

**AMENDMENT TO THE COMMITTEE PRINT TO H.R.**

**1664**

**OFFERED BY MR. SHERMAN**

Page 4, line 6, strike the close quotation marks and following period and after such line insert the following:

1           “(3) PER SE UNREASONABLE OR EXCESSIVE  
2           COMPENSATION.—

3           “(A) IN GENERAL.—Notwithstanding the  
4           standards established by the Secretary under  
5           paragraph (2), a compensation payment or  
6           compensation payment arrangement is unrea-  
7           sonable or excessive under paragraph (1)(A) if  
8           such payment or payment arrangement results  
9           in any executive or employee receiving total  
10          compensation of greater than \$1,000,000 per  
11          year.

12          “(B) DEFINITIONS.—For purposes of this  
13          paragraph—

14                 “(i) the term ‘total compensation’  
15                 means any type of compensation (whether  
16                 present, deferred, or contingent) but does  
17                 not include restricted stock, restricted op-  
18                 tions, or sales commissions;

1           “(ii) the term ‘restricted stock’ means  
2           any share of common stock of the TARP  
3           recipient (or any affiliate thereof), but only  
4           if the executive or employee receiving such  
5           share—

6                       “(I) is required to hold such  
7           share until after the date on which all  
8           financial assistance provided under  
9           this title has been repaid in full by the  
10          TARP recipient, along with any con-  
11          tractual dividend payments owed to  
12          the Federal government by the TARP  
13          recipient; and

14                      “(II) is restricted from  
15          hypothecation, short sale, or any other  
16          transaction which insulates the execu-  
17          tive or employee from a decline in the  
18          value of such stock or option;

19                      “(iii) the term ‘restricted option’  
20          means an option to purchase restricted  
21          stock at a price at least equal to its fair  
22          market value on the option grant date, but  
23          only if the executive or employee receiving  
24          such restricted option—

1                   “(I) is restricted from exercising  
2                   such option or from selling restricted  
3                   stock acquired with such option until  
4                   after the date on which all financial  
5                   assistance under this title has been re-  
6                   paid in full by the TARP recipient,  
7                   along with any contractual dividend  
8                   payments owed to the Federal govern-  
9                   ment by the TARP recipient; and

10                   “(II) is restricted from  
11                   hypothecation, short sale, or any other  
12                   transaction which insulates the execu-  
13                   tive or employee from a decline in the  
14                   value of such stock or option;

15                   “(iv) the term ‘sales commission’  
16                   means any compensation determined solely  
17                   by reference to the products sold by an ex-  
18                   ecutive or employee as a commissioned  
19                   sales person through direct interaction  
20                   with purchasers; and

21                   “(v) the term ‘commissioned sales per-  
22                   son’ is an executive or employee who re-  
23                   ceives commissions, who spends the major-  
24                   ity of work time selling products directly to  
25                   purchasers, and who is not one of the per-

1           sons defined in Rule 16a-1(f) promulgated  
2           under the Securities Exchange Act of  
3           1934.

4           “(C) RULE OF CONSTRUCTION.—Nothing  
5           in this paragraph shall be construed to prohibit  
6           the Secretary from establishing standards under  
7           paragraph (2)(A) which—

8                   “(i) define as unreasonable or exces-  
9                   sive compensation payments or compensa-  
10                  tion payment arrangements that result in  
11                  an executive or employee receiving total  
12                  compensation in an amount that is less  
13                  than \$1,000,000 per year; or

14                  “(ii) treat sales commissions, re-  
15                  stricted stock, or restricted options as com-  
16                  pensation for purposes of such stand-  
17                  ards.”.

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