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names you hear all the time.

SENATOR CHAMBERS: Okay.

SPEAKER BRASHEAR: One of the investment banks of regional or national renown in the marketplace agrees to underwrite the whole issue, and they distribute it to the broker dealer network, that sells it to the consumer, who puts it in their portfolio.

SENATOR CHAMBERS: So it would be similar, in order that some of my colleagues might understand it in the way that I'm trying to understand it...this is not reinsurance, though, is it? Senator Brashear, this is not reinsurance, though?

SPEAKER BRASHEAR: No, this is not reinsurance.

SENATOR CHAMBERS: Okay.

SPEAKER BRASHEAR: We are in the securities market, issuing bonds.

SENATOR CHAMBERS: And this is where the financial entity underwrites...does that mean assumes the risk of this operation?

SPEAKER BRASHEAR: Yes, subject to terms and conditions, of course.

SENATOR CHAMBERS: And that risk is spread among different entities by way of these broker dealers so that no single entity is at risk, although one, that first entity, might be the umbrella under which all this other stuff is being spread out?

SPEAKER BRASHEAR: But it is very large, very well capitalized. It knows what it's doing in this market, and it's willing to take the risk because it knows that it has a network and a methodology for off-loading it.

SENATOR CHAMBERS: And this is...

SPEAKER BRASHEAR: And it's making a commission or whatever in