

111TH CONGRESS
1ST SESSION

H. R. 1180

To amend the Emergency Economic Stabilization Act of 2008 to prohibit the Secretary of the Treasury from receiving common stock or certain other voting stock under the Troubled Asset Relief Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 2009

Mr. NEUGEBAUER introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Emergency Economic Stabilization Act of 2008 to prohibit the Secretary of the Treasury from receiving common stock or certain other voting stock under the Troubled Asset Relief Program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. PROHIBITION ON THE RECEIPT OF COMMON**
2 **STOCK AND THE EXERCISE OF STOCK VOT-**
3 **ING POWER.**

4 Title I of the Emergency Economic Stabilization Act
5 of 2008 is amended by adding at the end the following
6 new section:

7 **“SEC. 137. PROHIBITION ON THE RECEIPT OF COMMON**
8 **STOCK AND THE EXERCISE OF STOCK VOT-**
9 **ING POWER.**

10 “(a) IN GENERAL.—Notwithstanding any other pro-
11 vision of this title, in carrying out this title the Secretary
12 shall not make any purchase for which the Secretary re-
13 ceives control-diluting stock.

14 “(b) APPLICATION.—Subsection (a) shall apply to
15 purchases made by the Secretary under this title on or
16 after the date of the enactment of this section.

17 “(c) CONVERSION OF CERTAIN SECURITIES RE-
18 CEIVED BY THE SECRETARY.—Notwithstanding any other
19 provision of this title, the Secretary shall not convert any
20 security received by the Secretary under this title, other
21 than a warrant, into control-diluting stock.

22 “(d) CONTROL-DILUTING STOCK DEFINED.—For
23 purposes of this section, the term ‘control-diluting stock’
24 means—

25 “(1) common stock of a financial institution;

1 “(2) any other voting stock of a financial insti-
2 tution, other than voting stock that the Secretary
3 agrees not to exercise the voting power of such
4 stock; or

5 “(3) a warrant giving the right to the Secretary
6 to receive stock described in paragraph (1) or (2).”.

○