

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 683
OFFERED BY MR. NADLER OF NEW YORK**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Puerto Rico Recovery
3 Accuracy in Disclosures Act of 2020” or “PRRADA”.

4 **SEC. 2. DISCLOSURE BY PROFESSIONAL PERSONS SEEKING**
5 **APPROVAL OF COMPENSATION UNDER SEC-**
6 **TION 316 OR 317 OF PROMESA.**

7 (a) REQUIRED DISCLOSURE.—

8 (1) IN GENERAL.—In a voluntary case com-
9 menced under section 304 of PROMESA (48 U.S.C.
10 2164), no attorney, accountant, appraiser, auc-
11 tioneer, agent, consultant, or other professional per-
12 son may be compensated under section 316 or 317
13 of that Act (48 U.S.C. 2176, 2177) unless prior to
14 making a request for compensation, the professional
15 person has submitted a verified statement con-
16 forming to the disclosure requirements of rule
17 2014(a) of the Federal Rules of Bankruptcy Proce-

1 dure setting forth the connection of the professional
2 person with—

3 (A) the debtor;

4 (B) any creditor;

5 (C) any other party in interest, including
6 any attorney or accountant;

7 (D) the Financial Oversight and Manage-
8 ment Board established in accordance with sec-
9 tion 101 of PROMESA (48 U.S.C. 2121); and

10 (E) any person employed by the Oversight
11 Board described in subparagraph (D).

12 (2) OTHER REQUIREMENTS.—A professional
13 person that submits a statement under paragraph
14 (1) shall—

15 (A) supplement the statement with any ad-
16 ditional relevant information that becomes
17 known to the person; and

18 (B) file annually a notice confirming the
19 accuracy of the statement.

20 (b) REVIEW.—

21 (1) IN GENERAL.—The United States Trustee
22 shall review each verified statement submitted pur-
23 suant to subsection (a) and may file with the court
24 comments on such verified statements before the
25 professionals filing such statements seek compensa-

1 tion under section 316 or 317 of PROMESA (48
2 U.S.C. 2176, 2177).

3 (2) OBJECTION.—The United States Trustee
4 may object to compensation applications filed under
5 section 316 or 317 of PROMESA (48 U.S.C. 2176,
6 2177) that fail to satisfy the requirements of sub-
7 section (e).

8 (3) RIGHT TO BE HEARD.—Each person de-
9 scribed in section 1109 of title 11, United States
10 Code, may appear and be heard on any issue in a
11 case under this section.

12 (e) JURISDICTION.—The district courts of the United
13 States shall have jurisdiction of all cases under this sec-
14 tion.

15 (d) RETROACTIVITY.—

16 (1) IN GENERAL.—If a court has entered an
17 order approving compensation under a case com-
18 menced under section 304 of PROMESA (48 U.S.C.
19 2164), each professional person subject to the order
20 shall file a verified statement in accordance with
21 subsection (a) not later than 60 days after the date
22 of enactment of this Act.

23 (2) NO DELAY.—A court may not delay any
24 proceeding in connection with a case commenced
25 under section 304 of PROMESA (48 U.S.C. 2164)

1 pending the filing of a verified statement under
2 paragraph (1).

3 (e) LIMITATION ON COMPENSATION.—

4 (1) IN GENERAL.—In a voluntary case com-
5 menced under section 304 of PROMESA (48 U.S.C.
6 2164), in connection with the review and approval of
7 professional compensation under section 316 or 317
8 of PROMESA (48 U.S.C. 2176, 2177), the court
9 may deny allowance of compensation for services and
10 reimbursement of expenses, accruing after the date
11 of the enactment of this Act of a professional person
12 if the professional person—

13 (A) has failed to file statements of connec-
14 tions required by subsection (a) or has filed in-
15 adequate statements of connections;

16 (B) except as provided in paragraph (3), is
17 on or after the date of enactment of this Act
18 not a disinterested person, as defined in section
19 101 of title 11, United States Code; or

20 (C) except as provided in paragraph (3),
21 represents, or holds an interest adverse to, the
22 interest of the estate with respect to the matter
23 on which such professional person is employed.

24 (2) CONSIDERATIONS.—In making a determina-
25 tion under paragraph (1), the court may take into

1 consideration whether the services and expenses are
2 in the best interests of creditors and the estate.

3 (3) COMMITTEE PROFESSIONAL STANDARDS.—

4 An attorney or accountant described in section
5 1103(b) of title 11, United States Code, shall be
6 deemed to have violated paragraph (1) if the attor-
7 ney or accountant violates section 1103(b) of title
8 11, United States Code.

