

January 25, 1980

LB 496

procedure that is being followed here. I like to read the committee statements when I vote on a bill and I see that on a motion by Senator Schmit, seconded by Senator DeCamp, LB 496 was advanced to General File and so now we have three or four pages of amendments striking the whole bill and I don't believe that is the procedure we should be following here and if this amendment is adopted I have a motion up there which would refer the bill back to the Banking Committee for a hearing.

PRESIDENT: ...recogniz Senator Beutler. (Mike not activated.)

SENATOR BEUTLER: Mr. President and members of the Legislature, I think without a doubt, if 496 is enacted in its original form it would probably be the worst bill we would pass this session without a doubt. I hope I can explain what I mean in a few words. 496 in its original form exempts from all the security law protections that we have set up over the last ten or twenty years, limited partnership interests. Now limited partnership interests are, in fact, a security. The law changes it to say it is not a security but I am telling you, in fact, it is a security and it doesn't just apply to oil and gas. You can use a limited partnership interest for almost anything you want to do. It is becoming more widespread all the time. If you pass 496 in its original form then all these people who want to avoid the security law protections will simply quit issuing stock and issue limited partnership interests, shares and it will be the biggest crack in the security laws that we have had to date. In fact, it would be more than a crack. It would destroy them. That is the way I feel about it. Anything is better than 496 in its original form.

PRESIDENT: Senator DeCamp, we are ready for closing on your amendment.

SENATOR DE CAMP: Well, my good friend, Senator Schmit, and, Senator Lamb, I would like to clarify maybe for you a little, the history again and where we are. We have pre-Murphy, the old law, joint ventures, limited partnerships, so on and so forth, we had our own special system in Nebraska unlike any other state and you will remember, Senator Schmit, it was I who defended that system year after year and stopped Murphy from doing the other way because I claimed that if you went Murphy's way it would be too far the other way, too much regulation but to prove it one day I went to flush the old John when Murphy offered his amendment and there wasn't a

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