

Coordsen's amendment.

SPEAKER BAACK: The amendment is adopted.

CLERK: Mr. President, the next amendment I have is by Senator Schmit. Senator, you had given me a version earlier that I understand you want to withdraw and offer instead AM1447. I believe copies have been distributed to the members.

SPEAKER BAACK: Senator Schmit.

SENATOR SCHMIT: Mr. President and members, I offer this amendment as an amendment to LB 850. It is a tort claim filed by a group of Commonwealth depositors. It was filed by those depositors alleging that more than \$100 million worth of assets had been misused. I think that right now we are facing a very serious series of events. In the past seven years this state has suffered a multitude of bank failures. Three of those failures, Commonwealth, State Securities and American Savings have left approximately 12,000 depositors, in some instances, destitute or nearly so. The failure of those financial institutions were investigated by the special Commonwealth Committee and State Security and American Savings were investigated by our Banking Committee. I was a member of all of those committees. At the time of those investigations I and other members of this body were not satisfied that those investigations were thorough and that justice was, in fact, being done to depositors. As most of you know those investigations revealed many questionable activities carried out by prominent individuals in our state. In fact, the committee not only found deplorable conduct with those individuals, but also discovered what I consider to be blatant criminal violations. Those violations were reported to law enforcement agencies. Those violations were never prosecuted and the depositors of those failed institutions were never paid in full. In 1990 we voted for the passage of LB 272A. This bill was, as you know, for the purpose of making restitution to depositors of the three failed financial institutions. However, we made an error. We did not take the necessary steps in which the funds could be distributed legally. And as we know all too well, the Supreme Court ruled that the distribution of those funds would be unconstitutional. Recently three Lincoln senators have proposed using lottery funds, Victim Reparation and an income tax write-off as possible methods to raise funds to repay depositors. Those methods as we know now, will not ultimately