

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: In the nature of a substitute.

**IN THE SENATE OF THE UNITED STATES—117th Cong., 1st Sess.**

**H. R. 1192**

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”).

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended  
to be proposed by \_\_\_\_\_

Viz:

1 Strike all after the enacting clause and insert the fol-  
2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Puerto Rico Recovery  
5 Accuracy in Disclosures Act of 2021” or “PRRADA”.

6 **SEC. 2. DISCLOSURE BY PROFESSIONAL PERSONS SEEKING**

7 **APPROVAL OF COMPENSATION UNDER SEC-**

8 **TION 316 OR 317 OF PROMESA.**

9 (a) DEFINITIONS.—In this section:

1           (1) LIST OF MATERIAL INTERESTED PAR-  
2           TIES.—The term “List of Material Interested Par-  
3           ties” means the List of Material Interested Parties  
4           established under subsection (c)(1).

5           (2) OVERSIGHT BOARD.—The term “Oversight  
6           Board” has the meaning given the term in section  
7           5 of PROMESA (48 U.S.C. 2104).

8           (b) REQUIRED DISCLOSURE.—

9           (1) IN GENERAL.—In a case commenced under  
10          section 304 of PROMESA (48 U.S.C. 2164), no at-  
11          torney, accountant, appraiser, auctioneer, agent, or  
12          other professional person may be compensated under  
13          section 316 or 317 of that Act (48 U.S.C. 2176,  
14          2177) unless prior to making a request for com-  
15          pensation, the professional person has filed with the  
16          court a verified statement conforming to the disclo-  
17          sure requirements of rule 2014(a) of the Federal  
18          Rules of Bankruptcy Procedure setting forth the  
19          connection of the professional person with any entity  
20          or person on the List of Material Interested Parties.

21          (2) SUPPLEMENT.—A professional person that  
22          submits a statement under paragraph (1) shall  
23          promptly supplement the statement with any addi-  
24          tional relevant information that becomes known to  
25          the person.

1           (3) DISCLOSURE.—Subject to any other appli-  
2           cable law, rule, or regulation, a professional person  
3           that fails to file or update a statement required  
4           under paragraph (1) or files a statement that the  
5           court determines does not represent a good faith ef-  
6           fort to comply with this section shall disclose such  
7           failure in any filing required to conform to the dis-  
8           closure requirements under rule 2014(a) of the Fed-  
9           eral Rules of Bankruptcy Procedure.

10          (c) LIST OF MATERIAL INTERESTED PARTIES.—

11           (1) PREPARATION.—Not later than 30 days  
12           after the date of enactment of this Act, the Over-  
13           sight Board shall establish a List of Material Inter-  
14           ested Parties subject to—

15                   (A) the approval of the court; and

16                   (B) the right of the United States trustee  
17           or any party in interest to be heard on the ap-  
18           proval.

19           (2) INCLUSIONS.—Except as provided in para-  
20           graph (3), the List of Material Interested Parties  
21           shall include—

22                   (A) the debtor;

23                   (B) any creditor;

24                   (C) any other party in interest;

25                   (D) any attorney or accountant of—

- 1 (i) the debtor;  
2 (ii) any creditor; or  
3 (iii) any other party in interest;

4 (E) the United States trustee and any per-  
5 son employed in the office of the United States  
6 trustee; and

7 (F) the Oversight Board, including the  
8 members, the Executive Director, and the em-  
9 ployees of the Oversight Board.

10 (3) EXCLUSIONS.—The List of Material Inter-  
11 ested Parties may not include any person with a  
12 claim, the amount of which is below a threshold dol-  
13 lar amount established by the court that is con-  
14 sistent with the purpose of this Act.

15 (d) REVIEW.—

16 (1) IN GENERAL.—The United States trustee  
17 shall review each verified statement submitted pur-  
18 suant to subsection (b) and may file with the court  
19 comments on such verified statements before the  
20 professionals filing such statements seek compensa-  
21 tion under section 316 or 317 of PROMESA (48  
22 U.S.C. 2176, 2177).

23 (2) OBJECTION.—The United States trustee  
24 may object to applications filed under section 316 or

1       317 of PROMESA (48 U.S.C. 2176, 2177) that fail  
2       to satisfy the requirements of subsection (b).

3       (e) LIMITATION ON COMPENSATION.—In a case com-  
4       menced under section 304 of PROMESA (48 U.S.C.  
5       2164), in connection with the review and approval of pro-  
6       fessional compensation under section 316 or 317 of  
7       PROMESA (48 U.S.C. 2176, 2177) filed after the date  
8       of enactment of this Act, the court may deny allowance  
9       of compensation or reimbursement of expenses if—

10           (1) the professional person has failed to file the  
11          verified disclosure statements required under sub-  
12          section (b)(1) or has filed inadequate disclosure  
13          statements under that subsection; or

14           (2) during the professional person’s employ-  
15          ment in connection with the case, the professional  
16          person—

17                   (A) is not a disinterested person (as de-  
18                   fined in section 101 of title 11, United States  
19                   Code) relative to any entity or person on the  
20                   List of Material Interested Parties; or

21                   (B) represents or holds an adverse interest  
22                   in connection with the case.