

(iii) Effective period

Unless terminated by the Director, any notice of suspension or order of removal issued under this subsection shall remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (4).

(3) Authority of remaining board members**(A) In general**

If at any time, because of the suspension of 1 or more directors pursuant to this section, there shall be on the board of directors of a regulated entity less than a quorum of directors not so suspended, all powers and functions vested in or exercisable by such board shall vest in and be exercisable by the director or directors on the board not so suspended, until such time as there shall be a quorum of the board of directors.

(B) Appointment of temporary directors

If all of the directors of a regulated entity are suspended pursuant to this section, the Director shall appoint persons to serve temporarily as directors pending the termination of such suspensions, or until such time as those who have been suspended cease to be directors of the regulated entity and their respective successors take office.

(4) Hearing regarding continued participation**(A) In general**

Not later than 30 days after the date of service of any notice of suspension or order of removal issued pursuant to paragraph (1) or (2), the entity-affiliated party may request in writing an opportunity to appear before the Director to show that the continued service or participation in the conduct of the affairs of the regulated entity by such party does not, or is not likely to, pose a threat to the interests of the regulated entity, or threaten to impair public confidence in the regulated entity.

(B) Timing and form of hearing

Upon receipt of a request for a hearing under subparagraph (A), the Director shall fix a time (not later than 30 days after the date of receipt of such request, unless extended at the request of such party) and place at which the entity-affiliated party may appear, personally or through counsel, before the Director or 1 or more designated employees of the Director to submit written materials (or, at the discretion of the Director, oral testimony) and oral argument.

(C) Determination

Not later than 60 days after the date of a hearing under subparagraph (B), the Director shall notify the entity-affiliated party whether the suspension or prohibition from participation in any manner in the conduct of the affairs of the regulated entity will be continued, terminated, or otherwise modified, or whether the order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the regulated entity will be rescinded or otherwise modified.

Such notification shall contain a statement of the basis for any adverse decision of the Director.

(5) Rules

The Director is authorized to prescribe such rules as may be necessary to carry out this subsection.

(Pub. L. 102-550, title XIII, §1377, as added Pub. L. 110-289, div. A, title I, §1153(a)(2), July 30, 2008, 122 Stat. 2770.)

PRIOR PROVISIONS

A prior section 1377 of Pub. L. 102-550 was renumbered section 1379 and is classified to section 4637 of this title.

§ 4636b. Criminal penalty

Whoever, being subject to an order in effect under section 4636a of this title, without the prior written approval of the Director, knowingly participates, directly or indirectly, in any manner (including by engaging in an activity specifically prohibited in such an order) in the conduct of the affairs of any regulated entity shall, notwithstanding section 3571 of title 18, be fined not more than \$1,000,000, imprisoned for not more than 5 years, or both.

(Pub. L. 102-550, title XIII, §1378, as added Pub. L. 110-289, div. A, title I, §1156(a), July 30, 2008, 122 Stat. 2777.)

PRIOR PROVISIONS

A prior section 1378 of Pub. L. 102-550 was renumbered section 1379A and is classified to section 4638 of this title.

§ 4637. Notice after separation from service

The resignation, termination of employment or participation, or separation of an entity-affiliated party shall not affect the jurisdiction and authority of the Director to issue any notice and proceed under this subchapter against any such entity-affiliated party, if such notice is served before the end of the 6-year period beginning on the date such entity-affiliated party ceases to be associated with the regulated entity.

(Pub. L. 102-550, title XIII, §1379, formerly §1377, Oct. 28, 1992, 106 Stat. 3992; renumbered §1379 and amended Pub. L. 110-289, div. A, title I, §§1153(a)(1), 1156(b)(1), 1157, July 30, 2008, 122 Stat. 2770, 2777.)

PRIOR PROVISIONS

A prior section 1379 of Pub. L. 102-550 was renumbered section 1379B and is classified to section 4639 of this title.

AMENDMENTS

2008—Pub. L. 110-289, §1157(4), which directed the substitution of “regulated entity.” for “enterprise.” could not be executed because of the prior amendment by Pub. L. 110-289, §1156(b)(1). See below.

Pub. L. 110-289, §1157(3), which directed the substitution of “entity-affiliated party” for “director or officer” wherever appearing, was executed by making the substitution for “director or executive officer” in two places, to reflect the probable intent of Congress.

Pub. L. 110-289, §1157(2), which directed the substitution of “an entity-affiliated party” for “a director or executive officer of an enterprise”, was executed by making the substitution for “a director or executive of-