

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

January 31, 2006 LB 75

SENATOR BROWN: Mr. President, members, I was following Senator Beutler's and Senator Chambers' conversation, and I'm going to yield my time in a second to one or the other of them to continue that conversation about a prudent investor and what that would look like. My reason for being supportive of this bill is that it would only offer the opportunity...we would have to put the specifics in enabling legislation so that the restrictions could, if those are necessary, could be set out more explicitly in that legislation. But from the standpoint of maintaining a fund balance, because Senator Chambers talked about what might happen if there was a severe drop in a stock price, I think for a number of individuals and institutions, having bank rates at less than what the rate of inflation is has a similar effect. And so, I would not support this if I did not believe that it was a way to diversify and that you would have some balance, so that if one sector of your investment was not doing as well, another sector might be doing better. But there, in all kinds of investing, there's always a risk, and I would yield my time to Senator Chambers to continue his conversation with Senator Beutler.

SENATOR CUDABACK: Senator Chambers.

SENATOR CHAMBERS: Thank you, Senator Brown. Before I ask Senator Beutler another question, I don't invest. I did one time (laugh), and I invested a small amount, and I will never make that same mistake again. It was one of these big shot investors, just to see what would happen, and it began losing immediately, because the person who accepted it or filled out the papers got a small...I don't know if they call it a commission or what it is. It never came up to the amount that was originally invested. And I read, just for the purpose of entertainment, what happens--in the business section of the newspaper is where I do this reading--what happens when people make investments, and they talk about diversification and how you need to be careful of this and watchful of that. But to me, investing is gambling. It's just like betting on sporting events. But the difference is that with a sporting event, you have a fifty-fifty chance of winning all the time. Your odds are never worse than 50 percent. But they kind of make it interesting when they talk about a point spread, where