, lease or otherwise acquire, own, hold, improve, use and otherwise deal in and with real or personal property, or an interest in it, wherever situated;
3. Sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its property and assets;
4. Lend money to and otherwise assist its members;
5. Purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge or otherwise dispose of, and otherwise use and deal in and with shares, member's interests or other interests in or obligations of domestic or foreign limited-liability companies, domestic or foreign corporations, joint ventures or similar associations, general or limited partnerships or natural persons, or direct or indirect obligations of the United States or of any government, state, territory, governmental district or municipality or of any instrumentality of it;
6. Make contracts and guarantees and incur liabilities, borrow money at such rates of interest as the company may determine, issue its notes, bonds and other obligations and secure any of its obligations by mortgage or pledge of all or any part of its property, franchises and income;
7. Lend, invest and reinvest its money and take and hold real property and personal property for the payment of money so loaned or invested;
8. Conduct its business, carry on its operations and have and exercise the powers granted by this chapter in any state, territory, district or possession of the United States, or in any foreign country;
9. Appoint managers and agents, define their duties and fix their compensation;
10. Cease its activities and surrender its articles of organization;
11. Exercise all powers necessary or convenient to effect any of the purposes for which the company is organized; and
12. Hold a license issued pursuant to the provisions of [chapter 463](#) of NRS.

(Added to NRS by 1991, 1297; A 1993, 2011; [1997, 718](#); [2001, 1390, 3199](#))

NRS 86.286 Operating agreement.

1. A limited-liability company may, but is not required to, adopt an operating agreement. An operating agreement may be adopted only by the unanimous vote or unanimous written consent of the members, which may be in any tangible or electronic format, or by the sole member. If any operating agreement provides for the manner in which it may be amended, including by requiring the approval of a person who is not a party to the operating agreement or the satisfaction of conditions, it may be amended only in that manner or as otherwise permitted by law and any attempt to otherwise amend the operating agreement shall be deemed void and of no legal force or effect unless otherwise provided in the operating agreement. Unless otherwise provided in the operating agreement, amendments to the agreement may be adopted only by the unanimous vote or unanimous written consent of the persons who are members at the time of amendment.

2. An operating agreement may be adopted before, after or at the time of the filing of the articles of organization and, whether entered into before, after or at the time of the filing, may become effective at the formation of the limited-liability company or at a later date specified in the operating agreement. If an operating agreement is adopted:

(a) Before the filing of the articles of organization or before the effective date of formation specified in the articles of organization, the operating agreement is not effective until the effective date of formation of the limited-liability company.

(b) After the filing of the articles of organization or after the effective date of formation specified in the articles of organization, the operating agreement binds the limited-liability company and may be enforced whether or not the limited-liability company assents to the operating agreement.

3. An operating agreement may provide that a certificate of limited-liability company interest issued by the limited-liability company may evidence a member's interest in a limited-liability company.

4. An operating agreement:

(a) May provide rights to any person, including a person who is not a party to the operating agreement, to the extent set forth therein.

(b) Must be interpreted and construed to give the maximum effect to the principle of freedom of contract and enforceability.

5. To the extent that a member or manager or other person has duties to a limited-liability company, to another member or manager, or to another person that is a party to or is otherwise bound by the operating agreement, the member, manager or other person's duties may be expanded, restricted or eliminated by provisions in the operating agreement, except that an operating agreement may not eliminate the implied contractual covenant of good faith and fair dealing.

6. Unless otherwise provided in an operating agreement, a member or manager or other person is not liable to a limited-liability company, another member or manager, or to another person that is a party to or otherwise bound by an operating agreement for breach of fiduciary duty for the member, manager or other person's good faith reliance on the provisions of the operating agreement.

7. An operating agreement may provide for the limitation or elimination of any and all liabilities for breach of contract and breach of duties of a member, manager or other person to a limited-liability company, to another member or manager, or to another person that is a party to or is otherwise bound by the operating agreement. An operating agreement may not limit or eliminate liability for any act or omission that constitutes a bad faith violation of the implied contractual covenant of good faith and fair dealing.

8. The Secretary of State may make available a model operating agreement for use by and at the discretion of a limited-liability company according to such terms and limitations as established by the Secretary of State. The use of such an operating agreement does not create a presumption that the contents of the operating agreement are accurate or that the operating agreement is valid.

(Added to NRS by 1995, 2106; A [1997, 718](#); [2001, 1391, 3199](#); [2007, 2425](#); [2009, 1696](#); [2011, 779](#))

NRS 86.291 Management.

1. Except as otherwise provided in this section or in the articles of organization or operating agreement, management of a limited-liability company is vested in its members in proportion to their contribution to its capital, as adjusted from time to time to reflect properly any additional contributions or withdrawals by the members.

2. Unless otherwise provided in the articles of organization or operating agreement, the management of a series is vested in the members associated with the series in proportion to their contribution to the capital of the series, as adjusted from time to time to reflect properly any additional contributions or withdrawals from the assets or income of the series by the members associated with the series.

3. If provision is made in the articles of organization, management of the company may be vested in a manager or managers, who may but need not be members. The manager or managers shall hold the offices, have the responsibilities and otherwise manage the company as set forth in the operating agreement of the company or, if the company has not adopted an operating agreement, then as prescribed by the members.

(Added to NRS by 1991, 1300; A 1993, 1017; 1995, 1131; [1997, 719](#); [2001, 1391](#), [3199](#); [2005, 2192](#); [2009, 1697](#))

NRS 86.293 Noneconomic members. The articles of organization or operating agreement of a limited-liability company may provide for one or more noneconomic members or classes of noneconomic members.

(Added to NRS by [2001, 1387](#); A [2001, 3199](#))

NRS 86.296 Classes of members or managers; series of members.

1. The articles of organization or operating agreement of a limited-liability company may create classes of members or managers, define their relative rights, powers and duties, and may authorize the creation, in the manner provided in the operating agreement, of additional classes of members or managers with the relative rights, powers and duties as may from time to time be established, including, without limitation, rights, powers and duties senior to existing classes of members or managers. The articles of organization or operating agreement may provide that any member, or class or group of members, has voting rights that differ from other classes or groups.

2. The articles of organization or operating agreement of a limited-liability company may create one or more series of members, or vest authority in one or more members or managers of the company or in other persons to create one or more series of members, including, without limitation, rights, powers and duties senior to existing series of members. The articles of organization or operating agreement may provide that any member associated with a series has voting rights that differ from other members or series, or no voting rights at all. A series may have separate powers, rights or duties with respect to specified property or obligations of the company or profits and losses associated with specified property or obligations, and any series may have a separate business purpose or investment objective.

3. The debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a particular series are enforceable against the assets of that series only, and not against the assets of the company generally or any other series, if:

(a) Separate and distinct records are maintained for the series and the assets associated with the series are held, directly or indirectly, including through a nominee or otherwise, and accounted for separately from the other assets of the company and any other series; and

(b) The articles of organization comply, or an amendment to the articles complies, with the provisions of paragraph (e) of subsection 1 of [NRS 86.161](#).

Unless otherwise provided in the articles of organization or operating agreement, no debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the company generally or any other series are enforceable against the assets of the series.

4. The articles of organization or operating agreement may provide that the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a particular series are enforceable against the assets of that series only, and not against the assets of the company generally or any other series.

5. Unless otherwise provided in the articles of organization or operating agreement, any event described in this chapter or in the articles of organization or operating agreement that causes a manager to cease to be a manager with respect to a series does not, in itself, cause the manager to cease to be a manager with respect to the company or with respect to any other series. Unless otherwise provided in the articles of organization or operating agreement, any event described in this chapter or in the articles of organization or operating agreement that causes a manager to cease to be associated with a series does not, in itself, cause the member to cease to be associated with any other series, terminate the continued membership of a member in the company or cause the termination of the series, regardless of whether the member was the last remaining member associated with the series.

(Added to NRS by [2001, 1385](#); A [2001, 3199](#); [2005, 2193](#))

NRS 86.301 Limitation on authority to contract debt or incur liability. Except as otherwise provided in this chapter, its articles of organization or its operating agreement, no debt may be contracted or liability incurred by or on behalf of a limited-liability company, except by:

1. One or more managers of a company which is managed by a manager or managers;
2. Any member of a company which is managed by its members;
3. Any agent, officer, employee or other representative of the company authorized in the operating agreement or in another writing by a manager or managers, if the company is managed by a manager or managers; or
4. Any agent, officer, employee or other representative of the company authorized in the operating agreement or in another writing by a member, if the company is managed by its members.

(Added to NRS by 1991, 1300; A [1997, 719](#); [1999, 1615](#); [2001, 1391](#), [3199](#); [2003, 3140](#))

NRS 86.311 Acquisition, ownership and disposition of property. Real and personal property owned or purchased by a company must be held and owned, and conveyance made, in the name of the company. Except as otherwise provided in the company's articles of organization or operating agreement, instruments and records providing for the acquisition, mortgage or disposition of property of the company are valid and binding upon the company if signed by:

1. One or more managers of a company which is managed by a manager or managers;
2. Any member of a company which is managed by its members;

3. Any agent, officer, employee or other representative of the company authorized in the operating agreement or in another writing by a manager or managers, if the company is managed by a manager or managers; or

4. Any agent, officer, employee or other representative of the company authorized in the operating agreement or in another writing by a member, if the company is managed by its members.

(Added to NRS by 1991, 1300; A [1997, 719](#); [2003, 3140](#))

NRS 86.321 Contributions to capital: Form. The contributions to capital of a member to a limited-liability company may be in cash, property or services rendered, or a promissory note or other binding obligation to contribute cash or property or to perform services.

(Added to NRS by 1991, 1300; A [1997, 719](#))

NRS 86.326 Admission of members; member has no preemptive right to acquire certain interests; exception.

1. A person is admitted as an initial member of a limited-liability company:

(a) If the company is a limited-liability company managed by its members, upon the filing of the articles of organization with the Secretary of State or upon a later date specified in the articles of organization; or

(b) If the company is a limited-liability company managed by a manager or managers, as of the time set forth in and upon compliance with the operating agreement or, if the operating agreement does not so provide or if the company has no operating agreement, as of the time of such person's admission as reflected in the records of the company.

2. Unless otherwise provided in the articles of organization, after the admission of the initial member or members of a limited-liability company in accordance with subsection 1, a person is admitted as a member:

(a) In the case of a person who is not a transferee of a member's interest, including a person being admitted as a noneconomic member and a person acquiring a member's interest directly from the company, as of the time set forth in and upon compliance with the operating agreement or, if the operating agreement does not so provide or if the company has no operating agreement, upon the consent of all the members and as of the time of such person's admission as reflected in the records of the company;

(b) In the case of a transferee of a member's interest who is a substituted member pursuant to [NRS 86.351](#), as provided in [NRS 86.351](#) or [86.491](#) and as of the time set forth in and upon compliance with the operating agreement or, if the operating agreement does not so provide or if the company has no operating agreement, as of the time of such person's admission as reflected in the records of the company;

(c) In the case of a person being admitted as a member of a surviving or resulting limited-liability company pursuant to a merger, conversion or exchange approved in accordance with [NRS 92A.150](#), as of the time set forth in and upon compliance with the operating agreement of the surviving or resulting limited-liability company or in the plan of merger, conversion or exchange, and in the event of any inconsistency, the terms of the plan of merger, conversion or exchange control; and

(d) In the case of a person being admitted as a member of a limited-liability company pursuant to a merger, conversion or exchange in which such limited-liability company is not the surviving or resulting entity, as of the time set forth in and upon compliance with the operating agreement of such limited-liability company.

3. In connection with the domestication of an undomesticated organization as a limited-liability company in this State in accordance with [NRS 92A.270](#), a person is admitted as a member of the company as of the time set forth in and upon compliance with the articles of domestication or in the operating agreement of the resulting domestic limited-liability company or, if the articles of domestication and the operating agreement do not so provide or if the articles of domestication do not so provide and the company has no operating agreement, as of the time of such person's admission as reflected in the records of the resulting domestic limited-liability company.

4. Unless otherwise provided in the articles of organization, the operating agreement or another agreement approved or adopted by all of the members, no member has a preemptive right to acquire any unissued member's interests or other interests in a limited-liability company.

(Added to NRS by [2009, 1692](#))

NRS 86.331 Resignation or withdrawal of member: Limitation; payment to member who rightfully resigns or withdraws.

1. Except as otherwise provided in [chapter 463](#) of NRS, other applicable law, the articles of organization or the operating agreement, a member may not resign or withdraw as a member from a limited-liability company before the dissolution and winding up of the company.

2. If a member has a right to resign or withdraw, the amount that a resigning or withdrawing member is entitled to receive from the company for his or her interest must be determined pursuant to the provisions of this chapter, [chapter 463](#) of NRS, the articles of organization or the operating agreement. If not otherwise provided therein, a resigning or withdrawing member is entitled to receive, within a reasonable time after resignation or withdrawal, the fair market value of his or her interest on the date of resignation or withdrawal.

(Added to NRS by 1991, 1301; A 1993, 2012; 1995, 2111; [1997, 719](#))

NRS 86.335 Resignation or withdrawal of member in violation of operating agreement; loss of right to participate upon resignation or withdrawal. Except as otherwise provided in this chapter, [chapter 463](#) of NRS, the articles of organization or the operating agreement:

1. If the resignation or withdrawal of a member violates the operating agreement:

(a) The amount payable to the member who has resigned or withdrawn is the fair market value of his or her interest reduced by the amount of all damages sustained by the company or its other members as a result of the violation; and

(b) The company may defer the payment for so long as necessary to prevent unreasonable hardship to the company.

2. Except as otherwise provided in [chapter 463](#) of NRS, the articles of organization or the operating agreement, a member who resigns or withdraws ceases to be a member, has no voting rights and has no right to participate in the management of the company, even if under this section a payment due to the member from the company is deferred.

(Added to NRS by [1997, 714](#))

NRS 86.341 Distribution of profits. A limited-liability company may, from time to time, divide the profits of its business and distribute them to its members, and any transferee as his or her interest may appear, upon the basis stipulated in the operating

agreement. If the operating agreement does not otherwise provide, profits and losses must be allocated proportionately to the value, as shown in the records of the company, of the contributions made by each member and not returned.

(Added to NRS by 1991, 1301; A [1997, 720](#))

NRS 86.343 Distribution of profits and contributions: Prohibition; applicable determinations; liability of member for violation.

1. Except as otherwise provided in subsection 2, a distribution of the profits and contributions of a limited-liability company must not be made if, after giving it effect:

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

(b) Except as otherwise specifically permitted by the articles of organization, the total assets of the company would be less than the sum of its total liabilities.

2. A distribution of the profits and contributions of a series of the company must not be made if, after giving it effect:

(a) The company would not be able to pay the debts of the series from assets of the series as debts of the series become due in the usual course of business; or

(b) Except as otherwise specifically permitted by the articles of organization, the total assets of the series would be less than the sum of the total liabilities of the series.

3. The manager or, if management of the company is not vested in a manager or managers, the members may base a determination that a distribution is not prohibited pursuant to this section on:

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

(b) A fair valuation, including unrealized appreciation and depreciation; or

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

4. The effect of a distribution pursuant to this section must be measured:

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

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

(2) The date on which the member ceases to be a member with respect to his or her acquired interest.

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

(c) In all other cases, as of:

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

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

5. Indebtedness of the company, or a series of the company, including indebtedness issued as a distribution, is not considered a liability for purposes of determinations pursuant to this section if its terms provide that payment of principal and interest are to be made only if and to the extent that payment of a distribution to the members 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 as of the date of payment.

6. Except as otherwise provided in subsection 7, a member who receives a distribution in violation of this section is liable to the limited-liability company for the amount of the distribution. This subsection does not affect the validity of an obligation or liability of a member created by an agreement or other applicable law for the amount of a distribution.

7. A member who receives a distribution from a limited-liability company in violation of this section is not liable to the limited-liability company and, in the event of its dissolution or insolvency, to its creditors, or any of them, for the amount of the distribution after the expiration of 3 years after the date of the distribution unless an action to recover the distribution from the member is commenced before the expiration of the 3-year period following the distribution.

(Added to NRS by [1997, 713](#); A [2001, 1392, 3199, 2005, 2194](#))

NRS 86.345 Distributions: Limitations applicable to restricted limited-liability companies.

1. If a limited-liability company has elected in its articles of organization to be a restricted limited-liability company pursuant to [NRS 86.161](#), subject to the provisions of [NRS 86.343](#), and unless otherwise provided in the articles of organization, the company shall not make any distributions to its members with respect to their member's interests until 10 years after:

(a) The date of formation of the restricted limited-liability company as long as the original articles of organization elected to be treated as a restricted limited-liability company and as long as the company has remained a restricted limited-liability company since the date of formation; or

(b) The effective date of the amendment to the articles of organization in which the company elected to be treated as a restricted limited-liability company and as long as the company has remained a restricted limited-liability company since the effective date of the amendment.

2. The provisions of this section apply as the default provisions of a restricted limited-liability company to the extent the provisions of this section are inconsistent with or add to the other provisions of this chapter and to the extent not otherwise modified in the articles of organization of the restricted limited-liability company.

(Added to NRS by [2009, 1691](#))

NRS 86.346 Distributions: Form; status of member or transferee.

1. Unless otherwise provided in the operating agreement, a member, regardless of the nature of the member's contributions, or a transferee, regardless of the nature of the contributions of the transferee's predecessor, has no right to demand or receive any distribution from a limited-liability company in any form other than cash.

2. Except as otherwise provided in [NRS 86.391](#) and [86.521](#), and unless otherwise provided in the operating agreement, at the time a member or transferee becomes entitled to receive a distribution the member or transferee has the status of and is entitled to all remedies available to a creditor of the company with respect to the distribution.

(Added to NRS by 1995, 2106; A [1997, 720](#))

NRS 86.351 Nature and transfer of member's interest; rights of transferee; substituted members.

1. The interest of each member of a limited-liability company is personal property. The articles of organization or operating agreement may prohibit or regulate the transfer of a member's interest. Unless otherwise provided in the articles or operating agreement, a transferee of a member's interest has no right to participate in the management of the business and affairs of the company

or to become a member unless a majority in interest of the other members approve the transfer. If so approved, the transferee becomes a substituted member. The transferee is only entitled to receive the share of profits or other compensation by way of income, and the return of contributions, to which the transferor would otherwise be entitled.

2. A substituted member has all the rights and powers and is subject to all the restrictions and liabilities of the transferor, except that the substitution of the transferee does not release the transferor from any liability to the company.

(Added to NRS by 1991, 1302; A 1995, 2112; [1997, 720](#); [2001, 1392](#), [3199](#))

LIABILITY, INDEMNIFICATION AND INSURANCE

NRS 86.361 Liability of persons assuming to act as company without authority. All persons who assume to act as a limited-liability company without authority to do so are jointly and severally liable for all debts and liabilities of the company.

(Added to NRS by 1991, 1304)

NRS 86.371 Liability of member or manager for debts or liabilities of company. Unless otherwise provided in the articles of organization or an agreement signed by the member or manager to be charged, no member or manager of any limited-liability company formed under the laws of this State is individually liable for the debts or liabilities of the company.

(Added to NRS by 1991, 1300; A 1995, 2112)

NRS 86.381 Member of company is not proper party in proceeding by or against company; exception. A member of a limited-liability company is not a proper party to proceedings by or against the company, except where the object is to enforce the member's right against or liability to the company.

(Added to NRS by 1991, 1304)

NRS 86.391 Liability of member to company.

1. A member is liable to a limited-liability company:

(a) For a difference between the member's contributions to capital as actually made and as stated in the articles of organization or operating agreement as having been made; and

(b) For any unpaid contribution to capital which the member agreed in the articles of organization or operating agreement to make in the future at the time and on the conditions stated in the articles of organization or operating agreement.

2. A member holds as trustee for the company specific property stated in the articles of organization or operating agreement as contributed by the member, but which was not so contributed.

3. The liabilities of a member as set out in this section can be waived or compromised only by the consent of all of the members, but a waiver or compromise does not affect the right of a creditor of the company to enforce the liabilities if the creditor extended credit or the creditor's claim arose before the effective date of an amendment of the articles of organization or operating agreement effecting the waiver or compromise.

(Added to NRS by 1991, 1301; A [1997, 721](#); [2001, 1393](#), [3199](#))

NRS 86.401 Rights and remedies of creditor of member.

1. On application to a court of competent jurisdiction by any judgment creditor of a member, the court may charge the member's interest 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 member's interest.

2. This section:

(a) Provides the exclusive remedy by which a judgment creditor of a member or an assignee of a member may satisfy a judgment out of the member's interest of the judgment debtor, whether the limited-liability company has one member or more than one member. No other remedy, including, without limitation, foreclosure on the member's interest or a court order for directions, accounts and inquiries that the debtor or member might have made, is available to the judgment creditor attempting to satisfy the judgment out of the judgment debtor's interest in the limited-liability company, and no other remedy may be ordered by a court.

(b) Does not deprive any member of the benefit of any exemption applicable to his or her interest.

(c) Does not supersede any written agreement between a member and a creditor if the written agreement does not conflict with the limited-liability company's articles of organization or operating agreement.

(Added to NRS by 1991, 1302; A [2001, 1393](#), [3199](#); [2003, 20th Special Session, 71](#); [2011, 2800](#))

NRS 86.411 Indemnification of manager, member, employee or agent: Proceeding other than by company. A limited-liability company 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 company, by reason of the fact that the person is or was a manager, member, employee or agent of the company, or is or was serving at the request of the company as a manager, member, employee or agent of another limited-liability company, corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorney's 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 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 company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person 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 limited-liability company, and that, with respect to any criminal action or proceeding, he or she had reasonable cause to believe that the conduct was unlawful.

(Added to NRS by 1991, 1297; A [1997, 721](#))

NRS 86.421 Indemnification of manager, member, employee or agent: Proceeding by company. A limited-liability company 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 company to procure a judgment in its favor by reason of the fact that the person is or was a manager, member, employee or agent of the company, or is or was serving at the request of the company as a manager, member, employee or

agent of another limited-liability company, 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 acted in good faith and in a manner in which he or she reasonably believed to be in or not opposed to the best interests of the company. 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 company or for amounts paid in settlement to the company, 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.

(Added to NRS by 1991, 1298; A [1997, 722](#))

NRS 86.431 Indemnification of manager, member, employee or agent: Scope; authorization.

1. To the extent that a manager, member, employee or agent of a limited-liability company has been successful on the merits or otherwise in defense of any action, suit or proceeding described in [NRS 86.411](#) and [86.421](#), or in defense of any claim, issue or matter therein, the company shall indemnify him or her against expenses, including attorney's fees, actually and reasonably incurred by him or her in connection with the defense.

2. Any indemnification under [NRS 86.411](#) and [86.421](#), unless ordered by a court or advanced pursuant to [NRS 86.441](#), may be made by the limited-liability company only as authorized in the specific case upon a determination that indemnification of the manager, member, employee or agent is proper in the circumstances. The determination must be made:

(a) By the members or managers as provided in the articles of organization or the operating agreement;

(b) If there is no provision in the articles of organization or the operating agreement, by a majority in interest of the members who are not parties to the action, suit or proceeding;

(c) If a majority in interest of the members who are not parties to the action, suit or proceeding so order, by independent legal counsel in a written opinion; or

(d) If members who are not parties to the action, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion.

(Added to NRS by 1991, 1298; A 1993, 1017; [1997, 722](#))

NRS 86.441 Indemnification of member or manager: Advancement of expenses. The articles of organization, the operating agreement or a separate agreement made by a limited-liability company may provide that the expenses of members and managers incurred in defending a civil or criminal action, suit or proceeding must be paid by the company 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 manager or member to repay the amount if it is ultimately determined by a court of competent jurisdiction that the member or manager is not entitled to be indemnified by the company. The provisions of this section do not affect any rights to advancement of expenses to which personnel of the company other than managers or members may be entitled under any contract or otherwise by law.

(Added to NRS by 1991, 1299; A [1997, 723](#))

NRS 86.451 Indemnification of manager, member, employee or agent: Effect of provisions on other rights; continuation after cessation of status. Indemnification or advancement of expenses authorized in or ordered by a court pursuant to [NRS 86.411](#) to [86.441](#), inclusive:

1. Does not exclude any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the articles of organization or any operating agreement, vote of members or disinterested managers, if any, or otherwise, for 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 86.421](#) or for the advancement of expenses made pursuant to [NRS 86.441](#), may not be made to or on behalf of any member or manager if a final adjudication establishes that the member's or the manager's acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action.

2. Continues for a person who has ceased to be a member, manager, employee or agent and inures to the benefit of the heirs, executors and administrators of such a person.

(Added to NRS by 1991, 1299; A [1997, 723](#))

NRS 86.461 Maintenance of insurance or other financial arrangements against liability of member, manager, employee or agent.

1. A limited-liability company may purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a member, manager, employee or agent of the company, or is or was serving at the request of the company as a manager, member, employee or agent of another corporation, limited-liability company, 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 manager, member, employee or agent, or arising out of his or her status as such, whether or not the company has the authority to indemnify such a person against such liability and expenses.

2. The other financial arrangements made by the company pursuant to subsection 1 may include:

(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 company.

(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 company or any other person approved by the managers, if any, or by the members, if no managers exist, even if all or part of the other person's member's interest in the company is owned by the company.

(Added to NRS by 1991, 1299)

NRS 86.471 Effect of providing insurance or other financial arrangements against liability of member, manager, employee

or agent. In the absence of fraud:

1. The decision of a limited-liability company as to the propriety of the terms and conditions of any insurance or other financial arrangement made pursuant to [NRS 86.461](#) and the choice of the person to provide the insurance or other financial arrangement is conclusive; and
 2. The insurance or other financial arrangement:
 - (a) Is not void or voidable; and
 - (b) Does not subject any manager or member approving it to personal liability for the approval,
- Ê even if a manager or member approving the insurance or other financial arrangement is a beneficiary of the insurance or other financial arrangement.
(Added to NRS by 1991, 1300)

NRS 86.481 Exclusion of company which provides self-insurance from title 57 of NRS. A limited-liability company or its subsidiary which provides self-insurance for itself or for an affiliated limited-liability company pursuant to [NRS 86.461](#) is not subject to the provisions of title 57 of NRS.
(Added to NRS by 1991, 1300)

DERIVATIVE ACTIONS

NRS 86.483 Authority of member to bring action. A member, including a noneconomic member unless otherwise prohibited by the terms of the articles of organization or operating agreement, may bring an action in the right of a limited-liability company to recover a judgment in its favor if managers or members with authority to do so have refused to bring the action or if an effort to cause those managers or members to bring the action is not likely to succeed.
(Added to NRS by [2001, 1385](#); A [2001, 3199](#); [2003, 3141](#); [2007, 2425](#))

NRS 86.485 Qualifications of plaintiff. In a derivative action, the plaintiff must be a member at the time of the transaction of which the plaintiff complains.
(Added to NRS by [2001, 1386](#); A [2001, 3199](#); [2003, 3141](#))

NRS 86.487 Pleading. In a derivative action, the complaint must set forth with particularity:

1. The effort of the plaintiff to secure initiation of the action by a manager or member; or
 2. The reasons for the plaintiff not making the effort to secure initiation of the action by a manager or member.
- (Added to NRS by [2001, 1386](#); A [2001, 3199](#))

NRS 86.489 Expenses. If a derivative action is successful, in whole or in part, or if anything is received by the plaintiff as a result of a judgment, compromise or settlement of an action or claim, the court may award the plaintiff reasonable expenses, including reasonable attorney's fees, and shall direct the plaintiff to remit to the limited-liability company the remainder of those proceeds received by the plaintiff.
(Added to NRS by [2001, 1386](#); A [2001, 3199](#))

DISSOLUTION

NRS 86.490 Dissolution before commencement of business; limitations.

1. Before the commencement of business by any limited-liability company where management is vested in one or more managers and where no member's interest in the limited-liability company has been issued, at least two-thirds of the organizers or the managers of the limited-liability company may dissolve the limited-liability company by filing with the Secretary of State a certificate of dissolution to dissolve the limited-liability company.
 2. A certificate of dissolution filed with the Secretary of State pursuant to subsection 1 must state that:
 - (a) The management of the limited-liability company is vested in one or more managers;
 - (b) The limited-liability company has not commenced business; and
 - (c) No member's interest in the limited-liability company has been issued.
- (Added to NRS by [2007, 2424](#))

NRS 86.491 Events requiring dissolution and winding up of affairs; effect of certain events affecting member.

1. A limited-liability company must be dissolved and its affairs wound up:
 - (a) At the time, if any, specified in the articles of organization;
 - (b) Upon the occurrence of an event specified in an operating agreement;
 - (c) Unless otherwise provided in the articles of organization or operating agreement, upon the affirmative vote or written agreement of all the members; or
 - (d) Upon entry of a decree of judicial dissolution pursuant to [NRS 86.495](#).
2. The affairs of a series of a limited-liability company must be wound up:
 - (a) At the time, if any, specified in the articles of organization;
 - (b) Upon the occurrence of an event specified in the operating agreement;
 - (c) Unless otherwise provided in the articles of organization or operating agreement, upon the affirmative vote or written agreement of all the members associated with the series; or
 - (d) Upon entry of a decree of judicial termination of the series pursuant to [NRS 86.495](#).
3. Unless otherwise provided in the articles of organization or operating agreement, upon the occurrence of an event requiring the affairs of a series to be wound up, a manager of the series who has not wrongfully terminated the series or, if none, the members associated with a series, or a person approved by all those members, may wind up the affairs of the series. Unless otherwise provided in the articles of organization or operating agreement, the person or persons winding up the affairs of the series:
 - (a) May take all actions necessary or proper to wind up the affairs of the series; and
 - (b) Shall distribute the assets of the series as provided in [NRS 86.521](#) to the creditors of the series and the members associated

with the series.

4. Except as otherwise provided in the articles of organization or operating agreement, the death, retirement, resignation, expulsion, bankruptcy, dissolution or dissociation of a member or any other event affecting a member, including, without limitation, a sole member, does not:

- (a) Terminate the status of the person as a member; or
- (b) Cause the limited-liability company to be dissolved or its affairs to be wound up.

5. Except as otherwise provided in the articles of organization or operating agreement, upon the death of a natural person who is the sole member of a limited-liability company or the sole member associated with a series, the status of the member, including the member's interest, may pass to the heirs, successors and assigns of the member by will or applicable law. The heir, successor or assign of the member's interest becomes a substituted member pursuant to [NRS 86.351](#), subject to administration as provided by applicable law, without the permission or consent of the heirs, successors or assigns or those administering the estate of the deceased member.

(Added to NRS by 1991, 1302; A 1995, 2112; [1997, 723](#); [2001, 1394, 3199](#); [2005, 2195](#))

NRS 86.495 Dissolution by decree of court; termination of series by decree of court.

1. Upon application by or for a member, the district court may decree dissolution of a limited-liability company whenever it is not reasonably practicable to carry on the business of the company in conformity with the articles of organization or operating agreement.

2. Upon application by or for a member of a series, the district court may decree the termination of the series only, and not the dissolution of the company, whenever it is not reasonably practicable to carry on the business of the series in conformity with the articles of organization or operating agreement.

(Added to NRS by [2001, 1385](#); A [2001, 3199](#); [2005, 2196](#))

NRS 86.505 Continuation of company after dissolution for winding up of affairs; limitation on actions by or against dissolved company. The dissolution of a limited-liability company does not impair any remedy or cause of action available to or against it or its managers or members arising before its dissolution and commenced within 2 years after the date of the dissolution. A dissolved company continues as a company for the purpose of prosecuting and defending suits, actions, proceedings and claims of any kind or nature by or against it and of enabling it gradually to settle and close its business, to collect and discharge its obligations, to dispose of and convey its property, and to distribute its assets, but not for the purpose of continuing the business for which it was established.

(Added to NRS by 1995, 2106; A [1997, 724](#))

NRS 86.521 Distribution of assets after dissolution.

1. In settling accounts after dissolution, the liabilities of a limited-liability company are entitled to payment in the following order:

- (a) Those to creditors, including members who are creditors, in the order of priority as provided and to the extent otherwise permitted by law, except those to members of the limited-liability company on account of their contributions;
- (b) Those to members of the limited-liability company in respect of their share of the profits and other compensation by way of income on their contributions; and
- (c) Those to members of the limited-liability company in respect of their contributions to capital.

2. Subject to any statement in the operating agreement, members share in the company's assets in respect to their claims for capital and in respect to their claims for profits or for compensation by way of income on their contributions, respectively, in proportion to the respective amounts of the claims.

(Added to NRS by 1991, 1303; A 1995, 2113)

NRS 86.531 Articles of dissolution: Required provisions.

1. When all debts, liabilities and obligations have been paid and discharged or adequate provision has been made therefor and all of the remaining property and assets have been distributed to the members, articles of dissolution must be prepared and signed setting forth:

- (a) The name of the limited-liability company;
- (b) That all debts, obligations and liabilities have been paid and discharged or that adequate provision has been made therefor;
- (c) That all the remaining property and assets have been distributed among its members in accordance with their respective rights and interests; and
- (d) That there are no suits pending against the company in any court or that adequate provision has been made for the satisfaction of any judgment, order or decree which may be entered against it in any pending suit.

2. The articles must be signed by a manager, or if there is no manager by a member, of the company.

(Added to NRS by 1991, 1303; A 1995, 2113; [1999, 1616](#))

NRS 86.541 Articles of dissolution: Filing and effectiveness.

1. The signed articles of dissolution must be filed with the Secretary of State. Articles of dissolution are effective at the time of the filing of the articles with the Secretary of State or upon a later date and time as specified in the articles, which date must not be more than 90 days after the date on which the articles are filed. If the articles filed pursuant to this section specify a later effective date but do not specify an effective time, the articles are effective at 12:01 a.m. in the Pacific time zone on the specified later date.

2. At the time of the filing of the articles of dissolution with the Secretary of State, upon a later date and time as specified in the articles, which date must not be more than 90 days after the date on which the articles are filed or, if the articles filed pursuant to this section specify a later effective date but do not specify an effective time, at 12:01 a.m. in the Pacific time zone on the specified later date, whichever is applicable, the existence of the company ceases, except for the purpose of suits, other proceedings and appropriate action as provided in this chapter. The manager or managers in office at the time of dissolution, or the survivors of them, are thereafter trustees for the members and creditors of the dissolved company and as such have authority to distribute any property of the company discovered after dissolution, convey real estate and take such other action as may be necessary on behalf of and in the name of the dissolved company.

(Added to NRS by 1991, 1303; A 1995, 2113; [1999, 1616](#); [2001, 1394, 3199](#); [2005, 2197](#); [2011, 2801](#))

FOREIGN LIMITED-LIABILITY COMPANIES

NRS 86.543 Law governing organization, internal affairs and liability of managers and members. Subject to the Constitution of this State:

1. The laws of the state, pursuant to which a foreign limited-liability company is organized, govern its organization, internal affairs and the liability of its managers and members; and
2. A foreign limited-liability company may not be denied registration by reason of any difference between the laws of the state of organization and the laws of this State.

(Added to NRS by [2001, 1386](#); A [2001, 3199](#))

NRS 86.544 Filing requirements; required provisions of application for registration. Before transacting business in this State, a foreign limited-liability company must register with the Secretary of State. In order to register, a foreign limited-liability company must submit to the Secretary of State an application for registration as a foreign limited-liability company, signed by a manager of the company or, if management is not vested in a manager, a member of the company. The application for registration must set forth:

1. The name of the foreign limited-liability company and, if different, the name under which it proposes to register and transact business in this State;
2. The state and date of its formation;
3. The information required pursuant to [NRS 77.310](#);
4. A statement that the Secretary of State is appointed the agent of the foreign limited-liability company for service of process if the authority of the registered agent has been revoked, or if the registered agent has resigned or cannot be found or served with the exercise of reasonable diligence;
5. The address of the office required to be maintained in the state of its organization by the laws of that state or, if not so required, the principal office of the foreign limited-liability company;
6. The name and business address of each manager or, if management is not vested in a manager, each member;
7. The address of the office at which is kept a list of the names and addresses of the members and their capital contributions, together with an undertaking by the foreign limited-liability company to keep those records until the registration in this State of the foreign limited-liability company is cancelled or withdrawn; and
8. If the foreign limited-liability company has one or more series of members and if the debts or liabilities of a series are enforceable against the assets of that series only and not against the assets of the company generally or another series, a statement to that effect.

(Added to NRS by [2001, 1386](#); A [2001, 3199](#); [2003, 3141](#); [2005, 2197](#); [2007, 2675](#))

NRS 86.545 Issuance of certificate of registration by Secretary of State. If the Secretary of State finds that an application for registration conforms to law and all requisite fees have been paid, the Secretary of State shall issue a certificate of registration to transact business in this State and mail it to the person who filed the application or the person's representative.

(Added to NRS by [2001, 1387](#); A [2001, 3199](#))

NRS 86.546 Name for registration. A foreign limited-liability company may register with the Secretary of State under any name, whether or not it is the name under which it is registered in its state of organization, which contains the words required by [NRS 86.171](#) and which could be registered by a domestic limited-liability company.

(Added to NRS by [2001, 1387](#); A [2001, 3199](#))

NRS 86.5461 Annual list: Filing requirements; fees; powers and duties of Secretary of State.

1. Each foreign limited-liability company doing business in this State shall, on or before the last day of the first month after the filing of its application for registration as a foreign limited-liability company with the Secretary of State, and annually thereafter on or before the last day of the month in which the anniversary date of its qualification to do business in this State occurs in each year, file with the Secretary of State a list on a form furnished by the Secretary of State that contains:

- (a) The name of the foreign limited-liability company;
- (b) The file number of the foreign limited-liability company, if known;
- (c) The names and titles of all its managers or, if there is no manager, all its managing members;
- (d) The address, either residence or business, of each manager or managing member listed pursuant to paragraph (c);
- (e) The information required pursuant to [NRS 77.310](#); and
- (f) The signature of a manager or managing member of the foreign limited-liability company certifying that the list is true, complete and accurate.

2. Each list filed pursuant to this section must be accompanied by a declaration under penalty of perjury that the foreign limited-liability company:

- (a) Has complied with the provisions of [chapter 76](#) of NRS; and
- (b) 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.

3. Upon filing:

- (a) The initial list required by this section, the foreign limited-liability company shall pay to the Secretary of State a fee of \$125.
- (b) Each annual list required by this section, the foreign limited-liability company shall pay to the Secretary of State a fee of \$125.

4. If a manager or managing member of a foreign limited-liability company resigns and the resignation is not reflected on the annual or amended list of managers and managing members, the foreign limited-liability company or the resigning manager or managing member shall pay to the Secretary of State a fee of \$75 to file the resignation.

5. The Secretary of State shall, 90 days before the last day for filing each annual list required by this section, provide to each foreign limited-liability company which is required to comply with the provisions of [NRS 86.5461](#) to [86.5468](#), inclusive, and which has not become delinquent, a notice of the fee due pursuant to subsection 3 and a reminder to file the list required pursuant to subsection 1. Failure of any foreign limited-liability company to receive a notice does not excuse it from the penalty imposed by the provisions of [NRS 86.5461](#) to [86.5468](#), inclusive.

6. If the list to be filed pursuant to the provisions of subsection 1 is defective or the fee required by subsection 3 is not paid, the

Secretary of State may return the list for correction or payment.

7. An annual list for a foreign limited-liability company 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 does not satisfy the requirements of this section for the year to which the due date is applicable.

(Added to NRS by [2003, 20th Special Session, 60](#); A [2005, 2260](#); [2007, 2675](#); [2009, 2037, 2838](#))

NRS 86.54615 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. A foreign limited-liability company shall maintain at its registered office or principal place of business in this State:

- (a) A current list of each member and manager; or
- (b) A statement indicating where such a list is maintained.

2. Upon the request of the Secretary of State, the foreign limited-liability company 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 foreign limited-liability company 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 foreign limited-liability company 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 registration of the foreign limited-liability company.

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

(a) The foreign limited-liability company 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 registration.

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

(Added to NRS by [2007, 1323](#); A [2009, 2839](#))

NRS 86.5462 Additional filing requirements for certain companies: Criteria; statement; fees.

1. At the time of submitting any list required pursuant to [NRS 86.5461](#), a foreign limited-liability company 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 foreign limited-liability company must submit a statement pursuant to this section if the foreign limited-liability company, 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 foreign limited-liability company within this State; and

(b) Has had, during the previous 5-year period, a total of five or more investigations commenced against the foreign limited-liability company, 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 foreign limited-liability company being fined or otherwise penalized or which resulted in the foreign limited-liability company 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 foreign limited-liability company 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 foreign limited-liability company and whether the foreign limited-liability company 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, 20th Special Session, 61](#))

NRS 86.5463 Certificate of authorization to transact business. If a foreign limited-liability company has filed the initial or annual list in compliance with [NRS 86.5461](#) and has paid the appropriate fee for the filing, the cancelled check or other proof of payment received by the foreign limited-liability company 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 qualification to transact business occurs in the next succeeding calendar year.

(Added to NRS by [2003, 20th Special Session, 61](#))

NRS 86.5464 Addresses of managers or managing members required; failure to file.

1. Each list required to be filed under the provisions of [NRS 86.5461](#) to [86.5468](#), inclusive, must, after the name of each manager or, if there is no manager, each of its managing members listed thereon, set forth the address, either residence or business, of each manager or managing member.

2. If the addresses are not stated for each person on any list offered for filing, the Secretary of State may refuse to file the list, and the foreign limited-liability company for which the list has been offered for filing is subject to all the provisions of [NRS 86.5461](#) to [86.5468](#), inclusive, relating to failure to file the list within or at the times therein specified, unless a list is subsequently submitted for filing which conforms to the provisions of this section.

(Added to NRS by [2003, 20th Special Session, 62](#))

NRS 86.5465 Defaulting companies: Identification; forfeiture of right to transact business; penalty.

1. Each foreign limited-liability company which is required to make a filing and pay the fee prescribed in [NRS 86.5461](#) to [86.5468](#), inclusive, and which refuses or neglects to do so within the time provided is in default.

2. For default there must be added to the amount of the fee a penalty of \$75, and unless the filing is made and the fee and penalty are paid on or before the last day of the month in which the anniversary date of the foreign limited-liability company occurs, the defaulting foreign limited-liability company by reason of its default forfeits its right to transact any business within this State. The fee and penalty must be collected as provided in this chapter.

(Added to NRS by [2003, 20th Special Session, 62](#))

NRS 86.5466 Defaulting companies: Duties of Secretary of State.

1. The Secretary of State shall notify, by providing written notice to its registered agent, each foreign limited-liability company deemed in default pursuant to [NRS 86.5465](#). 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. Immediately after the last day of the month in which the anniversary date of its organization occurs, the Secretary of State shall compile a complete list containing the names of all foreign limited-liability companies whose right to transact business has been forfeited.

3. The Secretary of State shall notify, by providing written notice to its registered agent, each foreign limited-liability company specified in subsection 2 of the forfeiture of its right to transact business. 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.

(Added to NRS by [2003, 20th Special Session, 62](#); A [2007, 2676](#))

NRS 86.5467 Defaulting companies: Conditions and procedure for reinstatement.

1. Except as otherwise provided in subsections 3 and 4 and [NRS 86.54615](#), the Secretary of State shall reinstate a foreign limited-liability company which has forfeited or which forfeits its right to transact business under the provisions of this chapter and shall restore to the foreign limited-liability company its right to transact business in this State, and to exercise its privileges and immunities, if it:

(a) Files with the Secretary of State:

(1) The list required by [NRS 86.5461](#);

(2) The statement required by [NRS 86.5462](#), 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 86.5461](#) and [86.5465](#) for each year or portion thereof that its right to transact business was forfeited;

(2) The fee set forth in [NRS 86.5462](#), if applicable; and

(3) A fee of \$300 for reinstatement.

2. When the Secretary of State reinstates the foreign limited-liability company, the Secretary of State shall issue to the foreign limited-liability company a certificate of reinstatement if the foreign limited-liability company:

(a) Requests a certificate of reinstatement; and

(b) Pays the required fees pursuant to [NRS 86.561](#).

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

4. If the right of a foreign limited-liability company to transact business in this State has been forfeited pursuant to the provisions of this chapter and has remained forfeited for a period of 5 consecutive years, the right must not be reinstated.

5. Except as otherwise provided in [NRS 86.5468](#), a reinstatement pursuant to this section relates back to the date on which the foreign limited-liability company forfeited its right to transact business under the provisions of this chapter and reinstates the foreign limited-liability company's right to transact business as if such right had at all times remained in full force and effect.

(Added to NRS by [2003, 20th Special Session, 62](#); A [2007, 1325, 2426, 2677](#))

NRS 86.5468 Defaulting companies: Reinstatement under old or new name; regulations.

1. Except as otherwise provided in subsection 2, if a foreign limited-liability company applies to reinstate its registration 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 foreign limited-liability company must in its application for reinstatement submit in writing to the Secretary of State some other name under which it desires its existence to be reinstated. If that name is distinguishable from all other names reserved or otherwise on file, the Secretary of State shall reinstate the foreign limited-liability company under that new name.

2. If the applying foreign limited-liability company 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 foreign limited-liability company or a new name it has submitted, it may be reinstated under that name.

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

4. The Secretary of State may adopt regulations that interpret the requirements of this section.
(Added to NRS by [2003, 20th Special Session, 63](#))

NRS 86.547 Cancellation of registration.

1. A foreign limited-liability company may cancel its registration by filing with the Secretary of State a certificate of cancellation signed by a manager of the company or, if management is not vested in a manager, a member of the company. The certificate, which must be accompanied by the required fees, must set forth:

- (a) The name of the foreign limited-liability company;
- (b) The effective date and time of the cancellation if other than the time of the filing of the certificate of cancellation with the Secretary of State, which date must not be more than 90 days after the date on which the certificate is filed; and
- (c) Any other information deemed necessary by the manager of the company or, if management is not vested in a manager, a member of the company.

2. If a certificate filed pursuant to this section specifies a later effective date but does not specify an effective time, the cancellation of the registration is effective at 12:01 a.m. in the Pacific time zone on the specified later date.

3. A cancellation pursuant to this section does not terminate the authority of the Secretary of State to accept service of process on the foreign limited-liability company with respect to causes of action arising from the transaction of business in this State by the foreign limited-liability company.

(Added to NRS by [2001, 1387](#); A [2001, 3199](#); [2003, 20th Special Session, 71](#); [2005, 2197](#); [2011, 2801](#))

NRS 86.548 Penalty for transacting business without registration; enforcement; regulations.

1. Every foreign limited-liability company transacting business in this State which willfully fails or neglects to register with the Secretary of State in accordance with the provisions of [NRS 86.544](#) 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. Every foreign limited-liability company transacting business in this State which fails or neglects to register with the Secretary of State in accordance with the provisions of [NRS 86.544](#) may not commence or maintain any action, suit or proceeding in any court of this State until it has registered with the Secretary of State.

3. The failure of a foreign limited-liability company to register with the Secretary of State does not impair the validity of any contract or act of the foreign limited-liability company, or prevent the foreign limited-liability company from defending any action, suit or proceeding in any court of this State.

4. When the Secretary of State is advised that a foreign limited-liability company 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 where the foreign limited-liability company has its principal place of business 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.

5. A foreign limited-liability company, by transacting business in this State without registering with the Secretary of State, appoints the Secretary of State as its agent for service of process with respect to causes of action arising out of the transaction of business in this State by the foreign limited-liability company.

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

(Added to NRS by [2001, 1387](#); A [2001, 3199](#); [2009, 1698](#))

NRS 86.5483 Activities not constituting transaction of business.

1. For the purposes of [NRS 86.543](#) to [86.549](#), inclusive, the following activities do not constitute transacting business in this State:

- (a) Maintaining, defending or settling any proceeding;
- (b) Holding meetings of the managers or members or carrying on other activities concerning internal company affairs;
- (c) Maintaining accounts in banks or credit unions;
- (d) Maintaining offices or agencies for the transfer, exchange and registration of the company's own securities or maintaining trustees or depositaries with respect to those securities;
- (e) Making sales through independent contractors;
- (f) Soliciting or receiving orders outside this State through or in response to letters, circulars, catalogs or other forms of advertising, accepting those orders outside this State and filling them by shipping goods into this State;
- (g) Creating or acquiring indebtedness, mortgages and security interests in real or personal property;
- (h) Securing or collecting debts or enforcing mortgages and security interests in property securing the debts;
- (i) Owning, without more, real or personal property;
- (j) Isolated transactions completed within 30 days and not a part of a series of similar transactions;
- (k) The production of motion pictures as defined in [NRS 231.020](#);
- (l) Transacting business as an out-of-state depository institution pursuant to the provisions of title 55 of NRS; and
- (m) Transacting business in interstate commerce.

2. The list of activities in subsection 1 is not exhaustive.

3. A person who is not transacting business in this State within the meaning of this section need not qualify or comply with any provision of this chapter, title 55 or 56 of NRS or [chapter 645A](#), [645B](#) or [645E](#) of NRS unless the person:

- (a) Maintains an office in this State for the transaction of business; or
- (b) Solicits or accepts deposits in the State, except pursuant to the provisions of [chapter 666](#) or [666A](#) of NRS.

4. The fact that a person is not transacting business in this State within the meaning of this section:

(a) Does not affect the determination of whether any court, administrative agency or regulatory body in this State may exercise personal jurisdiction over the person in any civil action, criminal action, administrative proceeding or regulatory proceeding; and

(b) Except as otherwise provided in subsection 3, does not affect the applicability of any other provision of law with respect to the person and may not be offered as a defense or introduced in evidence in any civil action, criminal action, administrative proceeding or regulatory proceeding to prove that the person is not transacting business in this State, including, without limitation, any civil action, criminal action, administrative proceeding or regulatory proceeding involving an alleged violation of [chapter 597](#), [598](#) or [598A](#) of NRS.

5. As used in this section, "deposits" means demand deposits, savings deposits and time deposits, as those terms are defined in [chapter 657](#) of NRS.

(Added to NRS by [2003, 3134](#))

NRS 86.5487 Determination of whether solicitation is made or accepted.

1. For the purposes of [NRS 86.5483](#), a solicitation of a deposit is made in this State, whether or not either party is present in this State, if the solicitation:

(a) Originates in this State; or

(b) Is directed by the solicitor to a destination in this State and received where it is directed, or at a post office in this State if the solicitation is mailed.

2. A solicitation of a deposit is accepted in this State if acceptance:

(a) Is communicated to the solicitor in this State; and

(b) Has not previously been communicated to the solicitor, orally or in writing, outside this State.

Ê Acceptance is communicated to the solicitor in this State, whether or not either party is present in this State, if the depositor directs it to the solicitor reasonably believing the solicitor to be in this State and it is received where it is directed, or at any post office in this State if the acceptance is mailed.

3. A solicitation made in a newspaper or other publication of general, regular and paid circulation is not made in this State if the publication:

(a) Is not published in this State; or

(b) Is published in this State but has had more than two-thirds of its circulation outside this State during the 12 months preceding the solicitation.

Ê If a publication is published in editions, each edition is a separate publication except for material common to all editions.

4. A solicitation made in a radio or television program or other electronic communication received in this State which originates outside this State is not made in this State. A radio or television program or other electronic communication shall be deemed to have originated in this State if the broadcast studio or origin of the source of transmission is located within the State, unless:

(a) The program or communication is syndicated and distributed from outside this State for redistribution to the general public in this State;

(b) The program is supplied by a radio, television or other electronic network whose electronic signal originates outside this State for redistribution to the general public in this State;

(c) The program or communication is an electronic signal that originates outside this State and is captured for redistribution to the general public in this State by a community antenna or cable, radio, cable television or other electronic system; or

(d) The program or communication consists of an electronic signal which originates within this State, but which is not intended for redistribution to the general public in this State.

(Added to NRS by [2003, 3135](#))

NRS 86.549 Action by Attorney General to restrain transaction of business. The Attorney General may bring an action to restrain a foreign limited-liability company from transacting business in this State in violation of [NRS 86.543](#) to [86.549](#), inclusive.

(Added to NRS by [2001, 1387](#); A [2001, 3199](#); [2003, 3141](#))

MISCELLANEOUS PROVISIONS

NRS 86.555 Issuance of occupational or professional license to limited-liability company by board or commission; regulations.

1. Except as otherwise provided by statute, an agency, board or commission that regulates an occupation or profession pursuant to title 54, 55 or 56 of NRS may grant a license to a limited-liability company or a foreign limited-liability company if the agency, board or commission is authorized to grant a license to a corporation formed pursuant to [chapter 78](#) of NRS.

2. An agency, board or commission that makes a license available to a limited-liability company or foreign limited-liability company pursuant to subsection 1 shall adopt regulations:

(a) Listing the persons in the limited-liability company or foreign limited-liability company who must qualify for the license or indicating that the agency, board or commission will use other means to determine whether the limited-liability company or foreign limited-liability company qualifies for a license;

(b) Listing the persons who may engage in the activity for which the license is required on behalf of the limited-liability company or foreign limited-liability company;

(c) Indicating whether the limited-liability company or foreign limited-liability company may engage in a business other than the business for which the license is required;

(d) Listing the changes, if any, in the management or control of the limited-liability company or foreign limited-liability company that require notice, review, approval or other action by the agency, board or commission; and

(e) Setting forth the conditions under which a limited-liability company or foreign limited-liability company may obtain a license.

3. An agency, board or commission that adopts regulations pursuant to subsection 2 shall not impose a restriction or requirement on a limited-liability company or foreign limited-liability company which is significantly different from or more burdensome than the restrictions or requirements imposed on a partnership or corporation.

(Added to NRS by [1997, 714](#))

NRS 86.557 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, 59](#))

NRS 86.561 Fees.

1. The Secretary of State shall charge and collect for:

(a) Filing the original articles of organization, or for registration of a foreign company, \$75;

(b) Amending or restating the articles of organization, amending the registration of a foreign company or filing a certificate of correction, \$175;

(c) Filing the articles of dissolution of a domestic or foreign company, \$100;

(d) Certifying a copy of articles of organization or an amendment to the articles, \$30;

(e) Certifying an authorized printed copy of this chapter, \$30;

(f) Reserving a name for a limited-liability company, \$25;

(g) Filing a certificate of cancellation, \$100;

(h) Signing, filing or certifying any other record, \$50; and

(i) Copies provided by the Office of the Secretary of State, \$2 per page.

2. The Secretary of State shall charge and collect, at the time of any service of process on the Secretary of State as agent for service of process of a limited-liability company, \$100 which may be recovered as taxable costs by the party to the action causing the service to be made if the party prevails in the action.

3. Except as otherwise provided in this section, the fees set forth in [NRS 78.785](#) apply to this chapter.

(Added to NRS by 1991, 1305; A 1993, 1017; 1995, 1131; [2001, 1395, 3182, 3199](#); [2003, 3141](#); [2003, 20th Special Session, 72](#); [2005, 2261](#); [2007, 2677](#); [2010, 26th Special Session, 73](#))

NRS 86.563 Procedure to submit replacement page to Secretary of State before actual filing of record. Before the issuance of members' interests an organizer, and after the issuance of members' interests, a manager, of a limited-liability company 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. The signed authorization of the organizer or manager to the Secretary of State permits, but does not require, the Secretary of State to alter the original record as requested.

(Added to NRS by [1997, 2812](#); A [1999, 1611](#); [2001, 109](#); [2003, 3142](#))

NRS 86.566 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, 1126; A [2003, 3142](#))

NRS 86.568 Correction of inaccurate or defective record filed with Secretary of State; cancellation of filings.

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

2. To correct a record, the limited-liability company must:

(a) Prepare a certificate of correction that:

(1) States the name of the limited-liability company;

(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 a manager of the company or, if management is not vested in a manager, by a member of the company.

(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 limited-liability company 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 limited-liability company may cancel the filing by:

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

(b) Paying a fee of \$50.

(Added to NRS by [2001, 1385](#); A [2001, 3197, 3199](#); [2003, 3142](#); [2003, 20th Special Session, 72](#); [2009, 2839](#))

NRS 86.571 Waiver of notice. When, under the provisions of this chapter or under the provisions of the articles of organization or operating agreement of a limited-liability company, notice is required to be given to a member or to a manager of the company, if it has a manager or managers, a waiver in writing signed by the person or persons entitled to the notice, whether before or after the time stated in it, is equivalent to the giving of notice.

(Added to NRS by 1991, 1304)

NRS 86.580 Renewal or revival of charter: Procedure; fee; certificate as evidence.

1. Except as otherwise provided in [NRS 86.246](#), a limited-liability company which did exist or is existing pursuant to the laws of this State may, upon complying with the provisions of [NRS 86.276](#), 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 limited-liability company, which must be the name of the limited-liability company 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 limited-liability company 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 managers or, if there are no managers, all its managing members and their mailing or street addresses, either residence or business.

2. A limited-liability company whose charter has not expired and is being renewed shall cause the certificate to be signed by its manager or, if there is no manager, by a person designated by its members. The certificate must be approved by a majority in interest.

3. A limited-liability company 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 members. The signing and filing of the certificate must be approved by the written consent of a majority in interest and must contain a recital that this consent was secured. The limited-liability company shall pay to the Secretary of State the fee required to establish a new limited-liability company 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 of the limited-liability company therein named.

5. Except as otherwise provided in [NRS 86.278](#), a renewal or revival pursuant to this section relates back to the date on which the limited-liability company's charter expired or was revoked and renews or revives the limited-liability company's charter and right to transact business as if such right had at all times remained in full force and effect.

(Added to NRS by [1999, 1610](#); A [2001, 1395, 3199](#); [2003, 3143](#); [2003, 20th Special Session, 73](#); [2007, 1326, 2426, 2678](#))

NRS 86.590 Renewal or revival of charter: Status of company. A limited-liability company that has revived or renewed its charter pursuant to the provisions of this chapter:

1. Is a limited-liability company and continues to be a limited-liability company for the time stated in the certificate of revival or renewal;

2. Possesses the rights, privileges and immunities conferred by the original charter and by this chapter; and

3. Is subject to the restrictions and liabilities set forth in this chapter.

(Added to NRS by [1999, 1611](#); A [2001, 101](#))