

company. Now that's the way we've been doing things for years and years and years, but when computers starting coming into the securities market, the exchange of securities stopped occurring by the exchanging of pieces of paper and started to occur by the exchanging of computer information. And a number of states created uncertificated securities, that is to say that the record of ownership was basically through notice that were given, exchanges by computer and then later to be given a document or letter of acknowledgement rather than a stock certificate. This became such a common practice that the Uniform State Law Commissioners went back into our basic law in this area, which is Article VIII of the Commercial Code, adopted in all 50 states, and said you know we have the burgeoning practice of the uncertificated security and we have all of these warranties that different parties give each other for what on the books should be certificated exchanges, shouldn't we write new rules for this coming practice. So in 1977, the Uniform State Law Commissioners wrote additional amendments to Article VIII of the Uniform Commercial Code, creating parallel obligations for uncertificated securities, securities for which there was not a piece of paper exchanged. But to make sure that the same warranties were given, that adequate notices were given by all parties and the like, the methods to have this coming electronic transfer occur consistent with the legal rights that had been on the books for years and year. Since 1977, over 30 states have passed this bill. Among them the leading states in the area of securities, New York, the leading state as far as securities exchange, and Delaware, the leading state with respect to the incorporation of businesses. There are reasons why a state should pass these amendments to our existing Article VIII law. Why? Because local traders that are less equipped to do business with uncertificated companies will want to be able to use this mechanism. Secondly, new firms that want their certificates, rather, to have their securities exchanged without a certificate, to have that benefit of quick transfer, may choose to incorporate elsewhere. It reduces paperwork flow, it is the common practice in over 30 states, it is endorsed by the Uniform State Law Commissioners and the unanimous approval of the Banking, Commerce and Insurance Committee. I would move for its advancement.

SENATOR LABEDZ: Thank you, Senator Landis. Is there any further discussion on the advancement of LB 99? Senator Landis, there are no further lights, would you like to close? Senator Landis waives closing. All those in favor of advancement of