

SPEAKER BARRETT: Senator Ashford.

SENATOR ASHFORD: Thank you, Mr. Speaker and members. This amendment, which is located on page 2423, is a...was originally introduced as LB 333, a bill involving auxiliary banks of a bank holding company. It had a public hearing before the Banking Committee and Insurance Committee, and was voted out of committee. It was a Banking Committee priority bill but obviously because of lack of time it was...we requested the sponsor of the, sponsor of LB 272, that we be allowed to try to amend LB 333 into LB 272. Excuse me, Mr. Speaker. If you look at...I've handed out a flow chart for the two situations which are covered by this amendment and essentially the bill does two things and it arises out of a situation in Omaha with the American National Corporation, American National Bank. About a year ago the American National Bank approached the Nebraska Department of Banking seeking approval for the transfer of its bank in Louisville, Nebraska, which at that time was a branch of...which is now also a branch of the American National Bank's Humboldt bank, to the company's Omaha bank, so, in effect, transferring the Louisville branch of the Humboldt bank to the Omaha American National Bank. And basically because the application was made on the basis of the fact that both are wholly-owned subsidiaries of American National Corporation and have essentially the same management, however, they were informed by the Department of Banking that such a transfer was not authorized by the current statutes and rules and regulations and, therefore, one of the first reasons for LB 333 was to allow the acquisition of the, in effect, of the Louisville bank by the Omaha bank from the Humboldt bank, all three banks being under the holding company of the Omaha...or the American National Corporation. And that's...if you look at the flow chart, that's situation number one. The Humboldt bank purchased the Louisville bank and now the Omaha bank wants to purchase the Louisville bank or bring it into...purchase it from the Humboldt bank and that's what is being attempted here and is the first part of LB 333. The second part of LB 333 is on the second page, or situation number two of the flow chart, and this would allow one bank to acquire a detached auxiliary bank of another bank if the detached auxiliary bank to be acquired was chartered as a bank prior to becoming a detached auxiliary office of the other bank. And in this case, this part of the amendment would allow the American National Corporation to negotiate a purchase of a small bank which was merged with another bank and converted