

ASSOCIATIONS, THE DEPARTMENT OF LICENSING AND REGULATION, TITLE 09, SUBTITLE 05 OF THE CODE OF MARYLAND REGULATIONS. EXISTING REGULATIONS ARE HEREBY REPEALED TO THE EXTENT OF ANY INCONSISTENCY.

DSL REGULATIONS

.01 Definitions.

- L. Affiliate. In these regulations, an "affiliate" of an association includes any corporation, business trust, association, partnership, sole proprietorship, or other similar organization or person of which an association or any controlling person of an association directly or indirectly, owns or controls either a majority of the voting shares or controls in any manner the election of a majority of its directors, trustees, partners or other persons exercising similar functions; or otherwise controls the management of such organization.
- M. Parent. In these regulations, "parent" means a holding company or any company or other entity which directly or indirectly controls any other company, or other entity.
- N. Subsidiary. In these regulations, "subsidiary" means any company or other entity which is directly or indirectly controlled by any other company or entity.

.43 Transaction Involving Directors, Officers and Controlling Persons.

- A. Directors and officers and controlling persons as defined in Financial Institutions § 9-323 occupy a fiduciary relationship to their association and depositors, and a director, officer or controlling person may not engage or participate, directly or indirectly, in any business or transaction conducted on behalf of or involving the association or any of its parents, subsidiaries or affiliates, which would result in a conflict of his own personal interests with those of the association.
- B. The following restrictions governing the conduct of directors, officers and controlling persons are imposed, but the restrictions are not intended to be all-inclusive and are not to be construed as excusing these persons from the observance of the general fiduciary duty owed to the association and its depositors: