

things that we could think of were, number one, if you were a shareholder, you would have notice of any stockholders' meetings. The second theory might be that, by having a share of stock, it's clear that you have a pecuniary or financial interest in the operation. If you serve on the board of directors, by making sure you have a financial amount at stake, it's clearer to prove or to establish the idea that the board of director has a fiduciary responsibility to protect the bank's efforts and, consequently, would be a conflict of interest if the director did anything other than follow a fiduciary responsibility in working on the bank. No matter what, that theory, that requirement is there and has been for a long time, one stock of bank ownership. Well, over time we have allowed holding companies to obtain the stock of small state chartered banks. As a matter of fact, 69 percent of our 291 state chartered banks are now owned in whole or in part by holding companies. So this bill says the board of director member may either have a share of stock in the bank itself or a share of stock in the holding company that owns the bank, either one will suffice for the statutory requirement. Since the requirement has, at this point, no theory that we can justify having it, I'm not too worried about where we have to have your share of stock. I guess it would be just as easy to have it in the holding company as the bank itself and I would move for the advancement of LB 322 that makes this minor change.

PRESIDENT: Thank you. Senator Coordsen, please.

SENATOR COORDSEN: Thank you, Mr. President, members of the body, a question for Senator Landis if he would, please.

PRESIDENT: Would you respond, Senator Landis, please.

SENATOR LANDIS: Sure.

SENATOR COORDSEN: You addressed a little bit in the end of your opening statement the rationale between an "either" or an "or". In my patchwork quilt personal history, there lies one share of stock in a bank that was held by a holding company. In the process of doing that, most of the...the bank originally was a family owned bank and was sold to a holding company, as a matter of explanation. After it was sold to the holding company, then the...many of the decisions relative to that bank were made by the board of the holding company and the directors of the bank basically existed to look over the loans and more or less ratify