

LCB File No. R047-04

**PROPOSED REGULATION OF THE ADMINISTRATOR OF THE
SECURITIES DIVISION OF THE OFFICE OF THE
SECRETARY OF STATE**

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§1-3, 6, 8-12, 14-17, 36-38, 46, 52 and 53, NRS 90.750; §4, NRS 90.350, 90.750, 90.845 and 90.847; §§5, 25, 28, 29 and 33, NRS 90.350, 90.360, 90.750, 90.845 and 90.847; §§7, 22-24, 31, 32, NRS 90.390 and NRS 90.750; §13, NRS 90.750 and 90.770; §18, NRS 90.340, 90.350, 90.360 and 90.750; §19, NRS 90.350, 90.360, 90.390, 90.750, 90.845 and 90.847; §20, NRS 90.350, 90.360, 90.390, 90.750 and 90.845; §§21, 30, NRS 90.750 and 90.847; §26, NRS 90.350, 90.360, 90.750 and 90.845; §27, NRS 90.350, 90.360, 90.380, 90.750, 90.845 and 90.847; §§34, 35, NRS 90.360 and 90.750; §39, NRS 90.750, 90.845 and 90.847; §40, NRS 90.480 and 90.750; §41, NRS 90.490 and 90.750; §42, NRS 90.480, 90.490 and 90.750; §43, 90.490, 90.560 and 90.750; §44, NRS 90.520, 90.530, 90.540 and 90.750; §45, NRS 90.520 and 90.750; §47, NRS 90.530 and 90.750; §48-51, NRS 90.540 and 90.750.

Section 1. Chapter 90 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 14, inclusive, of this regulation.

Sec. 2. NAC 90.318 Request for waiver or no-action letter; limitation on response; precedential value.

1. A request for a waiver or no-action letter must be submitted in writing to the office of the administrator, accompanied by a fee of ~~[\$100]~~ **\$200.**

2. Two copies of the request must be filed. The request must contain:

- (a) A brief summary of the statutory and regulatory provisions to which it pertains;
- (b) A detailed statement of the relevant facts;
- (c) A detailed discussion and analysis of the law as it relates to the facts;
- (d) A statement of the legal authority for granting the request;
- (e) A statement of the reasons a waiver or no-action letter is appropriate;
- (f) A statement explaining any adverse or beneficial effect upon the public interest resulting from the granting of the request;

(g) A certification that, within the knowledge of the person on whose behalf the request is made, the transaction described is not directly or indirectly the subject of any pending judicial or administrative proceeding or, if such a proceeding is pending, a description of the proceeding;

(h) A certification that the transaction in question has not been commenced or, if it has commenced, a statement concerning its status; and

(i) An acknowledgment by the person on whose behalf the request is made that the request, together with any documents or information submitted and any response from the division, is, except as otherwise provided in NRS 90.730, public information which may be released for publication.

3. A request must be limited to the particular situation involving the problem at hand and must not attempt to include every possible type of situation that may arise in the future.

4. Except under extraordinary circumstances, the division will not respond to any request:

- (a) Involving the anti-fraud provisions of this chapter or chapter 90 of NRS; or
- (b) Relating to a transaction that has been consummated.

5. Unless otherwise specified in writing by the division, a waiver or no-action letter is limited to the specific security, case, matter or transaction at hand and has no precedential value in any other context.

Sec. 3. NAC 90.392 Licensing requirements; changes in certain information; expiration and renewal of license.

1. A broker-dealer who maintains a branch office must obtain a license from the division before doing business at that office.

2. A broker-dealer who desires to obtain the license required by this section must:

- (a) File an Application for Licensing of a Branch Office (Nevada Form 360-2);
- (b) Be licensed in this state as a broker-dealer and, if qualification is required by NRS 80.010, be qualified to do business in this state; and
- (c) Pay a fee of ~~[\$50]~~ **\$100**.

3. If any change occurs in the information set forth in an application made pursuant to this section, the applicant shall, within 30 days after the change, file an Amendment to Registration of a Branch Office (Nevada Form 360-2A) and pay a fee of ~~[\$25]~~ **\$50**.

4. A license obtained pursuant to this section expires on December 31 of each year. The license must be renewed annually on or before December 31 by paying a fee of ~~[\$50]~~ **\$100**.

Sec. 4. NAC 90.480 Contents of registration statement or offering document; penalty for failure to comply.

1. The registration statement, in the case of a security registered pursuant to NRS 90.480, or the offering document required by subsection 11 of NRS 90.500 in the case of a security registered pursuant to NRS 90.490, must set forth with reasonable specificity:

- (a) The intended use of the proceeds of the offering;
- (b) The type of business in which the issuer is or will be engaged;
- (c) The product or service offered or to be offered by the issuer; and
- (d) The name of each principal manager of the business of the issuer.

2. If the information required by subsection 1 is not set forth with the specificity required by that subsection, the administrator may deem the offering to be a blank check blind pool and may deny, suspend or revoke the effectiveness of the registration statement pursuant to NRS 90.510 unless:

- (a) The net offering proceeds to the issuer, after deducting offering expenses and commissions, are not less than \$150,000 ***unless waived by the administrator***;
- (b) Notwithstanding the provisions of NAC 90.490, the issuer has equity, contributed in cash, of not less than 10 percent of the aggregate offering price ***unless waived by the administrator***;
- (c) Specific disclosure is made of the criteria to be used by management in acquiring a business or other asset;
- (d) Disclosure is made of any previous involvement of any officer or director of the issuer in any similar offering, including:

(1) The nature of any transaction entered into by the issuer in connection with that offering;

(2) The dilution experienced by public shareholders as a result of that transaction; and

(3) The extent to which the criteria for selection set forth in the original prospectus were followed in effecting the transaction;

(e) The issuer undertakes in the prospectus to obtain the approval of a majority of disinterested shareholders if he proposes to:

(1) Spend more than 50 percent of the net offering proceeds in a transaction or series of related transactions;

(2) Issue new shares of stock equivalent, after completion of the transaction or series of related transactions, to more than 50 percent of the issued and outstanding stock;

(3) Change, without a meeting of the shareholders and within any 12-month period, more than one-half the members of the board of directors; or

(4) Change the criteria for acquisitions set forth in the prospectus; and

(f) The issuer undertakes in the prospectus to distribute an informational statement, before any vote of the shareholders conducted pursuant to paragraph (e), setting forth:

(1) All material facts regarding the proposal, including specific disclosure of the manner in which the criteria for selection set forth in the offering prospectus have been applied;

(2) A reasonably detailed description of any business or asset to be acquired in the proposed transaction;

(3) A detailed disclosure of any related-party transaction, finders' fee, consulting fee or agreement expected to be entered into or paid within the 12 months following the proposed transaction with or to any person who is an officer, director, promoter or principal shareholder of the issuer; and

(4) A pro forma balance sheet, prepared in accordance with generally accepted accounting principles, which gives effect to the proposed transaction and discloses the dilution to shareholders resulting from the transaction and the book value of the issuer immediately before and immediately after the transaction.

3. If the information required by subsection 1 is not set forth with the specificity required by that subsection, the administrator may deem the offering to be a blank check blind pool and may deny, suspend or revoke the effectiveness of the registration statement pursuant to NRS 90.510 unless:

(a) The registration statement, in the case of a security registered on Form SB-2 with the U.S. Securities Exchange Commission pursuant to Rule 419 and registered pursuant to NRS 90.480 sets forth with reasonable specificity:

(1) The name of each principal manager of the business of the issuer;

(2) The Net offering proceeds to the issuer are not less than \$75,000, unless waived by the administrator;

(3) Notwithstanding the provisions of NAC 90.490, the issuer has equity, contributed in cash, of not less than 10 percent of the aggregate offering price, unless waived by the administrator;

(4) Specific disclosure is made of the criteria to be used by management in acquiring a business or other asset;

(5) Disclosure is made of any previous involvement of any officer, director, or principal manager of the issuer in any similar offering, including:

(a) The nature of any transaction entered into by the issuer in connection with that offering;

(b) The dilution experienced by public shareholders as a result of that transaction; and

(c) The extent to which the criteria for selection set forth in the original prospectus were followed in effecting the transaction; and

(6) The issuer undertakes in the prospectus to distribute an informational statement, before any vote of the shareholders conducted pursuant to Rule 419, setting forth:

(a) All material facts regarding the proposal, including specific disclosure of the manner in which the criteria for selection set forth in the offering prospectus have been applied;

(b) A detailed description of any business or asset to be acquired in the proposed transaction;

(c) A detailed disclosure of any related-party transaction, finders' fee, consulting fee or agreement expected to be entered into or paid within the 12 months following the proposed transaction with or to any person who is an officer, director, principal manager, promoter or principal shareholder of the issuer; and

(d) A pro forma balance sheet, prepared in accordance with generally accepted accounting principles, which gives effect to the proposed transaction and discloses the dilution to shareholders resulting from the transaction and the book value of the issuer immediately before and immediately after the transaction; and

(7) The offering must be completed and closed within three (3) months from the date of its coordinated effective date, and all investors funds must be held in an insured escrow account;

(8) No investor's funds held in the insured escrow can be distributed to any officer, director, principal manager, promoter(s), unless an acquisition is completed and reconfirmed by the investors; and

(9) A company acquired pursuant to the qualifications and rules set forth in Rule 419 must take place within nine (9) months from the date of closing the offering, otherwise, all funds in the insured escrow account are to be returned to the investors within five (5) days.

Sec. 5. NAC 90.485 Limitation on amount of dilution in offering; remedy for violation. The amount of dilution in an offering by a development stage company may not exceed 75 percent of the aggregate offering price, *unless waived by the administrator*. For any violation of this section, the administrator may deem the offering to be one which will be made with unreasonable amounts of promoters' profits or participation and issue an order denying effectiveness to, or suspending or revoking the effectiveness of, the registration statement filed in connection with the offering.

Sec. 6. NAC 90.495 Claim of exemption: Applicable fee and filing requirements; burden of proof when filing not required.

1. Except as otherwise provided in this section, a person who claims an exemption from the registration requirement of NRS 90.460 must file the required Claim of Exemption From Securities Registration (Nevada Form N-9), together with any other materials required pursuant to the section of statute or regulation which establishes the exemption and the stated fee. For

convenience, the applicable fees and the required frequency of filing of the claim of exemption have been compiled in this section. For the purposes of this chart:

(a) The symbol “A” means that a claim of exemption and the required fee must be filed and paid initially and annually thereafter.

(b) The symbol “I” means that only an initial filing of a claim of exemption is required and that the required fee must be paid only at the initial filing of the claim of exemption.

(c) The symbol “T” means that a claim of exemption must be filed for each transaction or offering together with the required fee for each such transaction or offering.

Source of Exemption	Fee	Frequency of Filing
Exemptions established by statute		
NRS 90.520, subsection 2, paragraph (c).....	[\$150] \$300	A
NRS 90.520, subsection 2, paragraph (e).....	.....[150] 300	A
NRS 90.520, subsection 2, paragraph (f).....	.....[150] 300	A
NRS 90.520, subsection 2, paragraph (i).....	.....[150] 300	A
NRS 90.520, subsection 2, paragraph (j).....	... none	T
NRS 90.520, subsection 2, paragraph (k).....	.....[150] 300	A
NRS 90.520, subsection 2, paragraph (n).....	.....[250] 500	A
NRS 90.530, subsection 2.....	.....[150] 300	A
NRS 90.530, subsection 14, paragraph (b).....	.....[150] 300	T
NRS 90.530, subsection 17, paragraph (b).....	.....[150] 300	T

Source of Exemption	Fee	Frequency of Filing
Exemptions established by regulation		
NAC 90.515.....	[\$150] \$300	T
NAC 90.516.....	... [150] 300	I
NAC 90.517.....	... [150] 300	I
NAC 90.518.....	... [150] 300	I
NAC 90.519.....	... [150] 300	I
NAC 90.521.....	... [150] 300	T
NAC 90.522.....	... [150] 300	T

2. A person who claims an exemption from the registration requirement of NRS 90.460 pursuant to paragraph (n) of subsection 2 of NRS 90.520 must file with the administrator the Uniform Investment Company Notice Filing (Form NF) and the appropriate fee as set forth in subsection 4 of NRS 90.520.

3. An exemption from registration not listed in this section does not require the filing of a Claim of Exemption From Securities Registration (Nevada Form N-9) with the administrator. Nevertheless, the burden of demonstrating the availability and applicability of such an exemption is on the person claiming the exemption.

Sec. 7. NAC 90.497 Claim of exemption: Expeditious processing.

~~[1. A person who files a claim of exemption (Nevada Form N-9) from the registration requirements of NRS 90.460 may request expeditious processing of the claim by paying an additional fee per filing for the expeditious processing.~~

~~— 2. For a fee of ~~[\$50]~~ \$100 per filing the administrator will issue a notification of acceptance within 24 hours after receipt of the filing. For a fee of ~~[\$100]~~ \$200 per filing the administrator will issue a notification of acceptance on the same date on which the filing is received, if the filing is received by the administrator before noon Pacific Standard Time.]~~

~~[3]~~1. If such expeditious processing has been requested and the applicable fee paid, the administrator will transmit the notification of acceptance by facsimile machine.

Sec. 8. NAC 90.515 Offering complying with Regulation D of Securities and Exchange Commission. An offering is exempt from the registration requirements of NRS 90.460 if:

1. It complies with the requirements of Regulation D of the Securities and Exchange Commission, 17 C.F.R. §§ 230.501 to 230.506, inclusive, except for Rule 504 of that Regulation, 17 C.F.R. § 230.504;

2. A manually signed copy of a notice of sale of securities pursuant to Regulation D (Form D) is filed with the administrator as provided in 17 C.F.R. § 230.503;

3. A fee of ~~[\$150]~~ \$300 is paid to the administrator; and

4. A Claim of Exemption From Securities Registration (Nevada Form N-9) is filed with the administrator.

Sec. 9. NAC 90.516 Nonissuer transaction by sales representative licensed in state: Security included or designated for inclusion in The Nasdaq SmallCap Market.

1. A nonissuer transaction by a sales representative licensed in this state of an outstanding security that is included or designated for inclusion in The Nasdaq SmallCap Market is exempt from the registration requirements of NRS 90.460 if:

(a) The security is sold at a price reasonably related to the current market price of the security at the time of the transaction;

(b) The security does not constitute all or part of an unsold allotment to, or subscription or participation by, a broker-dealer who is an underwriter of the security;

(c) The issuer of the security has been in continuous operation for at least 2 years before inclusion or designation for inclusion of the security in The Nasdaq SmallCap Market;

(d) The issuer of the security has not undergone a major reorganization, merger or acquisition during the 30 days preceding the inclusion or designation for inclusion of the security in The Nasdaq SmallCap Market which is not reflected in The Nasdaq SmallCap Market listing; and

(e) The issuer of the security is not in bankruptcy or in receivership at the time of the offer or sale of the security.

2. An exemption provided by this section is available if, preceding the initial use of the exemption, the person claiming the exemption:

(a) Pays a fee of ~~[\$150]~~ \$300 to the administrator; and

(b) Files a Claim of Exemption From Securities Registration (Nevada Form N-9) with the administrator.

Sec. 10. NAC 90.517 Nonissuer transaction by sales representative licensed in state: Security included or designated for inclusion in OTC Bulletin Board or American Stock Exchange Emerging Company Marketplace.

1. A nonissuer transaction by a sales representative licensed in this state of an outstanding security that is included or designated for inclusion in the OTC Bulletin Board as operated by the National Association of Securities Dealers or the American Stock Exchange Emerging Company Marketplace is exempt from the registration requirements of NRS 90.460 if:

(a) The security is sold at a price reasonably related to the current market price of the security at the time of the transaction;

(b) The security does not constitute all or part of an unsold allotment to, or subscription or participation by, a broker-dealer who is an underwriter of the security;

(c) The issuer of the security has been in continuous operation for at least 5 years before inclusion or designation for inclusion of the security in the OTC Bulletin Board or American Stock Exchange Emerging Company Marketplace;

(d) The issuer has not undergone a major reorganization, merger or acquisition during the 120 days preceding the inclusion or designation for inclusion of the security in the OTC Bulletin Board or American Stock Exchange Emerging Company Marketplace which is not reflected in the OTC Bulletin Board or American Stock Exchange Emerging Company Marketplace listing;

(e) The issuer of the security is not in bankruptcy or in receivership at the time of the offer or sale of the security; and

(f) The security has been, except as otherwise provided in subsection 2, outstanding for at least 2 years before inclusion in the OTC Bulletin Board or American Stock Exchange Emerging Company Marketplace and:

(1) Was part of an initial public offering which was registered in any state as a Small Company Offering Registration using the Small Company Offering Registration Form (Form U-7), as adopted by the North American Securities Administrators Association; or

(2) Was registered for sale in any state as a Regulation A filing with the Securities and Exchange Commission.

2. In the case of an insider, promoter or control person of the issuer or an affiliate of such an insider, promoter or control person, the security must have been held for at least 3 years before inclusion in the OTC Bulletin Board or American Stock Exchange Emerging Company Marketplace.

3. An exemption provided by this section is available if, preceding the initial use of the exemption, the person claiming the exemption:

(a) Pays a fee of ~~[\$150]~~ \$300 to the administrator; and

(b) Files a Claim of Exemption From Securities Registration (Nevada Form N-9) with the administrator.

Sec. 11. NAC 90.518 Nonissuer transaction by sales representative licensed in state: Security of no more than \$100,000 held by shareholder for 12-month period.

1. A nonissuer transaction by a sales representative licensed in this state of an outstanding security of no more than \$100,000 which was held by a shareholder for any 12-month period is exempt from the registration requirements of NRS 90.460, if:

(a) The security is sold at a price reasonably related to the current market price of the security at the time of the transaction;

(b) The security does not constitute all or part of an unsold allotment to, or subscription or participation by, a broker-dealer who is an underwriter of the security;

(c) The issuer of the security has been in continuous operation for at least 5 years before the resale of the security;

(d) The issuer of the security has not undergone a major reorganization, merger or acquisition during the 120 days preceding the transaction which is not disclosed by the sales representative;

(e) The issuer of the security is not in bankruptcy or in receivership at the time of the offer or sale of the security; and

(f) The security has been, except as otherwise provided in subsection 2, outstanding for at least 2 years before the resale of the security and:

(1) Was part of an initial public offering which was registered in any state as a Small Corporate Offering Registration using the Uniform Limited Offering Circular (Form U-7), as adopted by the North American Securities Administrators Association; or

(2) Was registered for sale in any state as a Regulation A filing with the Securities and Exchange Commission.

2. In the case of an insider, promoter or control person of the issuer or an affiliate of such an insider, promoter or control person, the security must have been held for at least 3 years before the resale of the security.

3. An exemption provided by this section is available if, preceding the initial use of the exemption, the person claiming the exemption:

(a) Pays a fee of ~~[\$150]~~ \$300 to the administrator; and

(b) Files a claim of exemption (Nevada Form N-9) with the administrator.

Sec. 12. NAC 90.519 Certain securities issued by governmental entities. An issuer or a person acting on behalf of an issuer of a security described in paragraph (a) of subsection 2 of NRS 90.520, other than a security issued by this state or an agency, instrumentality or political subdivision of this state, shall file with the administrator not later than the date of the first offer or sale of the security in this state, whichever occurs earlier, a Claim of Exemption From Securities Registration (Nevada Form N-9) and a fee of ~~[\$150]~~ \$300 if the issuer would have been required to register the security with the administrator before the enactment of the National Securities Markets Improvement Act of 1996, Public Law 104-290, unless the security or the transaction would have been exempt from registration pursuant to NRS 90.520 or 90.530 before the date of enactment of that act.

Sec. 13. NAC 90.521 Offer or sale complying with Regulation S of Securities and Exchange Commission.

1. An offer or sale of a security is exempt from the registration requirements of NRS 90.460 if it complies with the provisions of Regulation S of the Securities and Exchange Commission (17 C.F.R. §§ 230.901 to 230.904, inclusive).

2. An exemption provided by this section is available if, preceding the initial use of the exemption, the person claiming the exemption:

(a) Pays a fee of ~~[\$150]~~ \$300 to the administrator; and

(b) Files a claim of exemption (Nevada Form N-9) with the administrator.

Sec. 14. NAC 90.522 Nonissuer transaction for which designated registration statement filed with and declared effective by Securities and Exchange Commission.

1. A nonissuer transaction, whether or not effected through a broker-dealer, involving any class of an issuer's security is exempt from the registration requirements of NRS 90.460 if:

(a) The issuer filed a registration statement with the Securities and Exchange Commission on Form F-8, F-9 or F-10; and

(b) The Securities and Exchange Commission has declared the registration statement to be effective.

2. An exemption provided by this section is available if, preceding the initial use of the exemption, the person claiming the exemption:

(a) Pays a fee of ~~[\$150]~~ \$300 to the administrator; and

(b) Files a claim of exemption (Nevada Form N-9) with the administrator.

Sec. 15. NAC 90.536 Certain offers of securities made to accredited investors.

1. Any offer to sell or the sale of a security by an issuer in a transaction that meets the requirements of this section is exempt from NRS 90.460 and 90.560 if the following conditions are met:

(a) Sales of securities must be made only to persons who are or the issuer reasonably believes are accredited investors. "Accredited investor" has the meaning ascribed to it in 17 C.F.R. § 230.501(a).

(b) This exemption is not available to an issuer that is in the development stage, has no specific business plan or purpose, or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies, or other entity or person.

(c) The issuer must reasonably believe that all purchasers are purchasing for investment and not with the view to or for sale in connection with a distribution of the security. Any resale of a security sold in reliance on this exemption within 12 months after sale, except a resale to an accredited investor or pursuant to a registration statement effective under NRS 90.470, 90.480 or 90.490, shall be presumed to be with a view to distribution and not for investment. Securities issued under this exemption may only be resold pursuant to registration or an exemption under NRS 90.530.

2. This exemption is not available to an issuer if the issuer, any of the issuer's predecessors, any affiliated issuer, any of the issuer's directors, officers, general partners, beneficial owners of 10 percent or more of any class of its equity securities, any of the issuer's promoters, promoters presently connected with the issuer in any capacity, any underwriter of the securities to be offered, or any partner, director or officer of such underwriter:

(a) Has filed a registration statement which is the subject of a currently effective registration stop order entered by any state securities administrator or the United States Securities and Exchange Commission;

(b) Has been convicted of any criminal offense in connection with the offer, purchase or sale of any security, or involving fraud or deceit;

(c) Is currently subject to any state or federal administrative enforcement order or judgment finding fraud or deceit in connection with the purchase or sale of any security; or

(d) Is currently subject to any order, judgment or decree of any court of competent jurisdiction, temporarily, preliminarily or permanently restraining or enjoining such party from engaging in or continuing to engage in any conduct or practice involving fraud or deceit in connection with the purchase or sale of any security.

3. Paragraph (d) of subsection 2 does not apply if:

(a) The party subject to the disqualification is licensed or registered to conduct securities-related business in the state in which the order, judgment or decree creating the disqualification was entered against such party; or

(b) Before the first offer under this exemption, the state securities administrator, or the court or regulatory authority that entered the order, judgment or decree, waives the disqualification.

4. A general announcement of the proposed offering may be made by any means. The general announcement must include only the following information, unless additional information is specifically permitted by the administrator:

(a) The name, address and telephone number of the issuer of the securities;

(b) The name, a brief description and the price, if known, of any security to be issued;

(c) A brief description of the business of the issuer in 25 words or less;

(d) The type, number and aggregate amount of securities being offered;

(e) The name, address and telephone number of the person to contact for additional information; and

(f) A statement that:

(1) Sales will only be made to accredited investors;

(2) No money or other consideration is being solicited or will be accepted; and

(3) The securities have not been registered with or approved by any state securities agency or the Securities and Exchange Commission and are being offered and sold pursuant to any exemption from registration.

5. The issuer, in connection with an offer, may provide information in addition to the general announcement required by subsection 4 if such information:

(a) Is delivered through an electronic database that is restricted to persons who have been prequalified as accredited investors; or

(b) Is delivered after the issuer reasonably believes that the prospective purchaser is an accredited investor.

6. No telephone solicitation is permitted unless, before placing the call, the issuer reasonably believes that the prospective purchaser to be solicited is an accredited investor.

7. Dissemination of the general announcement of the proposed offering to persons who are not accredited investors does not disqualify the issuer from claiming the exemption under this section.

8. The issuer shall file with the administrator a notice of the transaction, a consent to service of process, a copy of the general announcement and a fee of ~~[\$250]~~ \$500 within 15 days after the first sale in this state.

Sec. 16.

NAC 90.323 Fee for inspection of records is hereby repealed.

~~[1. For any inspection of records conducted pursuant to NRS 90.410, the administrator will impose a fee of not more than:~~

~~—(a) [Five hundred] One thousand dollars for an inspection within this state;~~

~~—(b) [Two thousand five hundred] Five thousand dollars for an inspection in which any part of the inspection occurs outside this state; or~~

~~—(c) The actual cost to the division of performing the inspection, whichever is less.~~

~~—2. The fee must be paid within 60 days after the receipt of a request for payment from the administrator.]~~

Sec. 17.

NAC 90.531 Filing of notice before initial offering of securities is hereby repealed.

~~[(NRS 90.540) An offering of securities is exempt from the provisions of NRS 90.460 and 90.560 if:~~

~~—1. The securities are set forth in subparagraph (2) of paragraph (b) of section 18 of the Securities Act of 1933, 15 U.S.C. § 77r(b)(2); and~~

~~—2. Before the initial offering in this state of the securities:~~

~~—(a) A copy of the issuer's federal registration statement is filed with the Securities and Exchange Commission; or~~

~~—(b) A notice on Form NF or Form N-9, as prescribed by the administrator, is filed with the administrator with a fee of ~~[\$250] \$500.~~~~