

May 27, 1981

LB 460

guess the question, Senator DeCamp, that I would like to have you answer, the question is, Senator DeCamp,...

PRESIDENT: Senator DeCamp, would you respond?

SENATOR COPE: ...is in the bill where it says, "The State Investment Officer may write options and put options", now would you tell me exactly what this means?

SENATOR DeCAMP: Do you want me to explain (interruption)...

SENATOR COPE: I want you to explain, yes, they can write options, what do they do and, well, it says, "write options and put options", they can do that. That is at the top of page...

SENATOR DeCAMP: I read it. I read it. Without going into a very complicated explanation of "puts" and "calls", and God help me be right on this.

SENATOR COPE: I hope so.

SENATOR DeCAMP: It gives him the right to set absolutely the price he would sell something for which is not speculative, whereas, buying these things can become highly speculative. The one gives you the absolute right to control what you are going to get from something, if somebody wants to pay that much, whereas, the other (interruption).

SENATOR COPE: (Interruption) allowed on call option, let's see, on...

SENATOR DeCAMP: He is prohibited from doing it (interruption)...

SENATOR COPE: (Interruption) but not on call options, is that what you are telling me?

SENATOR DeCAMP: I will read it, exactly, the explanation from the investment....let me...what you are talking about amending is 72-1247. He would be prohibited from buying options. Okay, however, the change would permit him to give someone else for a fee an option to buy a stock he already owns and is willing to sell if they meet his price.

SENATOR COPE: I understand that.

SENATOR DeCAMP: Okay, it would give someone for a fee an option to sell a stock he already has committed or is willing to buy. Can I send this back to you and maybe you can read this section.