

or insolvent. Who has a better chance of protecting themselves, the subcontractors and material men who deal on a day in and day out basis with the contractors, they have a chance of protecting themselves. Let them take the risk like all other businessmen take the risk. I think that the loose extension of credit is illustrated by a recent case we have here in Lincoln dealing with Bounty Homes. Now although I have not been able to verify this yet, the information I get from a good source is that one lumber company in this town had credit outstanding to Bounty Homes at the time that they went bankrupt of a quarter of a million dollars. Consequently, you can imagine how many liens went out over that amount of money. The problem is not small. It has to be solved. The minds of myself and the coinroducers of this bill are still open to protecting both parties if that is possible. For a year and a half we have searched for that solution and we haven't found it. 512 comes as close to protecting both parties as anything we have found and I would urge that you adopt it. Thank you.

SPEAKER MARVEL: Senator Hoagland, then Senator Pirsch, then Senator DeCamp. Senator Pirsch.

SENATOR PIRSCH: Thank you, Mr. Speaker, members of the body, I am sorry, in order to preserve my integrity I must correct a statement that I misstated in my first testimony where I said that Mr. Hunter represented a two man office. It is really a ten person office and I apologize to Mr. Hunter for that error. My information was incorrect. Senator Beutler and I will be brief because you have all gotten much information from us and it has been touched that what is a small percentage perhaps to the industry is a really very big problem to the individual. We do not infer that subcontractors and suppliers as Senator Nichol would suggest comes slyly in to put on a lien and this is why when others suggested that we abolish the mechanics lien completely I said, no. We cannot do that. We have to provide some protection for those small business people, sometimes large business people who need that lien right and LB 512 in its original form does give that right. But should not those businesses who work together constantly and contract with one another constantly have that innate ability to know who is trustworthy and who is responsible within their own business world and I don't blame the opponents to the original LB 512 to challenge the change. When one has had their bets covered for a hundred years, their bets covered so to speak by the property of an unsuspecting, unknowing third party, why would that favored one want to change? I can understand that but no other industry has that ability. I am in involved in a small