

115TH CONGRESS  
2D SESSION

# H. R. 7355

To impose requirements on the payment of compensation to professional persons employed in voluntary cases commenced under title III of the Puerto Rico Oversight Management and Economic Stability Act (commonly known as “PROMESA”).

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 19, 2018

Ms. VELÁZQUEZ (for herself, Miss GONZÁLEZ-COLÓN of Puerto Rico, Mr. GRIJALVA, Mr. BISHOP of Utah, and Mr. BIGGS) introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

To impose requirements on the payment of compensation to professional persons employed in voluntary cases commenced under title III of the Puerto Rico Oversight Management and Economic Stability Act (commonly known as “PROMESA”).

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. SHORT TITLE.**

4       This Act may be cited as the “Puerto Rico Recovery  
5       Accuracy in Disclosures Act of 2018” or “(PRRADA)”.

1 **SEC. 2. DISCLOSURE BY PROFESSIONAL PERSONS EM-**  
2 **PLOYED BY COURT ORDER.**

3 (a) REQUIRED DISCLOSURE.—In a voluntary case  
4 commenced under section 304 of the Puerto Rico Over-  
5 sight Management and Economic Stability Act (commonly  
6 known as “PROMESA”; 48 U.S.C. 2164), no attorneys,  
7 accountants, appraisers, auctioneers, agents, consultants,  
8 or other professional persons shall be compensated under  
9 section 316 of PROMESA (48 U.S.C. 2176) unless prior  
10 to making a request for compensation, such a professional  
11 person has submitted a verified statement conforming to  
12 the disclosure requirements of rule 2014(a) of the Federal  
13 Rules of Bankruptcy Procedure setting forth the profes-  
14 sional person’s connections with the debtor, creditors, any  
15 other parties in interest, their respective attorneys and ac-  
16 countants, the Oversight Board, and any person employed  
17 by the Oversight Board. Such statement shall include in-  
18 formation on the identity of each entity or person with  
19 whom such professional person has a connection. Such  
20 professional person shall be required—

21 (1) to supplement such verified statement as  
22 additional relevant information becomes known to  
23 such person; and

24 (2) to file annually a notice confirming the ac-  
25 curacy of such statement.

1       (b) REVIEW.—The United States Trustee shall re-  
2 view each verified statement submitted pursuant to sub-  
3 section (a) and may file with the court comments on such  
4 verified statements before the professionals filing such  
5 statements seek compensation under section 316 of  
6 PROMESA (48 U.S.C. 2176). The United States Trustee  
7 may also object to compensation applications filed under  
8 section 316 of PROMESA (48 U.S.C. 2176) that fail to  
9 satisfy the requirements of subsection (d) of this Act.  
10 Each person having standing under section 1109 of title  
11 11 of the United States Code shall also have standing  
12 under this section. The district court shall have jurisdic-  
13 tion to adjudicate all matters arising under this section.  
14       (c) RETROACTIVITY.—If, at the time subsection (a)  
15 is enacted, the court has entered orders approving com-  
16 pensation under cases commenced under section 304 of  
17 PROMESA (48 U.S.C. 2164) each professional person  
18 previously awarded compensation shall file a verified state-  
19 ment in accordance with subsection (a) not later than 30  
20 days after such person’s first request for compensation  
21 under section 316 of PROMESA (48 U.S.C. 2176) occur-  
22 ring after the date of the enactment of this Act, except  
23 that the court may not delay any proceeding in connection  
24 with a case commenced under section 304 of PROMESA

1 (48 U.S.C. 2164) pending the filing of such verified state-  
2 ments.

3 (d) LIMITATION ON COMPENSATION.—In a voluntary  
4 case commenced under section 304 of PROMESA (48  
5 U.S.C. 2164), in connection with the review and approval  
6 of professional compensation under section 316 of  
7 PROMESA (48 U.S.C. 2176), the court may deny allow-  
8 ance of compensation for services and reimbursement of  
9 expenses, accruing after the date of the enactment of this  
10 Act of a professional person if such professional person—

11 (1) has failed to file statements of connections  
12 required by subsection (a) or has filed inadequate  
13 statements of connections;

14 (2) is at any time during such professional per-  
15 son's employment in such case not a disinterested  
16 person as defined in section 101(14) of title 11 of  
17 the United States Code; or

18 (3) represents, or holds an interest adverse to,  
19 the interest of the estate with respect to the matter  
20 on which such professional person is employed, ex-  
21 cept that the qualification standards for committee  
22 professionals shall be those set forth in section  
23 1103(b) of title 11 of the United States Code.

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