

(II) OF PRESENT OR POTENTIAL ADVANTAGE TO THE ASSOCIATION.

(2) NOTHING IN THIS SUBSECTION MAY BE CONSTRUED TO AFFECT ANY CONTRACTUAL OBLIGATIONS ENTERED INTO BEFORE ~~JUNE-17~~ JANUARY 15, 1986 BY A DIRECTOR, OFFICER, OR CONTROLLING PERSON.

(I) EMPLOYMENT.

AN ASSOCIATION, ITS HOLDING COMPANY, SUBSIDIARIES, OR AFFILIATES MAY EMPLOY ITS OFFICERS, DIRECTORS, AND CONTROLLING PERSONS IN A CAPACITY OTHER THAN AS OFFICER ~~OF~~ OR DIRECTOR ONLY IF THE EMPLOYMENT:

(1) DOES NOT CREATE A CONFLICT OF INTEREST;

(2) IS FOR REASONABLE COMPENSATION; AND

(3) IS IN A CAPACITY IN WHICH THE OFFICERS, DIRECTORS, AND CONTROLLING PERSONS ARE QUALIFIED.

(J) AVOIDING PROHIBITIONS PROHIBITED.

AN ASSOCIATION MAY NOT MAKE A LOAN TO, OR TRANSACT BUSINESS WITH, ANY PERSON OR ENTITY FOR THE PURPOSE OF FRUSTRATING OR AVOIDING ANY PROHIBITION IN THIS SECTION OR ANY REGULATIONS ADOPTED UNDER THIS SECTION.

(K) PENALTY.

ANY CONTROLLING PERSON, DIRECTOR, OFFICER, EMPLOYEE, OR ATTORNEY WHO KNOWINGLY VIOLATES OR CAUSES A VIOLATION OF THIS SECTION ON CONVICTION IS SUBJECT TO IMPRISONMENT IN THE PENITENTIARY FOR A PERIOD ~~NOT EXCEEDING MORE THAN~~ 10 YEARS ~~NOT LESS THAN 1-YEAR,~~ OR A FINE OF ~~NOT LESS THAN \$10,000-NOR MORE~~ THAN \$100,000, OR BOTH.

9-308. Fidelity bond.

(A) FIDELITY BOND.

A savings and loan association shall provide a FIDELITY bond, in the amount that the [Board of Commissioners] DIVISION DIRECTOR requires, to cover each director, officer, EMPLOYEE, OR agent[, or employee] of the association who has control over or access to cash or securities of the association.

(B) REMOVAL OF PERSON.

IF A PERSON FAILS TO FURNISH--OR QUALIFY FOR THE BOND REQUIRED BY SUBSECTION (A) OF THIS SECTION, THE ASSOCIATION SHALL REMOVE THE PERSON FROM THE POSITION HELD BY THE PERSON WITH THE ASSOCIATION.

9-309. Offices.