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LB 496

PRESIDENT: Senator DeCamp, will you respond?

SENATOR DE CAMP: I will give her a try.

SENATOR VICKERS: Senator DeCamp, you were talking about sophisticated investors and the type of people that wouldn't be required to have a prospectus passed. Let's assume and use the, again, use a specific example if we will. Let's assume that these one percent investments and limited partnerships, oil and gas people, have a prospectus passed and then go back in the next month or two or three months later, want to drill another well, want to use identically the same investors. They have twenty investors let us say on the first well. The next well they are going to use the identical investors. Would those people be then considered sophisticated investors?

SENATOR DE CAMP: I am getting the answer here. I think I will have it here. You have just given me the outlines of the example. I am going to make certain assumptions. Okay, I am going to assume that what we are talking about then is that identical group. Okay?

SENATOR VICKERS: The same number of people, same group.

SENATOR DE CAMP: The same number of people and everything. The specific conditions of a private offering are the following: That there is no general or public solicitation or advertising for the sale of the securities; that no commission is paid to the seller of the securities unless the seller is actually registered as a broker dealer with the Department of Banking and Finance and that notice is filed with the Department of Banking and Finance by the seller describing the terms of the securities offering and a representation that the statutory conditions of the exemption are met; that the securities offering is in compliance with the rules of the Department of Banking and Finance and (5) that the securities offering is a private offering. Now assuming that those conditions were met, I would think under those circumstances that would be a private offering but I would have to know whether the person involved, what the commission and deals, whether there is a broker dealer involved, whether they have... this kind of thing but I think that might qualify. I don't know.

SENATOR VICKERS: It sounds like though that they, by the time met the department's, I think you said that they had to meet the department's regulations. The department could

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