

PART 585—PROHIBITED SERVICE AT SAVINGS AND LOAN HOLDING COMPANIES

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§ 585.10 What does this part do?

This part implements section 19(e)(1) of the Federal Deposit Insurance Act (FDIA), which prohibits persons who have been convicted of certain criminal offenses or who have agreed to enter into a pre-trial diversion or similar program in connection with a prosecution for such criminal offenses from occupying various positions with a savings and loan holding company. This part also implements section 19(e)(2) of the FDIA, which permits the Director to provide exemptions, by regulation or order, from the application of the prohibition. This part provides an exemption for savings and loan holding company employees whose activities and responsibilities are limited solely to agriculture, forestry, retail merchandising, manufacturing, or public utilities operations, and a temporary exemption for certain persons who held positions with respect to a savings and loan holding company as of October 13, 2006. The part also describes procedures

for applying for an OTS order granting a case-by-case exemption.

§ 585.20 What definitions apply to this part?

The following definitions apply to this part:

Institution-affiliated party is defined at 12 U.S.C. 1813(u), except that the phrase “savings and loan holding company” is substituted for “insured depository institution” each place that it appears in that definition.

Person means an individual and does not include a corporation, firm or other business entity.

Savings and loan holding company is defined at 12 CFR 583.20, but excludes a subsidiary of a savings and loan holding company that is not itself a savings and loan holding company.

Subpart A—Prohibition

§ 585.30 What actions are prohibited?

(a) *Person*. If a person was convicted of a criminal offense described in § 585.40, or agreed to enter into a pre-trial diversion or similar program in connection with a prosecution for such a criminal offense, he or she may not:

(1) Become, or continue as, an institution-affiliated party with respect to any savings and loan holding company.

(2) Own or control, directly or indirectly, any savings and loan holding company. A person will own or control a savings and loan holding company if he or she owns or controls that company under 12 CFR part 574.

(3) Otherwise participate, directly or indirectly, in the conduct of the affairs of any savings and loan holding company.

(b) *Savings and loan holding company*. A savings and loan holding company may not permit any person described in paragraph (a) of this section to engage in any conduct or to continue any relationship prohibited under that paragraph.

§ 585.40 What convictions or agreements to enter into pre-trial diversions or similar programs are covered by this part?

(a) *Covered convictions and agreements*. Except as described in § 585.50, this part covers: