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## Commercial Transactions; Uniform Securities Act

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knowing that they possess insufficient funds to pay for the property or who use a credit card that is no longer valid.<sup>3</sup> Furthermore, under Chapter 531, credit card users who purchase anything of value with knowledge of insufficient funds are subject to criminal liability.<sup>4</sup> Intent to defraud is presumed under Chapter 531 unless the holder of the credit card pays the full amount plus any handling charges within ten days after payment is refused by the issuer.<sup>5</sup>

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3. 1987 Nev. Stat. ch. 531, sec. 1, at \_\_\_\_ (amending NEV. REV. STAT. § 41.620 1) (civil liability is extended when the credit card user fails to pay the amount in cash to the creditor within 30 days after a payment demand in writing is mailed to the user by certified mail).

4. *Id.* sec. 3, at \_\_\_\_ (amending NEV. REV. STAT. § 205.760 2).

5. 1987 Nev. Stat. ch. 531, sec. 2, at \_\_\_\_ (enacting NEV. REV. STAT. § 205.\_\_\_\_).

## Commercial Transactions; Uniform Securities Act

NEV. REV. STAT. §§ 90.010, 90.020, 90.030, 90.040, 90.041, 90.045, 90.050, 90.055, 90.060, 90.065, 90.070, 90.075, 90.080, 90.090, 90.093, 90.095, 90.100, 90.105, 90.109, 90.120, 90.130, 90.133, 90.135, 90.140, 90.150, 90.152, 90.153, 90.155, 90.157, 90.170, 90.172, 90.175, 90.180, 90.182, 90.185, 90.186, 90.190, 90.200, 90.205 (repealed); §§ 90.\_\_\_\_, 225.\_\_\_\_ (new); § 233B.039 (amended). AB 457 (Committee on Judiciary); 1987 STAT. Ch 794 (Sections 1-82 effective January 1, 1988)

*Revises definitions of broker-dealer and agent, deletes provisions governing bullion dealers and transfer agents, substitutes uniform licensing requirements for the registration requirements, mandates licensing of broker-dealers, investment advisers and sales representatives, creates exemptions to the licensing of broker-dealers, investment advisers and sales representatives, expands provisions governing the denial, suspension or revocation of a license, creates new methods for registering securities including filing, coordination and qualification, increases exemptions to the registration requirement for securities, increases the administrator's role in investigating fraud violations, authorizes the administrator to commence new emergency and summary proceedings, creates new enforcement provisions, expands sanctions which may be imposed for violations, creates a new securities division in the Office of Secretary of State.*

In 1963, Nevada adopted the major provisions of the Uniform Securities Act<sup>1</sup> with numerous variations, omissions and additions.<sup>2</sup> Chapter 794 enacts, with some exceptions, the Uniform Securities Act.<sup>3</sup>

### LICENSING

Prior law mandated that all broker-dealers<sup>4</sup> or agents,<sup>5</sup> investment advisers,<sup>6</sup> bullion dealers,<sup>7</sup> and transfer agents<sup>8</sup> complete a registration process.<sup>9</sup> Chapter 794 changes the registration requirement to a licensing procedure.<sup>10</sup> Thus, broker-dealers,<sup>11</sup> investment advisers,<sup>12</sup> and sales representatives<sup>13</sup> must be licensed prior to transacting business unless expressly exempted from such a requirement.<sup>14</sup>

Under prior law the requirements for registration varied according

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1. UNIFORM SECURITIES ACT (1958), 7B U.L.A. 509 (1985).

2. Compare 1963 Nev. Stat. ch. 318, at 584 with UNIFORM SECURITIES ACT (1958), 7B U.L.A. 509 (1985).

3. 1987 Nev. Stat. ch. 794, secs. 1-83, at \_\_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). Chapter 794 may be cited as the UNIFORM SECURITIES ACT. *Id.* sec. 6, at \_\_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

4. 1983 Nev. Stat. ch. 292, sec. 26, at 697 (amending NEV. REV. STAT. § 90.040) (definition of broker-dealer).

5. *Id.* sec. 26, at 697 (amending NEV. REV. STAT. § 90.030) (definition of agent). Agents of broker-dealers, bullion dealers and issuers are required to register. *Id.* sec. 32, at 700.

6. 1983 Nev. Stat. ch. 622, sec. 1, at 2045 (amending NEV. REV. STAT. § 90.055) (definition of investment adviser). See *id.* ch. 292, sec. 32, at 700. An investment adviser is exempt from registering upon proof of current registration with the SEC under the INVESTMENT ADVISERS ACT OF 1940 (15 U.S.C. § 80b(3)). *Id.*

7. 1975 Nev. Stat. ch. 543, sec. 2, at 952 (enacting NEV. REV. STAT. § 90.041) (definition of bullion dealer). Registration was required for all transactions in which the purchased precious metal is not delivered to the buyer within 15 days after the date of sale. 1983 Nev. Stat. ch. 292, sec. 32, at 700.

8. 1975 Nev. Stat. ch. 543, sec. 2, at 952 (enacting NEV. REV. STAT. § 90.093) (definition of transfer agent).

9. 1983 Nev. Stat. ch. 292, sec. 32, at 700 (amending NEV. REV. STAT. § 90.120).

10. 1987 Nev. Stat. ch. 794, sec. 22-35, at \_\_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

11. *Id.* sec. 4, at \_\_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (definition of broker-dealer which expressly excludes a sales representative, issuer and depository institution).

12. *Id.* sec. 10, at \_\_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (definition of investment adviser).

13. *Id.* sec. 17, at \_\_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (definition of sales representative). Chapter 794 replaces the terms agent and transfer agent with the term sales representative. *Id.* In addition, Chapter 794 specifically limits the license of a sales representative to one broker-dealer or issuer unless the administrator authorizes multiple licenses. *Id.* sec. 29, at \_\_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

14. *Id.* secs. 22, 24, at \_\_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). See *id.* sec. 23, at \_\_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (licensing exemptions for investment advisers, broker-dealers and sales representatives). Broker-dealers, investment advisers and sales representatives may also be exempted by any additional regulation or order of the administrator of the security division. *Id.* secs. 23, 25, at \_\_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

to whether the applicant was a bullion dealer,<sup>15</sup> an agent,<sup>16</sup> a transfer agent,<sup>17</sup> a broker-dealer,<sup>18</sup> or an investment adviser.<sup>19</sup> Chapter 794 provides for a uniform licensing application irrespective of the applicant's position.<sup>20</sup>

Under Chapter 794, the licensing process includes: the payment of a fee, completion of an application, consent to service of process, and a possible examination.<sup>21</sup> With the enactment of Chapter 794, the licensing requirement can also be satisfied if an applicant has: (1) filed<sup>22</sup> a current registration with the Securities and Exchange Commission<sup>23</sup> or a self-regulatory organization,<sup>24</sup> (2) has filed a notice with the administrator,<sup>25</sup> (3) has paid appropriate fees,<sup>26</sup> and (4) consented to service of process.<sup>27</sup> In addition to a new provision governing the licensing requirement of successors, Chapter 794 also allows for the creation by regulation of special classifications of licenses.<sup>28</sup>

Prior law contained limited provisions setting forth the grounds for the denial, suspension, revocation or cancellation of a registrant.<sup>29</sup>

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15. A bullion dealer was required to submit a verified, written application, submit an audit by a licensed public accountant, post a surety bond and be fingerprinted to obtain an initial registration. 1983 Nev. Stat. ch. 292, sec. 33, at 701 (amending NEV. REV. STAT. § 90.130).

16. An agent had to be fingerprinted, post a surety bond, submit the uniform application for registration of an agent (Form U-4), and submit proof that he completed a general securities examination and the uniform examination on state law administered by the National Association of Securities Dealers. *Id.*

17. A transfer agent had to file a written, verified application with the administrator. *Id.*

18. A broker-dealer was required to file with the administrator Form-BD issued by the Securities and Exchange Commission and a written verified application. *Id.*

19. *Id.* An investment adviser had to file a verified, written application. *Id.*

20. 1987 Nev. Stat. ch. 794, sec. 26, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

21. *Id.* secs. 27, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_); 26, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_); 68, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_); 28, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). Chapter 794 provides that the administrator may, by regulation or order, require the oral or written examination of applicants for licensing. *Id.* Any examination must be administered by the administrator or a designee and may differ for each class of applicants. *Id.* The administrator may waive any exam requirement he imposed if he determines that an exam is not required by reason of the training and experience of the applicant. *Id.*

22. *Id.* sec. 7, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (definition of filing).

23. See SECURITIES EXCHANGE ACT of 1934 (15 U.S.C. § 78d) (establishing the SEC).

24. 1987 Nev. Stat. ch. 794, sec. 20, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (definition of self-regulatory organization).

25. *Id.* sec. 3, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (definition of administrator).

26. *Id.* sec. 27, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (fees for licensing).

27. *Id.* sec. 26, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (additional information may be required by the administrator).

28. *Id.* secs. 31, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_); 29, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

29. 1983 Nev. Stat. ch. 292, sec. 34, at 703 (amending NEV. REV. STAT. § 90.133); 1975 Nev. Stat. ch. 543, sec. 6, at 953 (enacting NEV. REV. STAT. § 90.133).

Chapter 794 expands prior law by authorizing the administrator to deny, suspend, revoke or limit any license.<sup>30</sup> Accordingly, Chapter 794 provides that licensed persons must maintain and file required records and reports and allows the administrator to examine<sup>31</sup> the records of licensed persons.<sup>32</sup> Further, under certain circumstances,<sup>33</sup> Chapter 794 permits the administrator to bar a licensed person or applicant from association with a broker-dealer or investment adviser or to bar a person<sup>34</sup> from employment with a broker-dealer or investment adviser.<sup>35</sup> Chapter 794 also prohibits a broker-dealer, investment adviser, or issuer from employing or contracting with persons suspended or barred by the administrator from such association.<sup>36</sup>

Under prior law, registration became effective when the application was registered by the administrator and remained effective for one year unless renewed.<sup>37</sup> Under Chapter 794, the license of a broker-

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30. 1987 Nev. Stat. ch. 794, sec. 33, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

31. Examination must be in a manner reasonable under the circumstances and may be done without previous notice. *Id.* sec. 32, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). The administrator may impose a reasonable fee for the expense of conducting an examination. *Id.*

32. *Id.* secs. 30, 32, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). With some exceptions, information and documents filed with or obtained by the administrator are public information and are available for public examination. *Id.* sec. 64, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

33. 1987 Nev. Stat. ch. 794, sec. 33, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (where applicant: (1) filed an incomplete, false or misleading application; (2) violated a provision of Chapter 794; (3) violated one of the federal securities acts; (4) was convicted of a certain felony or misdemeanor within the last 10 years; (5) has been enjoined from engaging in a certain activity in connection with purchase or sale of a security; (6) has had his license denied, suspended or revoked; (7) is subject to: order of United States Postal Service relating to fraud; order to cease and desist; suspension or expulsion from membership in or association with a member of a self-regulatory organization; order suspending or revoking registration under Commodity Exchange Act (7 U.S.C. § 1); order by securities agency or administrator of another state, Canadian province or territory or by the SEC denying, suspending or revoking the person's license; (8) has engaged in unethical or dishonest business practices; (9) is insolvent; (10) lacks qualification; (11) has failed to reasonably supervise a sales representative or employee; or (12) has failed to pay proper registration fee within required time period).

34. *Id.* (partner, officer, director, or a person occupying a similar status or performing a similar function for an applicant or licensed person).

35. *Id.* The administrator is limited in determining that an applicant or licensed person lacks qualification. *Id.* sec. 34, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). He may not enter an order: (1) against a broker-dealer because a sales representative of the broker-dealer or other person (if broker-dealer is a natural person) lacks qualification; (2) against an investment adviser because a person representing the investment adviser or a person other than the investment adviser (if the person is a natural person) lacks qualification; (3) solely on the basis of lack of experience if applicant or registrant is qualified by training or knowledge. *Id.* Further, the administrator must consider that a sales representative who will be supervised by a licensed broker-dealer need not have the same qualifications as a broker-dealer, and that an investment adviser is not necessarily qualified solely on the basis of experience. *Id.*

36. *Id.* sec. 22, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

37. 1983 Nev. Stat. ch. 292, sec. 33, at 701 (amending NEV. REV. STAT. § 90.130).

dealer, sales representative, or investment adviser becomes effective thirty days after an application for licensing has been filed if all the requirements have been satisfied.<sup>38</sup> Chapter 794 also adds provisions governing the withdrawal of an application for a license.<sup>39</sup>

## REGISTRATION

Prior law prohibited persons<sup>40</sup> from selling<sup>41</sup> securities<sup>42</sup> in a public intrastate offering<sup>43</sup> unless registered.<sup>44</sup> Chapter 794 also mandates that all securities<sup>45</sup> be registered unless expressly exempted.<sup>46</sup> Chapter 794 provides three new procedures by which a security can be registered: filing, coordination or qualification.<sup>47</sup> The registration statement may be filed by the issuer,<sup>48</sup> broker-dealer<sup>49</sup> or other person.<sup>50</sup>

When a registration statement has been filed under the Securities Act of 1933, Chapter 794 permits registration by filing or by coordination.<sup>51</sup> To qualify to register a security by filing, the following

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38. 1987 Nev. Stat. ch. 794, sec. 29, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). See *supra* notes 15-18 and accompanying text (regarding licensing requirements). The administrator may authorize an earlier effective date of licensing. *Id.*

39. *Id.* sec. 35, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

40. 1985 Nev. Stat. ch. 127, sec. 6, at 502 (amending NEV. REV. STAT. § 90.070) (definition of person).

41. 1983 Nev. Stat. ch. 292, sec. 29, at 699 (amending NEV. REV. STAT. § 90.080) (definition of sell).

42. *Id.* ch. 401, sec. 56, at 997 (amending NEV. REV. STAT. § 90.090) (definition of security).

43. *Id.* ch. 622, sec. 2, at 2046 (amending NEV. REV. STAT. § 90.075) (definition of public intrastate offering).

44. 1975 Nev. Stat. ch. 543, sec. 17, at 958 (amending NEV. REV. STAT. § 90.140).

45. 1987 Nev. Stat. ch. 794, sec. 19, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (definition of security).

46. *Id.* sec. 37, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

47. *Id.* secs. 38, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (registration by filing); 39, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (registration by coordination); 40, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (registration by qualification).

48. *Id.* sec. 11, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (definition of issuer).

49. See *supra* note 11 (definition of broker-dealer).

50. 1987 Nev. Stat. ch. 794, sec. 41, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (person is any other person on whose behalf the offering is to be made). *Id.* See also *id.* sec. 13, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (definition of person). With some exceptions, the cost of registration is 0.10% of the maximum aggregate offering price of the securities, but not less than \$350 or more than \$2500. *Id.* An open end management company, a face amount certificate company or a unit investment trust as defined in the Investment Company Act of 1940 (15 U.S.C. § 80a-1—80a-64) may register an indefinite amount of securities under a registration statement and must pay a fee of \$500 at the time of filing, and a fee of \$2000 within 60 days after the registrant's fiscal year during which the statement is effective, or file a report and pay a fee of 0.10% of the aggregate sales price of the securities sold but not less than \$350 or more than \$2500. *Id.* sec. 43, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

51. See *supra* note 47 and accompanying text.

must be established: (1) The issuer must be organized under the laws of the United States or a state; (2) the issuer must have actively engaged in business for at least thirty-six consecutive months; (3) the issuer must have registered certain equity securities under the Securities Exchange Act of 1934<sup>52</sup> (SEA) and must have a certain net worth; (4) the issuer has been subject to the SEA and filed all material required under sections 13 and 14 for thirty-six months preceding; (5) all underwriters and broker-dealers offering the security must be subject to certain regulations;<sup>53</sup> (6) commissions to the underwriters are within the acceptable range;<sup>54</sup> (7) the issuer has not defaulted on specified transactions<sup>55</sup> or failed to pay dividends on preferred stock; (8) the price of the equity security is less than five dollars per share; and (9) there have been at least four market makers for the class of securities registered under section 12 of the SEA during a certain time period.<sup>56</sup> Chapter 794 also describes additional information<sup>57</sup> to be provided in the registration by filing statement and sets forth the additional documents that must be submitted.<sup>58</sup>

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52. 1987 Nev. Stat. ch. 794, sec. 38, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). See also SECURITIES EXCHANGE ACT of 1934 (15 U.S.C. § 78a-78kk). The issuer has registered a class of equity securities under section 12(b) or 12(g) of the Securities Exchange Act of 1934, and the class of securities is held by 500 or more record shareholders. *Id.* In addition the issuer has: (1) either a total net worth of \$4,000,000 or total net worth of \$2,000,000 and net pretax income from operations before allowances for extraordinary items for two of three preceding fiscal years; (2) not less than 400,000 units of a class of public securities registered under section 12 of the SEA; and (3) no outstanding warrants and options held by certain persons exceeding 10% of the total number of outstanding shares after completing the offering of securities. 1987 Nev. Stat. ch. 794, sec. 38, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

53. *Id.* Each underwriter and broker-dealer is a member and subject to regulation of fair practice of a national association of securities dealers and the underwriter has contracted to purchase the securities offered in a principal capacity. *Id.*

54. *Id.* Commissions or discounts received by underwriters may not exceed 10% of aggregate price at which securities are being offered. *Id.*

55. *Id.* (default on indebtedness for borrowed money, on rental or long term lease, and defaults in aggregate are material to the financial position of the issuer and its subsidiaries).

56. *Id.* (specified time period is at least 30 days during the 3 months preceding the offering of the securities).

57. In issuer transactions, Chapter 794 requires the name, address and form of organization of the issuer. *Id.* In the case of a nonissuer transaction, Chapter 794 requires: (1) the name and address of the person on whose behalf a part of the offering is to be made, (2) the amount of securities held by the person, and (3) a statement of the reasons for making the offering. *Id.* See also *id.* sec. 41, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (statement must also specify the amount of securities to be offered and any adverse order, judgment or decree entered in connection with the offering).

58. *Id.* sec. 38, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). The required documents are: (1) A statement demonstrating eligibility for registration by filing, (2) a description of the security being registered, and (3) a copy of the latest prospectus filed under the Securities Act of 1933. *Id.* The statement must also specify the amount of securities to be offered and any adverse order, judgment or decree entered in connection with the offering. *Id.* sec. 41, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

Under Chapter 794, registration by coordination also may be used when the securities have been registered under the Securities Act of 1933.<sup>59</sup> According to Chapter 794, the registration statement requires disclosure of specific information.<sup>60</sup> In addition, two copies of the latest prospectus filed under the Securities Act of 1933<sup>61</sup> and other documents required by regulation, order or request of the administrator must accompany the statement.<sup>62</sup>

Under Chapter 794, a security not registered under the Securities Act of 1933 may be registered by qualification.<sup>63</sup> Chapter 794 sets forth specific information that must be disclosed with respect to: (1) the issuer;<sup>64</sup> (2) every director and officer of the issuer;<sup>65</sup> (3) certain record shareholders of certain equity security;<sup>66</sup> (4) the promoter;<sup>67</sup>

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59. *Id.* sec. 39, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

60. *Id.* sec. 41, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). The statement must also specify the amount of securities to be offered and any adverse order, judgment or decree in connection with the offering. *Id.*

61. Chapter 794 also mandates that all future amendments to the federal prospectus other than an amendment delaying the effective date of the registration statement be filed promptly. *Id.* sec. 39, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

62. *Id.* The following documents may be required by the administrator: (1) A copy of the articles of incorporation and the bylaws; (2) a copy of any agreement with or among the underwriters; (3) a copy of any indenture or other instrument governing issuance of a security; and (4) a copy or specimen or description of the security. *Id.* The administrator may, subject to certain limitations, request any other information or copies of any other documents filed under the Securities Act of 1933. *Id.*

63. *Id.* sec. 40, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

64. The following information regarding the issuer must be disclosed: (1) Name, address and form of organization; (2) the state or jurisdiction and date of organization; (3) general character and location of the business; (4) a description of the physical property and equipment; and (5) a statement of the general competitive conditions of the business or industry. *Id.* (also applicable to any significant subsidiary of issuer).

65. The following information must be disclosed on each director and officer: (1) Name, address and principal occupation for last 5 years; (2) amount of securities held by the person as of a certain date; (3) the amount of securities covered by the statement to which the person intends to subscribe; (4) a description of any material interest in any material transaction with the issuer, or significant subsidiary, effected within the past 3 years or proposed in the future; and (5) the compensation paid by issuer during the last 12 months and estimated to be paid during the next 12 months. *Id.* This provision is also applicable to a person occupying similar status or performing similar function as director or officer of the issuer. *Id.*

66. Persons owning 10% or more of outstanding shares of a class of equity security of the issuer must specify: (1) Name, address and principal occupation for last 5 years; (2) amount of securities held by the person as of a certain date; (3) the amount of securities covered by the statement to which the person intends to subscribe; (4) a description of any material interest in any material transaction with the issuer, or significant subsidiary, effected within past 3 years or proposed in the future and (5) the compensation paid by issuer during the last 12 months and estimated to be paid during the next 12 months. *Id.*

67. If the issuer was organized within the last 3 years the following information is required: (1) The amount paid or intended to be paid to the person within that period; (2) the consideration for the payment; (3) the name, address and principal occupation for last 5 years; (4) the amount of securities held by the person as of a certain date; (5) the amount of securities covered by the statement to which the person intends to subscribe; (6) a description

and (5) a person on whose behalf a part of the offering is to be made in a nonissuer transaction.<sup>68</sup> In addition to the statement disclosing information relating to the sale of the securities,<sup>69</sup> Chapter 794 further specifies the documents which must accompany the registration statement.<sup>70</sup>

All three registration procedures described in Chapter 794 specify the dates the registration statement becomes effective, and, when appropriate, coordinates this date with the date the federal registration statement becomes effective.<sup>71</sup> The time period in which regis-

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of any material interest in any material transaction with the issuer, or significant subsidiary, effected within the past 3 years or proposed in the future; and (7) the compensation paid by issuer during the last 12 months and estimated to be paid during the next 12 months. *Id.* See 1987 Nev. Stat. ch. 794, sec. 15, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (definition of promoter).

68. The following information must be included: (1) Name and address; (2) amount of securities held by the person as of certain date; (3) description of any material interest in any material transaction with the issuer or any significant subsidiary, effected within past 3 years or proposed to be effected; and (4) a statement of the reasons for making the offering. *Id.* See *id.* sec. 12, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (definition of nonissuer transaction).

69. The statement must contain: (1) The amount of capitalization and long term debt; (2) the amount and kind of consideration for which the issuer or subsidiary has issued its securities within the last two years; (3) the kind, amount and offering price of the securities; (4) the basis upon which the offering is to be made if other than for cash; (5) the estimated underwriting commission, selling discounts and finder fees; (6) the estimated amounts of other selling expenses; (7) a copy of any underwriting or selling group agreement; (8) the estimated cash proceeds to be received by issuer from offering; (9) the purposes for which proceeds will be used by issuer; the amount of funds to be raised from other sources; (10) the sources of the funds, a description of the stock options outstanding or to be created in connection with the offering and the amount of options held by certain persons; (11) the dates, parties, and general effect of every management or material contract made other than in the ordinary course of business, a copy of the contract; (12) a description of any pending litigation to which issuer is party and which materially affects the business or assets; and (13) any additional information specified by the administrator by regulation or order. *Id.* sec. 40, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). If the securities are not offered by an underwriter, a description of the plan of distribution of securities must be included in the statement. *Id.*

70. *Id.* The documents that must be filed include: (1) A copy of any prospectus, pamphlet, circular, form letter, advertisement or other sales literature intended to be used in connection with the offering; (2) a copy, specimen, or description of the security; (3) a copy of issuer's articles of incorporation and bylaws; (4) a copy of any indenture or other instrument covering the security to be registered; (5) a signed or conformed opinion of counsel as to the legality of the security which must specify certain information; (6) the written consent of an accountant, engineer, appraiser or other person having prepared or certified a report or valuation which is used in connection with the registration statement; and (7) a statement of the financial condition of the issuer at a certain date and for a certain period. *Id.*

71. 1987 Nev. Stat. ch. 794, sec. 38, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). When the required state documents have been filed for five business days and the applicable state registration fees have been paid before the federal registration statement is effective, the registration statement becomes effective concurrently with the federal registration statement. *Id.* If federal registration becomes effective before state conditions of registration statement are satisfied, the state registration is effective when conditions are satisfied. *Id.* sec. 39, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). Registration by coordination becomes effective when an effective registration statement has been on file with the administrator for 10 days and a statement of the maximum and minimum offering prices and underwriting discounts and commissions has been on file for 2 business days. *Id.* If the federal registration is effective

tration becomes effective may be shortened by administrative order or regulation.<sup>72</sup> According to the registration method selected, the administrator may retroactively deny, suspend or delay the effectiveness of the registration statement,<sup>73</sup> or may waive or modify the application of the provisions of Chapter 794.<sup>74</sup> Additionally, Chapter 794 provides for amendment of the registration statement and for incorporation by reference of the specified completed registration statement.<sup>75</sup>

Under prior law, the following securities were exempted from the registration requirements: (1) securities issued or guaranteed by a bank supervised by the state, another state or the United States; (2) securities issued by a nonprofit organization, savings and loan association or a common or contract carrier; (3) receivers' or trustees' certificates; or (4) securities exchanged for existing securities pursuant to a judicial or administrative order.<sup>76</sup> Securities of certain insurers were also not subject to the registration requirement.<sup>77</sup> Chapter 794 recognizes additional exempted securities<sup>78</sup> and authorizes the admin-

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before the above conditions are satisfied, the registration statement automatically becomes effective when all the conditions are satisfied. *Id.* sec. 40, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). Registration by qualification becomes effective 30 calendar days after the date the registration statement or last amendment is filed if the administrator has not ordered and the applicant has not requested that effectiveness be delayed. *Id.*

72. *Id.* secs. 39, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_); 38, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_); 40, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

73. If registration is by coordination, the administrator may retroactively deny or suspend the effectiveness of the registration statement under certain circumstances. *Id.* sec. 39, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). If registration is by qualification, the administrator may delay the effectiveness of a registration statement under certain circumstances. *Id.* sec. 40, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

74. *Id.* secs. 39, 40, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). If registration is by coordination, the administrator may waive or modify the application of the provisions of Chapter 794, if waiver or modification is appropriate for further coordination of state and federal registration. *Id.* sec. 39, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

75. *Id.* sec. 41, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (amending the registration by filing statement, by coordination statement and registration by qualification statement). *Id.* A document filed under this Act within five years before filing registration statement may be incorporated by reference into the registration statement. *Id.*

76. 1983 Nev. Stat. ch. 622, sec. 4, at 2047 (enacting NEV. REV. STAT. § 90.152).

77. 1971 Nev. Stat. ch. 37, sec. 902, at 1921 (amending NEV. REV. STAT. § 90.153).

78. The following securities are exempt from registration requirements and from the filing of prospective statements: (1) Security or certificate of deposit issued, insured or guaranteed by the United States but not including security payable from revenues to be received from nongovernmental industrial or commercial enterprises unless certain requirements are met; (2) security insured, issued, or guaranteed by Canada or a foreign government; (3) security issued by a depository institution if the deposits are insured by an appropriate federal agency; (4) security issued by, insured, or guaranteed by an insurance company organized under the laws of any state and authorized to do business in Nevada; (5) security issued or guaranteed by a railroad, common carrier, public utility or holding company that is subject to the regulations of the Interstate Commerce Commission or other governmental authority; (6) equipment trust certificates with respect to certain equipment; (7) a security listed on the New York, American, Midwest, Pacific or other stock exchange; (8) security designated for inclusion in the national market system by the National Association of Securities Dealers (9) an option issued by a

istrator to exempt other securities or transactions.<sup>79</sup> Chapter 794 provides further exemptions for certain nonissuer transactions<sup>80</sup> and other specified transactions.<sup>81</sup> Finally, under Chapter 794, the administrator is authorized to order the prefiling of printed materials<sup>82</sup> intended for distribution to prospective investors, unless the security is exempt from registration<sup>83</sup> or the investment adviser is exempt from licensing.<sup>84</sup>

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clearing agency registered under the Securities Exchange Act of 1934, if security or other interest underlying the option meets certain conditions; (10) a security issued by a nonprofit organization; (11) a promissory note, draft, bill of exchange or certain banker's acceptances; (12) a security issued in connection with an employees' benefit plan; (13) a membership or equity interest in a nonprofit cooperative; and (14) a security issued by an issuer registered as an open end management investment company or unit investment trust, if issuer has certain qualifications. *Id.* sec. 43, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

79. *Id.* secs. 45, 46, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (administrator may also deny or revoke an exemption to a specific security).

80. The following nonissuer transactions are exempt: (1) An isolated nonissuer transaction; (2) a nonissuer transaction in an outstanding security subject to registration under section 12 of the SECURITIES EXCHANGE ACT of 1934 and has been subject to the reporting requirements of section 13 or 15(d) for a specified time period; (3) a nonissuer transaction if a nationally recognized securities manual contains certain information about the issuer; (4) a nonissuer transaction in a security with a fixed maturity, fixed interest or with a dividend provision if certain conditions are met; and (5) a nonissuer transaction effected by or through a registered broker-dealer pursuant to an unsolicited order or offer to purchase. *Id.* sec. 44, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

81. *Id.* The following transactions are exempt: (1) A transaction between the issuer or other person on whose behalf the offering is made and an underwriter, or a transaction among underwriters; (2) a transaction in a bond or other evidence of indebtedness under specified circumstances; (3) a transaction by an executor, administrator, sheriff, marshal, receiver, trustee in bankruptcy, guardian or conservator; (4) a transaction by a bona fide secured party without the purpose of evading Chapter 794; (5) an offer to sell or sale of a security to a financial or institutional investor or to a broker-dealer; (6) a transaction pursuant to an offer to sell securities of an issuer if certain conditions are satisfied; (7) certain offers to sell, sales, a preorganization certificate or subscription; (8) a transaction pursuant to an offer to sell to existing security holders of the issuer convertible securities or nontransferable warrants if certain requirements are met; (9) a transaction involving an offer to sell but not a sale of a security not exempt from registration under the Securities Act of 1933 if certain requirements are met; (10) a transaction involving an offer to sell, but not a sale of a security exempt from registration under the Securities Act of 1933 under certain circumstances; (11) transactions involving the distribution of securities of an issuer to the security holders of another person in connection with a merger, consolidation, exchange of securities, sale of assets or other reorganization to which the issuer, or its parent or subsidiary are parties under specified conditions; (12) a transaction involving the offer to sell or sale of certain promissory notes or participation interests in the notes under certain conditions; (13) a transaction involving the offer to sell or the sale of certain promissory notes or participation interests in notes if interests originated under certain circumstances; (14) a transaction between any specified persons involving a nonassignable contract to buy or sell specified securities if the contract is to be completed within two years and other requirements are satisfied; and (15) a transaction involving one or more promissory notes secured by a lien on real estate, or participating interests in those notes, by a specified mortgage company. *Id.*

82. *Id.* sec. 47, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (includes any prospectus, pamphlet, circular, form letter, advertisement, other sales literature or advertising communication).

83. See *supra* note 78 and accompanying text (regarding exemptions).

84. 1987 Nev. Stat. ch. 794, sec. 47, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). See *id.* secs. 23, 25, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (exemptions for licensing).

FRAUD PROVISIONS

Prior law prohibited any person from employing any device, scheme or artifice to defraud;<sup>85</sup> from making any untrue or misleading statement of a material fact; or from engaging in a fraudulent act or practice in connection with the offer, sale or purchase of any security.<sup>86</sup> Prior law also authorized the administrator to prohibit or suspend the sale of a security or deny approval of the registration statement if the administrator found that the sale, proposed sale or method of sale of any security involved fraud.<sup>87</sup>

In addition to a general fraud provision,<sup>88</sup> Chapter 794 specifies the types of fraud which are prohibited.<sup>89</sup> Under Chapter 794, the administrator may suspend, revoke or deny effectiveness of a registration statement if: (1) the registration statement is incomplete in any material respect or contains a false or misleading statement as to a material fact; (2) the provisions of Chapter 794 or regulations have been violated by the person filing the statement, the issuer or the underwriter; (3) the security is subject to a temporary or permanent injunction; (4) the issuer's enterprise or business method includes illegal activities; (5) the offering has worked fraud on the purchasers; (6) the offering has been or would be made with unreasonable amounts of compensation.<sup>90</sup> If registrant failed to pay the proper filing fee, the administrator may only deny the effectiveness of the registration statement.<sup>91</sup>

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85. 1963 Nev. Stat. ch. \_\_\_\_, sec. \_\_\_\_ at 585 (enacting NEV. REV. STAT. § 90.050) (definition of fraud, deceit and defraud).

86. 1983 Nev. Stat. ch. 292, sec. 30, at 699 (amending NEV. REV. STAT. § 90.110).

87. *Id.* ch. 292, sec. 31, at 700 (amending NEV. REV. STAT. § 90.110).

88. 1987 Nev. Stat. ch. 794, sec. 48, at \_\_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). *See id.* sec. 9, at \_\_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (definition of fraud).

89. *Id.* sec. 49, at \_\_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). Without limiting the general fraud provision a person must not: (1) quote a fictitious price with respect to a security; (2) effect a transaction in a security for the purpose of creating a false or misleading appearance of active trading; (3) employ any other deceptive or fraudulent device, scheme or artifice to manipulate the market in a security. *Id.* Further, it is unlawful for an investment adviser to employ a device, scheme or artifice to defraud a client or to engage in other fraudulent conduct. *Id.* sec. 50, at \_\_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). It is unlawful for a person to file with the administrator a statement that the person knows or has reasonable grounds to know is false or misleading in a material respect. *Id.* sec. 51, at \_\_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_)

90. *Id.* sec. 42, at \_\_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). Compensation includes underwriters' and sellers' discounts or commissions, promoters' profits or participation, or unreasonable amounts or kinds of options. *Id.*

91. *Id.* The administrator may not institute a proceeding: (1) against an effective registration statement on the basis of information known to the administrator when the registration statement became effective unless the proceeding is instituted within a certain time period; or (2) with respect to a registration by filing a statement if the offering has worked a fraud on purchasers or was made with unreasonable amounts of compensation. *Id.*

Under prior law, the administrator had authority to: (1) investigate securities violations using a subpoena and other methods of discovery; (2) initiate an action to enjoin violations; and (3) impose sanctions on any person who violated the fraud provisions.<sup>92</sup> The Attorney General was authorized to institute criminal proceedings.<sup>93</sup> A buyer could institute a civil action in law or equity to recover damages.<sup>94</sup> Chapter 794 expands the administrator's role in investigating fraud violations and creates various enforcement provisions.<sup>95</sup> When the administrator reasonably believes<sup>96</sup> that the sale of a security is in violation of the registration requirement, or that a broker-dealer or investment adviser has not complied with the licensing requirement, Chapter 794 provides that sanctions may be imposed.<sup>97</sup>

Upon a showing by the administrator that a person violated Chapter 794, the appropriate district court may grant or impose one or more of the appropriate legal or equitable remedies.<sup>98</sup> In granting

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92. 1963 Nev. Stat. ch. 318, sec. 18, at 590 (enacting NEV. REV. STAT. § 90.170). The administrator may bring action through the attorney general and, upon a proper showing, a permanent or temporary injunction, restraining order or writ must be granted. *Id.* sec. 19, at 591 (enacting NEV. REV. STAT. § 90.180). 1983 Nev. Stat. ch. 292, sec. 31, at 700 (amending NEV. REV. STAT. § 90.115). The penalty for willful and knowing violation of a securities provision was confinement for not less than one year or more than six years or a fine of not more than \$5000, or both. 1979 Nev. Stat. ch. 655, sec. 129, at 1458 (amending NEV. REV. STAT. § 90.190).

93. 1979 Nev. Stat. ch. 655, sec. 129, at 1459 (amending NEV. REV. STAT. § 90.190).

94. 1983 Nev. Stat. ch. 622, sec. 3, at 2046 (amending NEV. REV. STAT. § 90.200). Prior law had a two year statute of limitations for a civil action. *Id.*

95. 1987 Nev. Stat. ch. 794, sec. 53, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). The administrator may make any necessary investigation concerning securities violations and may publish information concerning a violation. *Id.* If activities constituting an alleged violation for which the administrator seeks discovery of information would be a violation of Chapter 794, the administrator may issue or enforce subpoenas in Nevada at the request of an agency or administrator of another state. *Id.* If a person fails to comply with a discovery order, the administrator may apply to the court for an order to compel. *Id.* The administrator must notify the respondent of the request of an order for compliance within the specified time period. *Id.*

96. It is sufficient if the administrator has a reasonable belief whether or not based on an investigation. *Id.* sec. 54, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

97. *Id.* The administrator may issue without a prior hearing an order to desist and refrain from further activity until the security is registered or the person is licensed. *Id.* Sanctions which the administrator may impose after notice and hearing in an administrative proceeding are the following: (1) An order to cease and desist; (2) censure of a licensed broker-dealer, sales representative or investment adviser or suspension of the person from association with a licensed broker-dealer or investment adviser; (3) an order against an applicant, licensed person or other person who knowingly violates Chapter 794, imposing a civil penalty up to \$2500 for a single violation or \$25,000 for multiple violations. *Id.* Imposition of sanctions is limited by certain provisions. *Id.*

98. *Id.* sec. 55, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). The available remedies are: (1) A temporary restraining order, a permanent or temporary injunction or writ of mandamus; (2) a declaratory judgment; (3) restitution to investors; (4) appointment of a receiver or conservator for defendant or defendant's assets; (5) a civil penalty up to \$2500 for a single violation, or \$25,000 for multiple violations; and (6) other relief as the court deems fair. *Id.*

the appropriate relief, the court must consider enforcement actions taken, and sanctions imposed by the administrator.<sup>99</sup>

Chapter 794 allows recovery of damages in a civil action<sup>100</sup> by a person purchasing a security from a person or a participant<sup>101</sup> who offered or sold a security in violation of a securities provision.<sup>102</sup> Chapter 794 does not allow relief to a purchaser who prior to commencement of the suit receives a specified offer which the purchaser fails to accept.<sup>103</sup> Chapter 794 provides specified sanctions for willful violations of this Act.<sup>104</sup> Chapter 794 provides that a person who lacks knowledge of the regulation or order may only be fined.<sup>105</sup> Chapter 794 sets forth the burden of proof in civil<sup>106</sup> and criminal proceedings.<sup>107</sup>

### ADMINISTRATIVE POWERS AND DUTIES

Chapter 794 expands and clarifies the powers and duties of an

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Upon a showing that the person is about to violate Chapter 794, a court may issue a temporary restraining order, a temporary or permanent injunction or a writ of prohibition or mandamus. *Id.*

99. *Id.* sec. 55, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

100. *Id.* sec. 57, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). Damages are the amount that would be recoverable on a tender less the value of the security when the seller disposed of it plus interest, costs, and reasonable attorney's fees, or, the difference between the price at which the securities were purchased or sold and the market value the securities would have had at the time of the person's purchase or sale in the absence of the act, plus interest and reasonable attorney's fees. *Id.* A civil suit must be brought one year after the discovery of the violation, one year after the discovery should have been made by the exercise of reasonable care, or three years after the act, omission or transaction constituting the violation. *Id.* sec. 58, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). A claim for relief under Chapter 794 survives the death of the prospective claimant.

101. *Id.* sec. 61, at \_\_\_ (enacting NEV. REV. STAT. § 90. \_\_\_\_).

102. *Id.* sec. 57, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). A person who makes an untrue statement of fact or omits a material fact is not liable if the purchaser knew that the statement was untrue or that there was an omission of a statement of material fact, or the seller did not know and in the exercise of reasonable care could not have known of the untrue statement. *Id.* sec. 16, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (definition of offer to sell and sale). *See id.* sec. 74, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (offers for sale).

103. *Id.* sec. 59, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). A written offer stating reason for liability, stating financial and other information necessary to correct all material misstatements, offering to repurchase the security for cash, and stating that the offer may be accepted at any time within a specified period after receipt. *Id.*

104. *Id.* sec. 56, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). The sanctions are confinement for at least one year and a fine of less than \$10,000, or both. A person who violates an order denying, suspending, or revoking the effectiveness of registration, or an order to cease and desist issued by the administrator, is guilty of a misdemeanor. *Id.*

105. *Id.*

106. The burden of proving an exemption or claim of exception from a definition in a civil action is on the person claiming the exemption or exception. *Id.* sec. 60, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

107. *Id.* The burden of going forward with evidence of a claim of exemption or exception from a definition is on the person claiming the exemption or exception. *Id.*

administrator.<sup>108</sup> Chapter 794 declares that the Secretary of State and the administrator must administer<sup>109</sup> and enforce the provisions of Chapter 794.<sup>110</sup> Specifically, Chapter 794 authorizes the administrator to commence an administrative proceeding.<sup>111</sup> In order to effectuate the enforcement of the Uniform Securities Act, Chapter 794 creates a securities division<sup>112</sup> in the office of the Secretary of State.<sup>113</sup> Chapter 794 prohibits the administrator from using any information obtained for personal gain.<sup>114</sup> Chapter 794 has various provisions which specifically encourage uniform interpretation and administration of the securities laws with other securities agencies.<sup>115</sup> Chapter 794 also authorizes the administrator to use a new emergency proceeding<sup>116</sup> in situations involving an immediate danger to the public welfare.<sup>117</sup> Further, Chapter 794 allows the administrator to commence a summary proceeding by entering a summary order.<sup>118</sup>

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108. *Id.* sec. 62, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). See *id.* secs. 53, 54, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

109. The administrator must keep a register of: (1) All applications for licensing and registration; (2) all effective licenses and registration statements; (3) all disciplinary, enforcement, declaratory and other orders and rulings issued; and (4) reports of investigations. *Id.* sec. 69, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

110. *Id.* sec. 62, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

111. *Id.* sec. 70, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). The administrator may commence an administrative proceeding at any time with respect to a matter within his jurisdiction but must commence an administrative proceeding upon application of a person unless certain conditions exist. *Id.*

112. *Id.* sec. 6, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_) (definition of division).

113. *Id.* sec. 79.5, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

114. *Id.* sec. 63, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

115. *Id.* secs. 65, 66, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_).

116. The administrator may take only such action as is necessary to prevent the danger to the public welfare. *Id.* sec. 73, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). The administrator must issue an order containing required information and must give such notice as practicable. *Id.* Unless otherwise required by law, the administrator's record need not constitute the exclusive basis for the action in emergency proceedings or for judicial review. *Id.* An order issued under an emergency proceeding is subject to specified judicial review for the final decision in a contested case. *Id.*

117. *Id.*

118. *Id.* sec. 71, at \_\_\_ (enacting NEV. REV. STAT. § 90.\_\_\_\_). On entry of a summary order, the administrator must promptly notify parties and send them notice of opportunity for hearing and set the hearing no less than 15 days but no more than 60 days from receipt of request for a hearing. *Id.* The administrator may make an order final if certain additional requirements are met. *Id.*