

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.

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## 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

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## 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.—

1 (i) IN GENERAL.—Notwithstanding  
2 Rule XXII of the Standing Rules of the  
3 Senate, it is in order at any time during  
4 the period beginning on the 4th day after  
5 the date on which Congress receives a re-  
6 port of the plan of the Secretary described  
7 in paragraph (1)(A) and ending on the 6th  
8 day after the date on which Congress re-  
9 ceives a report of the plan of the Secretary  
10 described in paragraph (1)(A) (even  
11 though a previous motion to the same ef-  
12 fect has been disagreed to) to move to pro-  
13 ceed to the consideration of the joint reso-  
14 lution, and all points of order against the  
15 joint resolution (and against consideration  
16 of the joint resolution) are waived. The  
17 motion to proceed is not debatable. The  
18 motion is not subject to a motion to post-  
19 pone. A motion to reconsider the vote by  
20 which the motion is agreed to or disagreed  
21 to shall not be in order. If a motion to pro-  
22 ceed to the consideration of the resolution  
23 is agreed to, the joint resolution shall re-  
24 main the unfinished business until dis-  
25 posed 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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