

107TH CONGRESS
2D SESSION

S. 2820

To increase the priority dollar amount for unsecured claims, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 30, 2002

Mrs. CARNAHAN (for herself and Mr. LEAHY) introduced the following bill;
which was read twice and referred to the Committee on the Judiciary

A BILL

To increase the priority dollar amount for unsecured claims,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FAIR TREATMENT OF COMPENSATION IN BANK-**

4 **RUPTCY.**

5 (a) INCREASED PRIORITY CLAIM AMOUNT FOR EM-
6 PLOYEE WAGES AND BENEFITS.—Section 507(a) of title
7 11, United States Code, is amended—

8 (1) in paragraph (3), by striking “\$4,000” and
9 inserting “\$13,500”; and

1 (2) in paragraph (4), by striking “\$4,000” and
2 inserting “\$13,500”.

3 (b) RECOVERY OF EXCESSIVE COMPENSATION.—Sec-
4 tion 547 of title 11, United States Code, is amended by
5 adding at the end the following:

6 “(h) The court, on motion of a party of interest, may
7 avoid any transfer of compensation made to a present or
8 former employee, officer, or member of the board of direc-
9 tors of the debtor on or within 90 days before the date
10 of the filing of the petition that the court finds, after no-
11 tice and a hearing, to be—

12 “(1) out of the ordinary course of business; or

13 “(2) unjust enrichment.”.

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