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LB 500

for approval. They have to find that there is a substantial business benefit, that the conversion is fair and equitable, that the savers and the public are protected and that the conversion applies with all applicable federal regulations. After that, then the State Banking Department approves or disapproves. If they approve, if they approve, then the S & L has to submit a copy of a plan and a summary of the plan to all the shareholders and the shareholders have to, by a 51% majority, approve of the plan. Okay, and after it is approved, then it has to be submitted again to the federal and state regulatory agencies for a whole number of items. So there is an elaborate procedure set out for converting that protects the existing shareholders. Now let me describe for you what happens with the existing shareholders, and I think the first thing we have to ask ourselves is what do they get out of it now? If you are a saver in a savings and loan, what do you get out of it? You don't get any dividends out of it. They don't pay dividends. The only thing you get is the interest out of your savings account. Now the only other possibility of you getting anything out of a savings and loan association would be in the event that they would liquidate. Now they may or may not have enough assets to give you...to have some left over reserves to distribute to you in the event that they should liquidate but there is that possibility theoretically. What has happened in practice? What is the likelihood of liquidation? Zero. There has never been according to the officials in the industry, there has never been a liquidation of a savings and loan in the State of Nebraska. Merger is the name of the game and that doesn't help the savers one bit. The reason that there is no liquidation is because basically the economic cost of liquidating, the price you would have to offer to someone who would be willing to buy your mortgage portfolios would have to be discounted so much that it wouldn't be worthwhile to the savers. The savers would have to take a loss. So there is not going to be liquidation. There is going to be merger. Let me throw this at you also. If you liquidated and if you gave all of the reserves to the present savers, you would be, in fact, unjustly enriching them in this sense. For example, let's say that a saver had an account from 1946 to 1956. For a ten year period, the reserves that were built up during that ten year period would accrue to him, not to any of the present savers. So if you distributed that portion of the reserves that built up and were apportionable to that person, you would be unjustly enriching the present savers. Okay, let me get to the most important point, the most important point of all. LB 500 provides for a liquidation account and the purpose of a liquidation account is to protect the present savers, and basically what the law says is this, an amount equal to