

February 20, 1990 LB 830, 834, 938

LB 830.

SPEAKER BARRETT: LB 830 advances. LB 938.

CLERK: 938, Mr. President, by Senator Conway. (Read title.) The bill was introduced on January 3, referred to Banking, advanced to General File. I have no amendments to the bill.

SPEAKER BARRETT: The Chair recognizes the member from Wayne, Senator Conway.

SENATOR CONWAY: Mr. Speaker and members, thank you. LB 938 as it was introduced is simply an authorization to allow the Director of Banking through the securities activity, through the rules and orders, to allow for the sophisticated investor and those sophisticated investors are typically thought of and as was written into the bill, those who have more than half a million dollars invested and whose net worth exceeds \$1 million, can enter into with a management, securities management placement company an opportunity to have a special type of contract. Under current law an investment advisor shall not be compensated on anything other than a straight commission. What these provisions are designed to do is to allow a very large contract situation the opportunity to put a special contract together which would allow the investment advisor to be in a shared equity position. So they may have an option now rather than having a, say, a 1 percent commission standard, may offer that at a lesser rate conditioned upon the fact then that they share in any capital gains that would be incurred by that investment. It's a situation where what we're changing then is simply allowing the director to enter into and establish a rule in given situations for this kind of activity. And so with that I offer this to the body for approval.

SPEAKER BARRETT: Thank you. Questions? Discussion? Seeing none, those in favor of the advancement of LB 938 to E & R please vote aye, opposed nay. Have you all voted? Please record.

CLERK: 28 ayes, 0 nays, Mr. President, on the advancement of 938.

SPEAKER BARRETT: LB 938 is advanced. Mr. Clerk, I'd like to revert momentarily to LB 834.