

SENATOR COORDSEN PRESIDING

SENATOR COORDSEN: Thank you, Mr. Clerk. Next item on the agenda, LB 109. Mr. Clerk.

ASSISTANT CLERK: LB 109 was introduced by Senators Kristensen and Landis. (Read title.) The bill was read for the first time on January 6th of this year, referred to the Banking Committee. That committee reports the bill to General File with committee amendments.

SENATOR COORDSEN: Thank you. Senator Landis, for the committee amendments.

SENATOR LANDIS: Thank you, Senator Coordsen, the Model Business Corporation Act is a model act written by the American Bar Association. This bill has been in front of the Legislature for two years. Over the summer an extensive study and analysis of the language of the bill was done by the counsel for the Banking Committee, Bill Marienau, and Senator Kristensen's staff. I can assure you no bill has been worked on more carefully than Senator Kristensen's 109. There is one grouping of amendments offered by the committee who reported the bill out unanimously, having heard only the proponents. There were no opponents or neutral testimony. The Nebraska State Bar Association testified in favor of the measure. Senator Bromm and Senator Lindsay who serve on the committee pointed out that the existing law with respect to major actions by shareholders in a corporation require two-thirds majority vote and when the bill came in it had just a majority vote, but the two-thirds rule is the standard rule in Nebraska law currently. They suggested that many corporations are now organized along that line and that for a number of reasons, for example, people who are passing on family-owned businesses, they may well have divided the amount of stock to make sure that they were using this two-thirds rule, so we didn't want to disturb it. The two-thirds rule applies in the case of a director's conflicting interest transaction, amendments to the articles of incorporation, a plan of merger, a proposal to dissolve the approval of a class or a series of shares to be used as share dividends. In other words, major decisions which are done by shareholders will retain the two-thirds rule that we have now. The committee, I think, was persuaded by Senator Bromm and Senator Lindsay that that was a wise choice. Senator Kristensen agreed. I'd ask for the