

If this bill were passed, this then would be a private offering exempt from registration. The idea of private offering is that basically you are dealing with what we call sophisticated investors and this exemption or concept has existed for about forty years. The standards for what a sophisticated investor are: the investor must meet specified minimum income, net worth requirements, he must be knowledgeable and experienced in the business investments, this type of thing. So what the amendment does then, strikes all the original sections of the bill, as we call it, gutting it, and it provides that then certain types of limited partnerships are not securities and, therefore, the sale of such investments would not be subject to registration with the Department of Banking and Finance. It is called a private offering exemption. If we adopt the amendment I will give you additional information, details, but I would like to try the amendment first and see if you are satisfied with it. The Banking Department is probably one of the strongest supporters of this. They actually wrote the doggone thing. Additionally Nebraska State Bar Association, the Nebraska Department of Banking and Finance, Nebraska Securities Association, which is composed of the broker dealers in the State of Nebraska. Okay, what about prior hearings in case somebody raises the question while you are gutting the bill and you really haven't had hearings? We have had hearings up the kazoo on this. The Banking, Commerce and Insurance Committee held two interim hearings specifically on this on October 26, '78, and November 29, '78, concerning the regulations of the sale of securities in the State of Nebraska. Both hearings centered on first of all, the limited partnership exclusion and of course the private offering exemption here. So we have had hearings. It is not something new and this amendment was actually offered in the hearings. It was not accepted by the committee at that time. We were going a different direction. As I say, there have been a lot of developments in the last nine months. I move for the adoption of the amendment.

PRISIDENT: All right, the Chair recognizes Senator Nichol. No, all right, Senator Vickers.

SENATOR VICKERS: Mr. President and members, Senator DeCamp indicated I had a slight interest in 496 and some of the problems some people in my area was having in getting prospectuses passed by the Banking Committee and I would like to ask Senator DeCamp a question if he can find a microphone, please.