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Business Associations and Professions; corporations—voting trusts and shareholder agreements

NEV. REV. STAT. §§ 80.—, 225.— (new); §§ 78.090, 78.150, 78.160, 78.170, 78.365, 78.403, 78.760, 78.765, 78.767, 78.770, 78.775, 78.780, 78.785, 80.010, 80.050, 80.110, 80.130, 80.150, 81.0075, 81.280, 89.090, 104.9403, 104.9404, 104.9405, 104.9406, 225.060, 225.140, 225.155, 353.250 (amended).

AB 686 (Committee on Judiciary); 1989 STAT. Ch. 461 (Effective July 1, 1989)

Prior law allowed voting trusts¹ to exist up to fifteen years.² Chapter 461 reduces this period to a maximum of ten years.³ Chapter 461 also provides that the trustees and beneficiaries may, within the two years prior to the expiration of any voting trust agreement, consent in writing to extend the life of the trust for an additional ten years.⁴ Agreements made for a period in excess of ten years are not invalid, but are considered amended to conform to the ten-year maximum.⁵

Chapter 461 permits two or more shareholders to agree in writing to vote their stock in accordance with the terms of their agreement.⁶ Shareholder agreements are effective for a maximum of ten years, and may be extended during the two years prior to any expiration of the agreement or any previous extension.⁷ No single extension may exceed ten years.⁸

1. See NEV. REV. STAT. § 78.365 (1987) (amended by 1989 Nev. Stat. ch. 461, sec. 5, at 976-77) (definition of voting trust).

2. 1987 Nev. Stat. ch. 269, sec. 12, at 582 (amended by 1989 Nev. Stat. ch. 461, sec. 5, at 976-77).

3. 1989 Nev. Stat. ch. 461, sec. 5, at 976-77 (amending NEV. REV. STAT. § 78.365).

4. *Id.* A copy of the extension agreement must be filed with the main corporate office prior to the expiration of the current voting trust. *Id.* Extension agreements can be written to cover additional ten-year periods. *Id.*

5. *Id.* The language of the statute is ambiguous; it could also be read to allow the parties to extend their agreement for an unlimited number of ten-year periods in one agreement: "... but at any time within the 2 years next preceding the expiration of the agreement the parties thereto may extend its duration for as many additional periods, each not to exceed 10 years, as they wish." *Id.*

6. *Id.* sec. 5, at 976-77 (amending NEV. REV. STAT. § 78.365). *But see Shareholders' Voting Agreements: Invalidity under Voting Trust Statute: Delaware Voting Trust Statute Applied*, 46 CALIF. L. REV. 124 (1958) (discussing invalidation of certain shareholders' voting agreements).

7. 1989 Nev. Stat. ch. 461, sec. 5, at 976-77 (amending NEV. REV. STAT. § 78.365).

8. *Id.* See also *supra* note 5.

Existing law requires foreign corporations to file certain documents with the Secretary of State before doing business in Nevada.⁹ Chapter 461 declares that certain activities by foreign corporations do not amount to doing business in the state.¹⁰ These activities include selling through an independent contractor,¹¹ selling through catalogs or advertisements,¹² and individual transactions made within thirty days which are not related to a group of similar transactions.¹³

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9. NEV. REV. STAT. § 80.010 (1987) (amended by 1989 Nev. Stat. ch. 461, sec. 15, at 980-81) (documents include certificate of corporate existence, statement naming resident agent, and statement describing purpose of corporation).

10. 1989 Nev. Stat. ch. 461, sec. 14, at 980 (enacting NEV. REV. STAT. § 80.____). This definition of doing business in the state will not limit civil actions against foreign corporations. *Id.* See NEV. REV. STAT. §§ 80.080-090 (1987) (service of process on a foreign corporation and limitations of actions).

11. See NEV. REV. STAT. § 284.173 2 (definition of independent contractor).

12. For purposes of Chapter 461, there is no business conducted in the state when orders are solicited, received, and accepted outside the state for products which are then shipped into the state. 1989 Nev. Stat. ch. 461, sec. 14, at 980 (enacting NEV. REV. STAT. § 80.____).

13. *Id.* Chapter 461 codifies existing law as to isolated transactions. See *In re Las Vegas Hilton Hotel Fire Litig.*, 101 Nev. 489, 492, 706 P.2d. 137, 139 (1985) (transacting a single piece of business is not "doing business" within the meaning of Nevada Revised Statutes section 80.010, which requires corporations doing business in Nevada to file certain documents with the Secretary of State).

Business and Professions; foreign corporations doing business without maintaining domestic office

NEV. REV. STAT. § 80.250 (repealed); §§ 80.240, 80.260, 659.115, 673.595, 680A.230 (amended).

AB 768 (Committee on Judiciary); 1989 STAT. Ch. 296

Under existing law, a foreign corporation may carry on specified commercial transactions without maintaining a domestic office.¹ Chapter 296 prohibits a foreign corporation without a domestic office

1. NEV. REV. STAT. § 80.240 (1987) (amended by 1989 Nev. Stat. ch. 296, sec. 1, at 623) (the transactions include acquiring loans, owning notes evidencing another's indebtedness, maintaining a lawsuit as to a debt, maintaining a bank account, inspecting and acquiring real property, and producing motion pictures).