

107TH CONGRESS  
2D SESSION

# S. 2820

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

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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

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## 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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