

the present reserves, that is, if an S & L was liquidated today, what would be distributed? An amount equal to what would be distributed will be set aside in a liquidation account.

SPEAKER MARVEL: You have thirty seconds.

SENATOR BEUTLER: And in the event that after the merger the new S & L should liquidate, then the old savers would have a right to a prorated share, first right to a prorated share of that liquidation account. In other words, we preserve for them the same right that they have existing right now. We preserve that for them in the event that there should be a liquidation after merger. I would also mention that the savers have the first right to buy stock, they have the right to buy a prorata share of the stock and that is guaranteed. In addition to that, to be sure that the directors do not unreasonably profit from this by taking over the S & L, they are limited to a five percent share.

SPEAKER MARVEL: Your time is up.

SENATOR BEUTLER: So there are numerous, numerous built in protections in this bill and I think Senator Dworak's misgivings are just that, misgivings. Thank you.

SPEAKER MARVEL: Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, I rise to speak in favor of LB 500. I serve on the committee that heard the bill. I also had a chance to talk to members of the financial community who have an interest in the bill. I particularly queried them as to the guarantees that exist for depositors, for investors at that time in which a conversion is made. I was satisfied completely that their interests were more than adequately protected by LB 500, and because those protections and guarantees are made, I can support LB 500. I believe the net effect will be to keep state chartered S & Ls local in nature and keep them healthy, keep them close to the community and not swallowed up by larger and larger financial interests, and I think that is probably a value to have a wide range of commercial interests in the financial community that vary in size, that vary in their locale, their responsibility to the kinds of people that they support, the kinds of people that they do business with, and the greater breadth, the more opportunity for competition that exists, the better we will all be, and for that reason I intend to support LB 500.

SPEAKER MARVEL: Senator Dworak, you light is on. Do you