

111TH CONGRESS
1ST SESSION

H. R. 4375

To restore certain provisions of the Banking Act of 1933, commonly referred to as the “Glass-Steagall Act”, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 2009

Mr. HINCHEY (for himself, Mr. INSLEE, Mr. TIERNEY, Mr. DEFazio, Ms. KAPTUR, and Mr. McDERMOTT) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To restore certain provisions of the Banking Act of 1933, commonly referred to as the “Glass-Steagall Act”, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Glass-Steagall Restora-
5 tion Act”.

1 **SEC. 2. RESTORING PROVISIONS OF THE GLASS STEAGALL**
2 **ACT.**

3 (a) LIMITATION ON AFFILIATION.—The Banking Act
4 of 1933 (12 U.S.C. 221a et seq.) is amended by inserting
5 before section 21 the following section:

6 **“SEC. 20. LIMITATION ON AFFILIATION.**

7 “After the end of the 1-year period beginning on the
8 date of the enactment of the Glass-Steagall Restoration
9 Act of 2009, no member bank shall be affiliated in any
10 manner described in section 2(b) with any corporation, as-
11 sociation, business trust, or other similar organization en-
12 gaged principally in the issue, flotation, underwriting,
13 public sale, or distribution at wholesale or retail or
14 through syndicate participation stocks, bonds, debenture,
15 notes, or other securities: except that nothing in this sec-
16 tion shall apply to any such organization which shall have
17 been placed in formal liquidation and which shall transact
18 no business except such as may be incidental to the liq-
19 uidation of its affairs.”.

20 (b) LIMITATION ON COMPENSATION.—The Banking
21 Act of 1933 (12 U.S.C. 221 et seq.) is amended by insert-
22 ing after section 31 the following section:

23 **“SEC. 32. LIMITATION ON COMPENSATION.**

24 “No officer, director, or employee of any corporation
25 or unincorporated association, no partner or employee of
26 any partnership, and no individual, primarily engaged in

1 the issue, flotation, underwriting, public sale, or distribu-
2 tion, at wholesale or retail, or through syndicate participa-
3 tion, of stocks, bonds, or other similar securities, shall
4 serve the same time as an officer, director, or employee
5 of any member bank except in limited classes of cases in
6 which the Board of Governors of the Federal Reserve Sys-
7 tem may allow such service by general regulations when
8 in the judgment of the said Board it would not unduly
9 influence the investment policies of such member bank or
10 the advice it gives its customers regarding investments.”.

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