

its entire corporate structure, its main office and its branches. They have been reluctant to sell it piecemeal, branch by branch. On the other hand, they are prepared to do that if state law permits that and they would consider it. Additionally, however, if in fact they won't sell it, if they decide not to sell it in pieces, they do permit the resale, once it has been bought as a clump by the successor purchaser, they can sell it in pieces if they wish. Now here is where we run afoul of Nebraska branch banking law because this rule is not preempted by the federal government. Once a large Nebraska bank purchases an S & L and all of its branches, which is what usually RTC expects to do because they think you get the highest money that way, but if they do that, then our branch banking laws do kick in because the federal preemption doctrine is over with, and our state branching laws apply should somebody wish to purchase a branch of that one-time large corporate S & L, and that is unfortunate because it will mean that there will be fewer purchasers for piecemeal acquisitions of savings and loans. LB 956 says this, it says, number one, that we acknowledge that this is going to happen and that this is legal. Number two, it says that in the event the RTC sells an S & L and its branches that those do not apply against our branch banking law and, also, should it be broken up and sold in pieces, the pieces could be acquired by a successor bank and they would not apply against the branch banking law. We can anticipate that there will be some immediate sales. We can also anticipate, I think fairly, that there will be sales of branches of S & Ls for several years to come as institutions, S & Ls, try to get themselves healthy by injecting capital into their structure. Nebraska law presently restricts a bank from establishing more than five branches within a city. As a result, any bank which acquires a thrift or its branches is prevented from selling the thrift or its branches to another Nebraska bank unless the bank is located in the city in which the thrift or its branches are located. Therefore, you need this law to permit a market for S & L branches. By doing so, you will have the highest premium in the sales, greater capital injection into S & Ls, they will become healthy quicker. The procedure will be twofold. The RTC will have to approve these large sales. In the second place, where there is a later sale of a single branch to a Nebraska bank, that will have to be approved by the Nebraska Banking Department. I can tell you this, it is a tough area. I am not sure anybody on the floor, including myself, has a real nuts and bolts understanding of all of the small parts of FIRREA and the operation of the S & L bailout. As best as we could determine