

crime described in paragraph (1)(A), at such time as such judgment is not subject to further appellate review, the Director may, if continued service or participation by such party may pose a threat to the regulated entity or impair public confidence in the regulated entity, issue and serve upon such party an 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 without the prior written consent of the Director.

**(B) Provisions applicable to order**

**(i) Copy**

A copy of any order under subparagraph (A) shall be served upon the relevant regulated entity, at which time the entity-affiliated party who is subject to the order (if a director or an officer) shall cease to be a director or officer of such regulated entity.

**(ii) Effect of acquittal**

A finding of not guilty or other disposition of the charge shall not preclude the Director from instituting proceedings after such finding or disposition to remove a party from office or to prohibit further participation in the affairs of a regulated entity pursuant to subsection (a) or (b).

**(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 con-

duct 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-af-

filiated 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 officer of a regulated entity”, to reflect the probable intent of Congress and the prior amendment by Pub. L. 110-289, § 1156(b)(1). See below.

Pub. L. 110-289, § 1157(1), substituted “6-year” for “2-year”.

Pub. L. 110-289, § 1156(b)(1), substituted “a regulated entity” for “an enterprise” and “the regulated entity” for “the enterprise”.

### § 4638. Private rights of action

This chapter shall not create any private right of action on behalf of any person against a regulated entity, or any director or executive officer of a regulated entity, or impair any existing private right of action under other applicable law.

(Pub. L. 102-550, title XIII, § 1379A, formerly § 1378, Oct. 28, 1992, 106 Stat. 3993; renumbered § 1379A and amended Pub. L. 110-289, div. A, title I, §§ 1153(a)(1), 1156(b)(2), July 30, 2008, 122 Stat. 2770, 2777.)

#### REFERENCES IN TEXT

This chapter, referred to in text, was in the original “this title and the amendments made by this title”, meaning title XIII of Pub. L. 102-550, Oct. 28, 1992, 106 Stat. 3941, which is classified principally to this chapter. For complete classification of title XIII to the Code, see Short Title note set out under section 4501 of this title and Tables.

#### PRIOR PROVISIONS

A prior section 1379A of Pub. L. 102-550 was renumbered section 1379C and is classified to section 4640 of this title.

#### AMENDMENTS

2008—Pub. L. 110-289, § 1156(b)(2), which directed substitution of “a regulated entity” for “an enterprise”, was executed by making the substitution in two places to reflect the probable intent of Congress.

### § 4639. Public disclosure of final orders and agreements

#### (a) In general

The Director shall make available to the public—

(1) any written agreement or other written statement for which a violation may be redressed by the Director or any modification to or termination thereof, unless the Director, in the Director’s discretion, determines that public disclosure would be contrary to the public interest;

(2) any order that is issued with respect to any administrative enforcement proceeding initiated by the Director under this subchapter and that has become final in accordance with sections 4633 and 4634 of this title; and

(3) any modification to or termination of any final order made public pursuant to this subsection.

#### (b) Hearings

All hearings on the record with respect to any notice of charges issued by the Director shall be open to the public, unless the Director, in the Director’s discretion, determines that holding an open hearing would be contrary to the public interest.

#### (c) Delay of public disclosure under exceptional circumstances

If the Director makes a determination in writing that the public disclosure of any final order pursuant to subsection (a) would seriously threaten the financial health or security of the regulated entity, the Director may delay the public disclosure of such order for a reasonable time.

#### (d) Documents filed under seal in public enforcement hearings

The Director may file any document or part thereof under seal in any hearing commenced by the Director if the Director determines in writing that disclosure thereof would be contrary to the public interest.

#### (e) Retention of documents

The Director shall keep and maintain a record, for not less than 6 years, of all documents described in subsection (a) and all enforcement agreements and other supervisory actions and supporting documents issued with respect to or in connection with any enforcement proceeding initiated by the Director under this subchapter or any other law.

#### (f) Disclosures to Congress

This section may not be construed to authorize the withholding, or to prohibit the disclosure, of any information to the Congress or any committee or subcommittee thereof.

(Pub. L. 102-550, title XIII, § 1379B, formerly § 1379, Oct. 28, 1992, 106 Stat. 3993; renumbered § 1379B and amended Pub. L. 110-289, div. A, title I, §§ 1153(a)(1), 1156(b)(3), July 30, 2008, 122 Stat. 2770, 2777.)

#### PRIOR PROVISIONS

A prior section 1379B of Pub. L. 102-550 was renumbered section 1379D and is classified to section 4641 of this title.