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FLOOR DEBATE

March 27, 2006      LB 876

Sections 8-1111 to provide a new transactional exemption under the Securities Act. A transitional exemption exempts all elements of a securities transaction from the registration provisions of the act, including registration of the securities, registration as a broker-dealer or issuer-dealer for the issuer of securities or a separate firm which may be handling the sale, and registration as agents for the individuals making offers of sale. The antifraud provisions of the act would apply to the transactional exemption, so that full disclosure of all materials, provisions relating to the securities offered is required. Section 20 provides a transactional exemption for the offering of certain securities by qualified charitable organizations to other charitable organizations. Securities generally consist of pooled funds. LB...or, excuse me, Section 20 sets conditions on these offerings to protect the first purchasers, including, no public solicitation and the point of post first sale notice by the department. Section 20 also specifies who can sell these securities, and prohibits any additional compensation to the individual sellers for making such sales. And Senator Brashear will address many of the additional questions you might have relating to AM2736. Number two, the second bill, was introduced by my. Changes...it changed provisions relating to installment sales and loans. Section 25 and 26 and Sections 48 and 50 of the amendments would amend Section 45-335, 45-336 of the Nebraska Installment Sales Act, and Sections 45-1002 and 45-1024 of the Nebraska Installment Act. And it provides that buyers or borrowers in connection with installment sales or installment loans may purchase debt cancellation contracts or debt suspension contracts. The amendment would do two things: first, that a contract shall be a contract of a financial institution; and second, that such contract shall be sold either directly by the financial institution, or by an affiliated, nonexclusive agent of the financial institution, in accordance with the internally referenced federal regulations. The amendments would require that the financial institution shall be responsible for unaffiliated, nonexclusive agent compliance with federal regulations. The amendments would also provide that a debt cancellation or a debt suspension contract is defined as a loan term or contractual arrangement modifying loan terms, under which a financial institution agrees to cancel or suspend all or