

January 23, 1992 LB 757

Record, Mr. Clerk.

CLERK: 28 ayes, 0 nays, Mr. President, on the advancement of 757.

SPEAKER BAACK: LB 757 advances. We'll now proceed to LB 758.

CLERK: LB 758? Is that what you said? Okay, excuse me. Mr. President, 758, introduced by Banking Committee. (Read title.) The bill was introduced on January 23 of last year, referred to Banking, advanced to General File. I have no amendments to the bill.

SPEAKER BAACK: Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, LB 758 was also brought to us by the Banking Department. The lone testifier at the hearing was James Hansen, our Director of that department. The Banking Department is our administrator and our investigator and reviewer on securities questions. And in the event you're going to sell securities in the State of Nebraska you register with the department. Now the kind of registrations that are done are several fold. First, the individual securities are registered so we know what's being sold. We also register the people who are selling them, and they are described in several different ways. You may have a broker-dealer. Broker-dealers are registered. A broker-dealer may well hire a series of agents, the agents are registered as well. What Mr. Hansen has brought us is a very special little problem inside securities law. What happens when you have an employee stock purchasing program? It's the company's own stock which is already registered, it's being sold not in the open marketplace, but it's being given to employees of a company and it's the stock of that company. Right now we have two lists of exempt kinds of dealings, one, we have a list of exempt securities, securities which need not be registered. We also have a list of transactions. And, although it may be a security which is normally registered, if it's a particular kind of transaction then it does not have to be registered. Currently these employee stock option programs are listed in the exempt securities list, doesn't make sense, because these securities might well be, under any other circumstance, appropriately registered. What really should happen is what the department has suggested. That we move from an exempt security list to an exempt transaction list. Because it's the very nature of the