

More Executive Compensation Restrictions Are Included in the Senate Stimulus Bill Expected to Pass Tomorrow

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Reflecting the political flash point that executive compensation has become, the Senate stimulus bill, which is expected to pass on Tuesday, includes a raft of new executive compensation restrictions that would apply to financial institutions receiving TARP assistance. Unlike the executive compensation guidelines announced by the Obama administration last week, which modulated the severity of the restrictions depending on whether a financial institution received “general” or “exceptional” assistance, the restrictions in the Senate bill reflect a “one size fits all” approach and would apply to all financial institutions that have received any TARP funds, no matter how small the amount or how widespread the program under which the TARP funds were received.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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