

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office  
FLOOR DEBATE

January 19, 2006 LB 548

these other costs. The cost of...cost related to issuing and servicing of the bonds, that cost would include, but not be limited to, servicing fees. I don't know what those are. I have an idea what they could include. I'd like to ask Senator Brashear a question.

SENATOR CUDABACK: Senator Brashear.

SENATOR CHAMBERS: Senator Brashear, there is nothing in the bill that limits the amount of these fees, that I've been able to detect, or the amount of expense associated with any bond insurance. Have you found anything in the bill that would put a cap on any of these fees?

SPEAKER BRASHEAR: Senator Chambers, there's nothing specifically in the bill, but may I comment beyond that?

SENATOR CHAMBERS: I wish you would.

SPEAKER BRASHEAR: They would be capped by a whole...a whole body of law and the reality of the marketplace. In other words, there's competition to provide these things, there's the fiduciary duty of the officers and directors in issuing them, so there are many factors that will limit and, in fact, make all these fees competitive.

SENATOR CHAMBERS: But, Senator Brashear, despite what may be in the law, we know that there are people who don't comply with that, as evidenced by these charges brought against these various CEOs who preside over companies or presided over companies which, up until that time, were considered respectable, reliable and so forth. When this fellow Howard Stern joined this SIRIUS radio, S-I-R-I-U-S, network, it was announced that he was going to be given a lot of stock in this company, and some other things were said that caused that, the price of that stock, to skyrocket. And the people who were putting this network together had to pay a huge fine because what they did had something to do with the notion of insider trading or manipulating the market, and that's not because the law was not there to prevent...prevent this, but because people were not complying with the law. I saw the other day where a