



PRESS RELEASE

## **Commercial Law League of America (CLLA) to Host 4<sup>th</sup> Annual Capitol Hill Day in Washington, D.C.**

Wauconda, IL 2017 — The Commercial Law League of America is scheduled to host its fourth legislative event in Washington D.C., February 26 – February 28, 2017. CLLA held its first D.C. Legislative Day in February of 2014 and found the event to be very successful in building relationships with legislators, regulators and forming relationships with other likeminded organizations.

The Bankruptcy Team in its continued efforts at Venue and Preference Reform will meet with Senator and House staffers from various judiciary committees and personal representatives.

Venue Reform: To require Chapter 11 business bankruptcy filings where the company's main office or assets are located rather than the state of incorporation (often either Delaware or the Southern District of New York.)

Reason: Having a business file in a remote court location, often many thousands of miles away, restricts access of interested parties such as smaller trade creditors, employees and retirees. In the process, forum and judge shopping often occurs. And lastly, the communities where these businesses are located lose the opportunity to contribute and be part of the process to either reorganize or liquidate local operations. The CLLA believes that local business bankruptcy cases yield better results for all parties.

Preference Reform: To require preference actions are filed in good faith; allow for a safe harbor for pre-bankruptcy consensual settlements with the debtor; and also require that actions for the recovery of \$50,000 or less be commenced where the preference defendant resides.

Reason: Prior to filing bankruptcy, the creditor and the debtor may work out a payment agreement to ward off bankruptcy. Today, the Trustee or Debtor in possession can demand the return of the money paid under the payment agreement 90 days before the bankruptcy filing. The Trustee can file a preference action where the bankruptcy is filed. It is burdensome to the small business which tried to assist the debtor by making a payment agreement and then forcing them to travel out of state to have this dispute heard.

The Creditors' Rights Section looked at the winds of regulatory change in DC and seeks to help shape the future of the Consumer Financial Protection Bureau.

CFPB Reform Proposal: This year CLLA will continue to seek CFPB reforms such as to provide Congress with more oversight, limit CFPB powers (especially over lawyers), better direct resources toward consumers, and operate in accordance with the Constitution. We believe that rolling back some regulations will have a dramatic impact on the banking clients, lawyers and collection agencies.



Reason: Last year Rep Jeb Hesserling, R-Tex, chair of the House Financial Services Committee, introduced the Financial Choice Act. In addition The DC Circuit Court of Appeals in *PHH Corp. v. Cons. Fin. Protection Bureau*, D.C. Cir found that the CFPB was “unconstitutionally structured”. We believe our proposals will assist our League members, attorneys and agencies, get out from under some of the more unfettered and onerous regulations.

More information on these positions can be found on the League’s Hill Day Event page, visit [www.clla.org/events](http://www.clla.org/events).

CLLA’s Hill Day event also provides attendees the opportunity to learn about the important lobbying work CLLA is doing and how to get its voice heard in Washington. Join CLLA in our efforts on Capitol Hill by registering online or contacting us at [info@clla.org](mailto:info@clla.org).

At the League’s Annual Conference, a panel will provide insight into the 2017 Hill Day experience and how our members can (and should) get involved at home.

For more information on the D.C. Summit or other CLLA events, please contact us or visit our events page [www.clla.org/events](http://www.clla.org/events)

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#### **About the CLLA**

Since 1895, the not-for-profit Commercial Law League of America has connected experienced attorneys with credit grantors, lending institutions and other commercial credit, bankruptcy and general finance industry members through networking, education, legislative advocacy and specialized legal services. The association’s members include attorneys, collection agencies, judges, accountants, trustees, turnaround managers and other credit and finance experts. For more information on the CLLA, please visit [www.CLLA.org](http://www.CLLA.org).