

111TH CONGRESS
1ST SESSION

H. R. 3594

To authorize the Secretary of the Treasury to delegate management authority over troubled assets purchased under the Troubled Asset Relief Program, to require the establishment of a trust to manage assets of certain designated TARP recipients, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 17, 2009

Mr. BACHUS (for himself, Mr. BOEHNER, Mr. KANJORSKI, Mr. GARRETT of New Jersey, Mr. MOORE of Kansas, Mr. LEE of New York, Ms. HERSETH SANDLIN, Mr. ROGERS of Alabama, Mr. JONES, Mrs. BACHMANN, and Mr. PAULSEN) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To authorize the Secretary of the Treasury to delegate management authority over troubled assets purchased under the Troubled Asset Relief Program, to require the establishment of a trust to manage assets of certain designated TARP recipients, 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. SHORT TITLE.**

2 This Act may be cited as the “TARP Recipient Own-
3 ership Trust Act of 2009”.

4 **SEC. 2. AUTHORITY OF THE SECRETARY OF THE TREASURY**
5 **TO DELEGATE TARP ASSET MANAGEMENT.**

6 Section 106(b) of the Emergency Economic Stabiliza-
7 tion Act of 2008 (12 U.S.C. 5216(b)) is amended by in-
8 serting before the period at the end the following: “, and
9 the Secretary may delegate such management authority
10 to a private entity, as the Secretary determines appro-
11 priate, with respect to any entity assisted under this Act”.

12 **SEC. 3. CREATION OF MANAGEMENT AUTHORITY FOR DES-**
13 **IGNATED TARP RECIPIENTS.**

14 (a) **FEDERAL ASSISTANCE LIMITED.**—Notwith-
15 standing any provision of the Emergency Economic Sta-
16 bilization Act of 2008, or any other provision of law, no
17 funds may be expended under the Troubled Asset Relief
18 Program, or any other provision of that Act, on or after
19 the date of enactment of this Act, until the Secretary of
20 the Treasury transfers all voting, nonvoting, and common
21 equity in any designated TARP recipient to a limited li-
22 ability company established by the Secretary for such pur-
23 pose, to be held and managed in trust on behalf of the
24 United States taxpayers.

25 (b) **APPOINTMENT OF TRUSTEES.**—

1 (1) IN GENERAL.—The President shall appoint
2 3 independent trustees to manage the equity held in
3 the trust, separate and apart from the United States
4 Government.

5 (2) CRITERIA.—Trustees appointed under this
6 subsection—

7 (A) may not be elected or appointed Gov-
8 ernment officials;

9 (B) shall serve at the pleasure of the
10 President, and may be removed for just cause
11 in violation of their fiduciary responsibilities
12 only; and

13 (C) shall each be paid at a rate equal to
14 the rate payable for positions at level III of the
15 Executive Schedule under section 5311 of title
16 5, United States Code.

17 (c) DUTIES OF TRUST.—Pursuant to protecting the
18 interests and investment of the United States taxpayer,
19 the trust established under this section shall, with the pur-
20 pose of maximizing the profitability of the designated
21 TARP recipient—

22 (1) exercise the voting rights of the shares of
23 the taxpayer on all core governance issues;

24 (2) select the representation on the boards of
25 directors of any designated TARP recipient; and

1 (3) have a fiduciary duty to the American tax-
2 payer for the maximization of the return on the in-
3 vestment of the taxpayer made under the Emergency
4 Economic Stabilization Act of 2008, in the same
5 manner and to the same extent that any director of
6 an issuer of securities has with respect to its share-
7 holders under the securities laws and all applications
8 of State law.

9 (d) LIQUIDATION.—

10 (1) IN GENERAL.—The trustees shall liquidate
11 the trust established under this section, including
12 the assets held by such trust, not later than Decem-
13 ber 24, 2011, unless—

14 (A) the trustees submit a report to the
15 Congress that liquidation would not maximize
16 the profitability of the company and the return
17 on investment to the taxpayer; and

18 (B) within 15 calendar days after the date
19 on which the Congress receives such report,
20 there is enacted into law a joint resolution de-
21 scribed in paragraph (2).

22 (2) CONTENTS OF JOINT RESOLUTION.—For
23 purposes of this subsection, the term “joint resolu-
24 tion” means only a joint resolution—

1 (A) that is introduced not later than 3 cal-
2 endar days after the date on which the report
3 referred to in paragraph (1)(A) is received by
4 the Congress;

5 (B) which does not have a preamble;

6 (C) the title of which is as follows: “Joint
7 resolution relating to the approval of the con-
8 tinuation of the TARP management trust”; and

9 (D) the matter after the resolving clause of
10 which is as follows: “That Congress approves
11 the continuation of the TARP management
12 trust established under the TARP Recipient
13 Ownership Trust Act of 2009.”.

14 (3) FAST TRACK CONSIDERATION IN HOUSE OF
15 REPRESENTATIVES.—

16 (A) RECONVENING.—Upon receipt of a re-
17 port under paragraph (1)(A), the Speaker, if
18 the House would otherwise be adjourned, shall
19 notify the Members of the House that, pursuant
20 to this subsection, the House shall convene not
21 later than the second calendar day after receipt
22 of such report.

23 (B) REPORTING AND DISCHARGE.—Any
24 committee of the House of Representatives to
25 which a joint resolution is referred shall report

1 it to the House not later than 5 calendar days
2 after the date of receipt of the report described
3 in paragraph (1)(A). If a committee fails to re-
4 port the joint resolution within that period, the
5 committee shall be discharged from further con-
6 sideration of the joint resolution and the joint
7 resolution shall be referred to the appropriate
8 calendar.

9 (C) PROCEEDING TO CONSIDERATION.—

10 After each committee authorized to consider a
11 joint resolution reports it to the House or has
12 been discharged from its consideration, it shall
13 be in order, not later than the sixth day after
14 Congress receives the report described in para-
15 graph (1)(A), to move to proceed to consider
16 the joint resolution in the House. All points of
17 order against the motion are waived. Such a
18 motion shall not be in order after the House
19 has disposed of a motion to proceed on the joint
20 resolution. The previous question shall be con-
21 sidered as ordered on the motion to its adoption
22 without intervening motion. The motion shall
23 not be debatable. A motion to reconsider the
24 vote by which the motion is disposed of shall
25 not be in order.

1 (D) CONSIDERATION.—The joint resolu-
2 tion shall be considered as read. All points of
3 order against the joint resolution and against
4 its consideration are waived. The previous ques-
5 tion shall be considered as ordered on the joint
6 resolution to its passage without intervening
7 motion except two hours of debate equally di-
8 vided and controlled by the proponent and an
9 opponent. A motion to reconsider the vote on
10 passage of the joint resolution shall not be in
11 order.

12 (4) FAST TRACK CONSIDERATION IN SENATE.—

13 (A) RECONVENING.—Upon receipt of a re-
14 port under paragraph (1)(A), if the Senate has
15 adjourned or recessed for more than 2 days, the
16 majority leader of the Senate, after consultation
17 with the minority leader of the Senate, shall no-
18 tify the Members of the Senate that, pursuant
19 to this subsection, the Senate shall convene not
20 later than the second calendar day after receipt
21 of such message.

22 (B) PLACEMENT ON CALENDAR.—Upon in-
23 troduction in the Senate, the joint resolution
24 shall be placed immediately on the calendar.

25 (C) FLOOR CONSIDERATION.—

(i) IN GENERAL.—Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order at any time during the period beginning on the 4th day after the date on which Congress receives a report of the plan of the Secretary described in paragraph (1)(A) and ending on the 6th day after the date on which Congress receives a report of the plan of the Secretary described in paragraph (1)(A) (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the joint resolution shall remain the unfinished business until disposed of.

1 (ii) DEBATE.—Debate on the joint
2 resolution, and on all debatable motions
3 and appeals in connection therewith, shall
4 be limited to not more than 10 hours,
5 which shall be divided equally between the
6 majority and minority leaders or their des-
7 ignees. A motion further to limit debate is
8 in order and not debatable. An amendment
9 to, or a motion to postpone, or a motion to
10 proceed to the consideration of other busi-
11 ness, or a motion to recommit the joint
12 resolution is not in order.

13 (iii) VOTE ON PASSAGE.—The vote on
14 passage shall occur immediately following
15 the conclusion of the debate on a joint res-
16 olution, and a single quorum call at the
17 conclusion of the debate if requested in ac-
18 cordance with the rules of the Senate.

19 (iv) RULINGS OF THE CHAIR ON PRO-
20 CEDURE.—Appeals from the decisions of
21 the Chair relating to the application of the
22 rules of the Senate, as the case may be, to
23 the procedure relating to a joint resolution
24 shall be decided without debate.

1 (5) RULES RELATING TO SENATE AND HOUSE
2 OF REPRESENTATIVES.—

3 (A) COORDINATION WITH ACTION BY
4 OTHER HOUSE.—If, before the passage by one
5 House of a joint resolution of that House, that
6 House receives from the other House a joint
7 resolution, then the following procedures shall
8 apply:

9 (i) The joint resolution of the other
10 House shall not be referred to a com-
11 mittee.

12 (ii) With respect to a joint resolution
13 of the House receiving the resolution—

14 (I) the procedure in that House
15 shall be the same as if no joint resolu-
16 tion had been received from the other
17 House; but

18 (II) the vote on passage shall be
19 on the joint resolution of the other
20 House.

21 (B) TREATMENT OF JOINT RESOLUTION
22 OF OTHER HOUSE.—If one House fails to intro-
23 duce or consider a joint resolution under this
24 subsection, the joint resolution of the other

1 House shall be entitled to expedited floor proce-
2 dures under this subsection.

3 (C) TREATMENT OF COMPANION MEAS-
4 URES.—If, following passage of the joint resolu-
5 tion in the Senate, the Senate then receives the
6 companion measure from the House of Rep-
7 resentatives, the companion measure shall not
8 be debatable.

9 (D) CONSIDERATION AFTER PASSAGE.—

10 (i) IN GENERAL.—If Congress passes
11 a joint resolution, the period beginning on
12 the date the President is presented with
13 the joint resolution and ending on the date
14 the President takes action with respect to
15 the joint resolution shall be disregarded in
16 computing the 15-calendar day period de-
17 scribed in paragraph (1)(A).

18 (ii) VETOES.—If the President vetoes
19 the joint resolution—

20 (I) the period beginning on the
21 date the President vetoes the joint
22 resolution and ending on the date the
23 Congress receives the veto message
24 with respect to the joint resolution
25 shall be disregarded in computing the

1 15-calendar day period described in
2 paragraph (1)(A); and

3 (II) debate on a veto message in
4 the Senate under this subsection shall
5 be 1 hour equally divided between the
6 majority and minority leaders or their
7 designees.

8 (E) RULES OF HOUSE OF REPRESENTA-
9 TIVES AND SENATE.—This paragraph, and
10 paragraphs (2), (3), and (4) are enacted by
11 Congress—

12 (i) as an exercise of the rulemaking
13 power of the Senate and House of Rep-
14 resentatives, respectively, and as such it is
15 deemed a part of the rules of each House,
16 respectively, but applicable only with re-
17 spect to the procedure to be followed in
18 that House in the case of a joint resolu-
19 tion, and it supersedes other rules only to
20 the extent that it is inconsistent with such
21 rules; and

22 (ii) with full recognition of the con-
23 stitutional right of either House to change
24 the rules (so far as relating to the proce-
25 dure of that House) at any time, in the

1 same manner, and to the same extent as in
2 the case of any other rule of that House.

3 **SEC. 4. DEFINITIONS.**

4 As used in this Act—

5 (1) the term “designated TARP recipient”
6 means any entity that has received, or will receive,
7 financial assistance under the Troubled Asset Relief
8 Program or any other provision of the Emergency
9 Economic Stabilization Act of 2008 (Public Law
10 110–343), such that the Federal Government holds
11 or controls, or will hold or control at a future date,
12 not less than a 15 percent ownership stake in the
13 company as a result of such assistance;

14 (2) the term “Secretary” means the Secretary
15 of the Treasury or the designee of the Secretary;
16 and

17 (3) the terms “director”, “issuer”, “securities”,
18 and “securities laws” have the same meanings as in
19 section 3 of the Securities Exchange Act of 1934
20 (15 U.S.C. 78c).

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