

CLIENT ALERT

Treasury Issues Compensation Standards For TARP Participants

June 23, 2009

Treasury has issued an interim final rule, effective June 15, providing detailed compensation and corporate governance standards applicable, with a few limited exceptions, to any entity that has received or will receive financial assistance under TARP, any entity of which a TARP recipient owns at least 50%, and any entity which owns at least 50% of a recipient of TARP assistance. Superseding the October 2008 interim rules, these regulations set standards in numerous areas, including (i) limits on compensation for senior executive officers, (ii) provision for the recovery of bonuses in the case of inaccurate statements of earnings, (iii) prohibition on golden parachute payments, (iv) adoption of an excessive or luxury expenditures policy, and (v) establishment of a compensation committee comprised of independent directors.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

Daniel R. Forman

Partner – Washington, D.C.
Phone: +1.202.624.2504
Email: dforman@crowell.com

Peter Eyre

Partner – Washington, D.C.
Phone: +1.202.624.2807
Email: peyre@crowell.com