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3

Revised NEUGEBA-021

AMENDMENT TO H.R. 1106

OFFERED BY MR. NEUGEBAUER OF TEXAS

Page 47, after line 13, add the following new title:

1 **TITLE III—BAN ON USING TARP**
2 **FUNDS TO ACQUIRE CERTAIN**
3 **STOCK**

4 **SEC. 301. PROHIBITION ON THE RECEIPT OF COMMON**
5 **STOCK AND THE EXERCISE OF STOCK VOT-**
6 **ING POWER.**

7 Title I of the Emergency Economic Stabilization Act
8 of 2008 is amended by adding at the end the following
9 new section:

10 **“SEC. 137. PROHIBITION ON THE RECEIPT OF COMMON**
11 **STOCK AND THE EXERCISE OF STOCK VOT-**
12 **ING POWER.**

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

17 **“(b) APPLICATION.—**Subsection (a) shall apply to
18 purchases made by the Secretary under this title on or
19 after the date of the enactment of this section.

1 “(e) CONVERSION OF CERTAIN SECURITIES RE-
2 CEIVED BY THE SECRETARY.—Notwithstanding any other
3 provision of this title, the Secretary shall not convert any
4 security received by the Secretary under this title, other
5 than a warrant, into control-diluting stock.

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

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

10 “(2) any other voting stock of a financial insti-
11 tution, other than voting stock that the Secretary
12 agrees not to exercise the voting power of such
13 stock; or

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

