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offspring, rents, or profits of property subject to a 1 security interest as provided in section 552(b) of this 2 title, whether existing before or after the commencement 3 of a case under this title" after "interest". (b) Section 363(b) of title 11 of the United States Code 5 is amended by--6 (1) striking out ''(b)'' and inserting in lieu 7 thereof ''(b)(1)''; and 8 9 (2) adding at the end thereof the following new paragraph: 10 ''(2) If notification is required under subsection (a) of 11 section 7A of the Clayton Act (15 U.S.C. 18a) in the case of 12 a transaction under this subsection, then--13 ''(A) notwithstanding subsection (a) of such section, 14 such notification shall be given by the trustee; and 15 ''(B) notwithstanding subsection (b) of such section, 16 the required waiting period shall end on the tenth day 17 18 after the date of the receipt of such notification, unless the court, after notice and hearing, orders 19 20 otherwise. ' . 21 (c) Section 363(e) of title 11 of the United States Code 22 is amended by--(1) Inserting '', with or without a hearing,' after 23 24 ''court''; and (2) striking out the last sentence. 25 26 (d) Section 363(f)(3) of title 11 of the United States Code is amended by striking out "such interest" the second 27 28 place it appears and inserting in lieu thereof 'all liens on such property''. 29

- (e) Section 363(h) of title 11 of the United States Code
 31 is amended by striking out ''immediately before'' and
- 32 inserting in lieu thereof 'at the time of'.
- 33 (f) Section 363(j) of title 11 of the United States Code 34 is amended by striking out 'compensation' and inserting in

offspring, rents, or profits of property subject to a

- security interest as provided in section 552(b) of this
- 3 title, whether existing before or after the commencement
- of a case under this title" after "interest".
- 5 (b) Section 363(b) of title 11 of the United States Code
- 6 Is amended by--
- 7 (1) striking out ''(b)'' and inserting in lieu
- 8 thereof ''(b)(1)''; and
- 9 (2) adding at the end thereof the following new
- 10 paragraph:
- 11 ''(2) If notification is required under subsection (a) of .
- 12 section 7A of the Clayton Act (15 U.S.C. 18a) in the case of
- 13 a transaction under this subsection, then--
- ''(A) notwithstanding subsection (a) of such section,
- such notification shall be given by the trustee; and
- 16 ''(B) notwithstanding subsection (b) of such section,
- the required waiting period shall end on the tenth day
- after the date of the receipt of such notification,
- 19 unless the court, after notice and hearing, orders
- 20 otherwise. ".
- 21 (c) Section 363(e) of title 11 of the United States Code
- 22 is amended by--
- (1) Inserting '', with or without a hearing,' after
- 24 ''court''; and
- 25 (2) striking out the last sentence.
- 26 (d) Section 363(f)(3) of title 11 of the United States
- 27 Code is amended by striking out "such interest" the second
- 28 place it appears and inserting in lieu thereof 'all liens on
- 29 such property''.
- 30 (e) Section 363(h) of title 11 of the United States Code
- 31 is amended by striking out ''immediately before'' and
- 32 inserting in lieu thereof 'at the time of'.
- (f) Section 363(j) of title 11 of the United States Code
- 34 is amended by striking out ''compensation'' and inserting in

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1 lieu thereof ''compensation''.
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- 2 (g) Section 363(k) of title 11 of the United States Code
- 3 is amended by striking out "if the holder" and inserting in
- 4 lieu thereof ''unless the court for cause orders otherwise
- 5 the holder of such claim may bid at such sale, and, if the
- 6 holder ".
- 7 (h) Section 363(l) of title 11 of the United States Code
- 8 is amended by--
- 9 (1) striking out 'The trustee' and inserting in
- 10 lieu thereof 'Subject to the provisions of section 365,
- 11 the trustee'';
- 12 (2) striking out 'conditions' and inserting in lieu
- thereof ''condition'';
- (3) striking out 'a taking' and inserting in lieu
- thereof ''or the taking'; and
- 16 (4) striking out ''interests'' and inserting in lieu
- 17 thereof ''Interest''.
- (1) Section 363(n) of title 11 of the United States code
- 19 is amended by--
- 20 (1) striking out "void" and inserting in flew
- 21 thereof 'avoid';
- 22 (2) strlking out "voiding" and inserting in lieu
- 23 thereof 'avolding'; and
- (3) amending the last sentence to read as follows:
- ''In addition to any recovery under the preceding
- sentence, the court may grant judgment for punitive
- 27 damages in favor of the estate and against any such party
- that entered into such an agreement in willful discegard
- of this subsection. ".
- 30 (j) Section 363 of title 11 of the United States Code is
- 31 amended by adding at the end thereof the following new
- 32 subsection:
- ''(o) In any hearing under this section--
- "(1) the trustee has the burden of proof on the

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73 issue of adequate protection; and 9 ''(2) the entity asserting an interest in property 2 has the burden of proof on the issue of the validity, 3 priority, or extent of such interest. ". L Sec. 446. (a) Section 365(e) of title 11 of the United 5 States Code 1s amended-б (1) in paragraph (1), by striking out 'or lease' 7 each place it appears and inserting in lieu thereof '', 8 lease, or applicable law''; and () (2) in paragraph (2), by striking out 'the trustee' 10 and inserting in lieu thereof 'an entity other than the 11 debtor or the debtor in possession". 12 (b) Section 365(f)(3) of title 11 of the United States 13 Code is amended by--14 (1) striking out the comma after "'debtor" the first 15 place it appears, and 16 (2) striking out "applicable law" and inserting in 17 lieu thereof 'applicable nonbankruptcy law,''. 18 (c) Section 365(h) of the United States Code is amended 19 by adding at the end thereof the following new paragraph: 20 ''(3) In the event that the lessee or timeshare interest 21 holder shall elect to treat the lease under this subsection 22 as terminated, any sublessee, leasehold mortgagee, or 53 similarly situated entity may elect to succeed to the right 24 of the lessee to remain in possession. ' . 25 (d) Section 365(i)(2)(A) of title 11 of the United States 26 27 Code is amended by --(1) striking out the comma after 'may'; 28 29 (2) inserting 'under such contract' after ''debtor''; and 3Ø (3) adding the following new paragraph: 31

''(3) in the event that the purchaser shall elect to

treat such contract under this subsection as terminated,

any holder of a security interest in such purchaser's

32

33

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interest may elect to succeed to the right of such
       purchaser to remain in possession as set forth in
 2
       paragraph (1) of this subsection. ".
3
       (e) Section 365(j) of title 11 of the United States Code
4
    is amended by inserting 'to or for the benefit of the
5
    debtor" before the period at the end thereof.
 б
        Sec. 447. Section 366(a) of title 11 of the United States
7
    Code is amended by inserting 'of the commencement of a case
 8
    under this title or " after "basis".
 9
        Sec. 448. Section 501(d) of title 11 of the United States
10
    Code is amended by inserting ''502(e)(2),'' before
11
    ''502(f)''.
12
       Sec. 449. (a) Section 502(a) of title 11 of the United
13
    States Code is amended by inserting ''general'' before
14
    ''partner''.
15
16
        (b) Section 502(b) of title 11 of the United States code
17
    is amended--
18
           (1) by Inserting ''(e)(2), '' after ''subsections'';
            (2) by Inserting 'In lawful currency of the United
19
       States' after 'claim' the second place it appears;
20
21
            (3) In paragraph (1), by striking out '', and
22
       unenforceable against" and inserting in lieu thereof
        'and';
23
24
            (4) In paragraph (2), by Inserting "other than
25
        unmatured interest due to an original issue discount of
36
        less than one-half of 1 percent of the stated redemption
        price at maturity multiplied by the number of full years
27
28
       from the date of original issue to maturity" after
29
        ''Interest'';
30
            (5) by striking out paragraph (3) and redesignating
        paragraphs (4), (5), (6), (7), (8), and (9) as paragraphs
31
32
        (3), (4), (5), (6), (7), and (8), respectively;
33
            (6) in paragraph (3), as redesignated by paragraph
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(5), by inserting 'the' after 'exceeds':

1	(7) in paragraph (5), as redesignated by paragraph
2	(5), by
3	(A) striking out "the claim" and inserting in
4	lieu thereof ''such claim'', and
5	(B) striking out the comma after "petition"
б	(8) by amending paragraph (6), as redesignated by
7	paragraph (5), to read as follows:
8	''(6) If such claim is the claim of a lessor for
9	damages resulting from the termination of a lease of real
10	property, such claim exceeds
91	''(A) the greater of
12	''(1) the rent reserved for the rental year
13	in which the petition was filed; or
14	'(11) 15 percent of the rent reserved for
15	the remaining term of such lease, not to exceed
16	the rent reserved for the three years commencing
17	with the rental year in which the petition was
18	flled; plus
19	"(B) any unpaid rent due under such lease,
20	without acceleration, on the earlier of
21	"(1) the date of the filling of the petition;
22	OF.
23	''(il) the date on which such lesson
24	repossessed, or the lessee surrendered, the
25	leased property; "; and
26	(9) In paragraph (7), as redesignated by paragraph
27	(5), by
58	(A) Inserting 'the claim of an employee' before
29	''for damages'';
30	(B) striking out 'and' in subparagraph (A)(1)
31	and inserting in lieu thereof 'or';
32	(C) striking out 'the' the first place it
33	appears in subparagraph (B) and inserting in lieu
34	thereof ''any''; and

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(D) Inserting a comma after 'such contract' in
           subparagraph (B).
2
       (c) Section 502(c) of title 11 of the United States Code
3
   is amended--
            (1) in paragraph (1) by--
 5
                (A) inserting "the" before "fixing"; and
 5
                (B) striking out ''closing' and inserting in
 7
            lieu thereof 'administration'; and
 8
           (2) in paragraph (2), by--
 9
                (A) inserting 'right to payment arising from a''
10
            after ''any''; and
11
                (B) striking out "if such breach gives rise to
12
            a right to payment''.
13
        (d) Section 502(e)(1) of title 11, United States Code, is
14
    amended--
15
            (1) by striking out "and (b)" and inserting in lieu
16
        thereof '', (b), and (c)''; and
17
            (2) by striking out the commas before and after 'or
18
19
        has secured'';
            (3) In subparagraph (B), by InsertIng 'or
20
21
        disallowance' after 'allowance'; and
            (4) In subparagraph (C), by--
22
                (A) striking out ''requests subrogation'' and
23
24
            inserting in lieu thereof "asserts a right of
25
            subrogation to the rights of such creditor'; and
26
                (B) striking out 'to the rights of such
            creditor".
27
        (e) Section 502(h) of title 11 of the United States code
28
29
    is amended by striking out "522(1)" and inserting in lieu
    thereof ''522''.
DF.
        (f) (1) Section 502(i) of title 11 of the United States
31
32
    Code is amended to read as follows:
```

''(1) (1) There shall be allowed a claim for any tax

liability arising from payment from the estate of a claim for

33

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1 wages, salaries, or commissions, including vacation,

- 2 severance, or sick leave pay, whether or not a proof of such
- 3 claim is filed.
- 4 ''(2) A claim that does not arise until after the
- 5 commencement of the case for a tax entitled to priority under
- 6 section 507 (a) (6) of this title shall be determined, and
- 7 shall be allowed under subsection (a), (b), or (c) of this
- 8 section, or disallowed under subsection (d) or (e) of this
- 9 section, the same as if such claim had arisen before the date
- 10 of the filing of the petition. ".
- 11 (g) Section 502(j) of title 11 of the United States Code .
- 12 is amended to read as follows:
- 13 ''(j) A claim that has been allowed or disallowed may be
- 14 reconsidered for cause. A reconsidered claim may be allowed
- 15 or disallowed according to the equities of the case.
- 16 Reconsideration of a claim under this subsection does not
- 17 affect the validity of any payment or transfer from the
- 18 estate made to a holder of an allowed claim on account of
- 19 such allowed claim that is not reconsidered, but if a
- 20 reconsidered claim is allowed and is of the same class as
- 21 such holder's claim, such holder may not receive any
- 22 additional payment or transfer from the estate on account of
- 23 such holder's allowed claim until the holder of such
- 24 reconsidered and allowed claim receives payment on account of
- 25 such claim proportionate in value to that already received by
- 26 such other holder. This subsection does not alter or modify
- 27 the trustee's right to recover from a creditor any excess
- 28 payment or transfer made to such creditor. ".
- Sec. 450. Section 503(b) of title 11 of the United States
- 30 Code is amended--
- 31 (1) by striking out the comma after 'be allowed';
- 32 (2) in paragraph (1)(B)(1), by Inserting "or
- required to be collected or withheld from another with
- respect to any payment made by or to the estate's after

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''estate'';
           (3) in paragraph (1)(C), by--
2
                (A) striking out the comma after 'credit'; and
3
                (B) inserting ''incurred by the estate'' after
            ''paragraph'';
5
            (4) In paragraph (2), by Inserting ''(a)' after
б
        11330'';
7
            (5) in paragraph (3), by inserting a comma after
8
        ''paragraph (4) of this subsection'';
            (6) in paragraph (3)(C), by striking out the comma
10
        after ''case'';
11
            (7) in paragraph (5), by striking out 'and' after
12
        the semicolon;
13
            (8) in paragraph (6), by striking out the period and
14
        inserting in lieu thereof ''; and''; and
15
            (9) by adding at the end thereof the following new
16
17
        paragraph:
            ''(7) the actual, necessary expenses, other than
18
        compensation and reimbursement specified in paragraph (2)
19
        of this subsection, incurred by a committee appointed
20
21
       under section 1102 of this title.".
        Sec. 451, Section 505(a) of title 11 of the United States
22
    Code is amended --
23
            (1) In paragraph (1), by inserting "or liability of
24
25
        an entity for' after 'or legality of';
26
            (2) in paragraph (2)(A), by--
27
                (A) inserting ''or liability of the debtor for''
            after 'or legality of'; and
28
29
                (B) striking out ''or legality' the second place
30
            It appears and inserting in lieu thereof "",
31
            legality, or liability";
32
            (3) in paragraph (2)(B)(i), by striking out "'and'"
33
        and inserting in lieu thereof ''or'; and
34
            (4) by adding at the end thereof a new paragraph (3)
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- to read as follows: 1
- ''(3) Notwithstanding subparagraph (B) of paragraph (2) 2
- of this subsection, the court may offset against a claim for, 3
- or request for payment of, a tax liability any counterclaim 4
- 5 with respect to such tax liability for the same taxable
- period, event, act, or failure to act, to which the claim or б
- request for payment relates, and may, where appropriate;
- order a net credit or refund to be made to the estate. The 8
- q preceding sentence shall not apply if, at the commencement of
- the case under this title, the debtor had filed suit for 10
- refund relating to such taxable period, event, act, or 11
- fallure to act, and if the stay on continuation of such suit 12
- 13 is terminated under section 362 of this title. ".
- 14 Sec. 452. (a) Section 506(a) of title 11 of the United
- States Code Is amended to read as follows: 15
- ''(a) An allowed claim of a creditor that is secured by a 16
- lien on property in which the estate has an interest, or that 17
- 1.8 Is subject to setoff under section 553 of this title, is a
- 19 secured claim to the extent of the value of such lien or to
- the extent of the amount subject to setoff, as the case may 20
- 21 be, and, except to the extent that such creditor does not
- have recourse under any agreement or applicable nonbankcuptcy 22
- 23 law against the debtor on account of such claim, is an
- unsecured claim to the extent that the value of such lien or 24
- the amount so subject to setoff is less than the amount of 25
- such allowed claim. ".
- 27 (b) Section 506(b) of title 11 of the United States Code
- 28 is amended by inserting ''for' after ''provided'.
- (c) Paragraphs (1) and (2) of section 506(d) of title 11 29
- of the United States Code are amended to read as follows: ЭØ
- 31 ''(1) such claim was disallowed only under section
- 32 502(b)(5) or 502(e) of this title; or
- ''(2) such claim is not an allowed secured claim due 33
- 34 only to the failure of any entity to file a proof of such

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claim under section 501 of this title. ".

Sec. 453. (a) Section 507(a) of title 11 of the United 2

States Code is amended--3

- (1) in paragraph (3), by inserting a comma after ''severance''; 5
- (2) in paragraph (4), by striking out 'employee б benefit plans" and inserting in lieu thereof "an 7 employee benefit plan'; 8
- (3) in paragraph (4)(B)(i), by inserting 'each'' after ''covered by''; 10
- (4) in paragraph (7) as redesignated by section 350 91 by inserting ''only'' after ''units,''; 12
- (5) in paragraph (6)(A) as redesignated by section 13 350 by amending clauses (ii) and (iii) to read as 14 follows: 15
- '(li) assessed within 240 days before the date 16 of the filing of the petition; or 17
- "(111) not assessed before commencement of the 18 case, unless at such time the liability remained 19 assessable under the applicable statute of 20 3 1 limitations, solely because of an act or fallure to act described in section 523(a)(1)(B) or 523(a)(1)(C) 2.5
 - (b) Section 507(b) of title 11 of the United States Code 24 is amended to read as follows: 25
 - ''(b) Notwithstanding section 726(b) of this title, if 26
 - the trustee, after notice and a hearing, provides, under 27

of this title."'.

23

33

- section 362, 363, or 364 of this title, adequate protection 28
- of the interest of an entity other than the estate that has 29
- an interest in property of the estate, or if the court finds 3 Ø
- that there is adequate protection of such interest and if, 31
- notwithstanding such protection, the holder of an interest 32
- 34 shall have a claim allowable under subsection (a)(1) of this

suffers a decrease in the value of such interest, such holder

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1 section, and such holder's allowable claim shall have

- 2 priority over every other claim allowable under such
- 3 subsection except similar claims under this subsection. " .
- 4 (c) Section 507(c) of title 11 of the United States Code
- 5 is amended by striking out "shall be treated the same" and
- 6 inserting in lieu thereof 'has the same priority''.
- 7 (d) Section 507(d) of title 11 of the United States Code
- 8 is amended to read as follows:
- 9 ''(d) If a claim of a kind specified in paragraph (3),
- 10 (4), (5), (6), or (7) of subsection (a) of this section is
- 11 held by an entity other than the original holder of such
- 12 claim, then such claim is entitled to priority under each
- 13 such paragraph, as the case may be, but only to the extent of
- 14 the value actually transferred to or for the benefit of such
- 15 original holder on account of the transfer of such claim by
- 16 such original holder.
- 17 Sec. 454. (a) Section 509(a) of title 11 of the United
- 10 States Code is amended by--
- 19 (1) striking out "subsections (b) and" and
- 20 Inserting in lieu thereof "subsection (b) or "; and
- 21 (2) Inserting 'against the debtor' after 'a
- 22 creditor''.
- (b) Section 509(b)(1) of title 11 of the United States
- 24 Code is amended by striking out 'of a' and inserting in
- 25 lieu thereof 'of such'.
- 26 (c) Section 509(c) of title 11 of the United States Code
- 27 is amended by striking out "section 500 of this title" and
- 28 inserting in lieu thereof 'this section'.
- 29 Sec. 455. Section 510(b) of title 11 of the United States
- 30 Code is amended to read as follows:
- ''(b) For the purpose of distribution under this title, a
- 32 claim arising from rescission of a purchase or sale of α
- 33 security of the debtor or of an affiliate of the debtor, for
- 34 damages arising from the purchase or sale of such a security,

1 or for reimbursement or contribution allowed under section

- 2 502 on account of such a claim, shall be subordinated to all
- 3 claims or interests that are senior to or equal the chalm or
- 4 interest represented by such security, except that if such
- 5 security is common stock, such claim has the same priority as
- 6 common stock. ' ..
- 7 Sec. 456. Section 521(3) of title 11 of the United States
- 8 Code, as redesignated in section 305, is amended by inserting
- 9 '', whether or not immunity is granted under section 344 of
- 10 this title" after "estate" the second place it appears.
- 11 Sec. 457. (a) Section 522(a)(2) of title 11 of the United'
- 12 States Code is amended by inserting 'or, with respect to
- 13 property that becomes property of the estate after such date,
- 14 as of the date such property becomes property of the estate"
- 15 after ''petition''.
- 16 (b) Section 522(c) of title 11 of the United States code
- 17 is amended to read as follows:
- 18 ''(c) Unless the case is dismissed, property exempted
- 19 under this section is not liable during or after the case for
- 20 any debt of the debtor that arose, or that is determined
- 21 under section 502 of this title as if such debt had arisen,
- 22 before the commencement of the case, except--
- "(1) a debt of a kind specified in section 523(a)(1)
- or 523(a)(5) of this title; or
- ''(2) a debt secured by a lien that is--
- 26 (h)(1) not avoided under subsection (f) or (g)
- of this section or under section 544, 545, 547, 548,
- 28 549, or 724(a) of this title; and
- 29 ''(ii) not void under section 506(d) of this
- 30 title; or
- "'(B) a tax lien, notice of which is property
- filed, whether or not such lien is avoided under
- section 545(2) of this title.".
- 34 (c) Section 522(e) of title it of the United States code

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is amended by striking out 'exemptions' and inserting in
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- lieu thereof 'an exemption'. 2
- (d) Section 522(1) of title 11 of the United States Code 3
- is amended by -u

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- (1) striking out '', or may claim property as exempt 5
- from property of the estate"; and 6
- (2) inserting after the second sentence thereof the 7
- following new sentence: 'In the event of the debtor's
- death, a dependent of the debtor may claim property as
- exempt from property of the estate. ' '. 1Ø
- 11 (e) Section 522 of title 11 of the United States Code is
- amended by adding at the end thereof the following new 12
- subsection: 13
- ''(n) For purposes of this section the State or local law 14
- applicable under subsection (b) of this section is the State 15
- or local law in effect upon the date of the filling of the 16
- petition. ' '. 17
- 18 Sec. 458. (a) Section 523(a) of title 11 of the United
- 19 States Code Is amended --
- 20 (i) in paragraph (2), by--
- 21 (A) striking out 'obtaining' each place it
- ,22 appears; and
- 23 (B) striking out "refinance of credit," and
- 211 inserting in lieu thereof "refinancing of credit, to
- 25 the extent obtained'; and
- 26 (2) by striking out 'of higher education' in
- 27 paragraph (8).
- (b) Section 523(c) of title 11 of the United States Gode 28
- is amended by inserting 'of a kind' after 'debt' the 29
- first time it appears. 30
- Sec. 459. Section 524(a) of title 11 of the United States 31
- 32 Code is amended by striking out 'any act' each place it
- 33 appears and inserting in lieu thereof 'an act'.
- 34 Sec. 460. (a) Section 541(a) of title 11 of the United

- 17 pe

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States Code is amended--
           (1) by striking out "under" the second time it
2
       appears;
3
            (2) by inserting ''and by whomever held'' after
4
      ''located'';
5
            (3) In paragraph (3), by inserting "329(b),
б
       363(n), '' after ''section'';
7
            (4) in paragraph (5), by striking out ''An'' and
8
       inserting in lieu thereof "'Any''; and
Q
            (5) in paragraph (6), by striking out ''and'' and
10
       inserting in lieu thereof ''or''.
11
        (b) Section 541(c) of title 11 of the United States Code '
12
    Is amended--
13
           (1) by inserting 'in an agreement, transfer
14
       instrument, or applicable nonbankruptcy law" after
15
       ''provision'; and
16
           (2) in paragraph (1)(B), by---
17
               (A) striking out 'the taking' and inserting in
18
19
           Lieu thereof 'taking'; and
                (B) Inserting "before such commencement" after
20
            "custodlan".
21
       (c) Section 541(d) of title 11 of the United States Code
22
    is amended by inserting ''(1) or (2)'' after ''(a)''.
23
       (d) Section 541(e) of title 11 of the United States code
24
25
   is repealed.
26
       Sec. 461. Section 542(e) of title 11 of the United States
    Code is amended by inserting 'to turn over or' before
27
    ''disclose''.
28
29
       Sec. 462. (a) Section 543(a) of title 11 of the United
   States Code is amended by inserting '', product, offspring,
ЗØ
    rents, or profits' after ''proceeds'.
31
        (b) Section 543(b) of title 11 of the United States Gode
32
33
   Is amended --
34
            (1) in paragraph (1), by--
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(A) inserting 'held by or' after 'debtor';
1
2
            and
                (B) inserting '', product, offspring, rents, or
3
            profits' after ''proceeds'; and
4
            (2) In paragraph (2), by inserting '', product,
5
       offspring, rents, or profits' after ''proceeds'.
б
       (c) Section 543(c) of title 11 of the United States Code
7
    is amended --
8
            (1) In paragraph (1), by inserting "or proceeds,
9
       product, offspring, rents, or profits of such property'
10
11
       after ''property''; and
            (2) in paragraph (3), by inserting 'that has been'
12
       before ''approved''.
13
        (d) Section 543(d) of title 11 of the United States Code
14
    is amended to read as follows:
15
        ''(d) After notice and hearing, the bankruptcy court--
16
17
            ''(1) may excuse compliance with subsection (a), (b),
       or (c) of this section, if the interests of creditors
18
       and, if the debtor is not insolvent, of equity security
19
       holders would be better served by permitting a custodian
20
21
       to continue in possession, custody, or control of such
       property, and
22
23
            ''(2) shall excuse compliance with subsections (a)
24
        and (b)(1) of this section if the custodian is an
25
       assignee for the benefit of the debtor's creditors that
       was appointed or took possession more than 120 days
26
27
        before the date of the filing of the petition, unless
28
        compliance with such subsections is necessary to prevent
        fraud or injustice. ".
29
        Sec. 463. Section 544(a) of title 11 of the United States
30
31
    Code is amended --
32
            (1) in paragraph (1), by inserting "such" after
33
        ''obtained'';
34
            (2) in paragraph (2), by striking out ''; and' and
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inserting in lieu thereof ''; or'; and
           (3) In paragraph (3), by--
 2
                (A) inserting '', other than flutures,'' after
3
            ''property'; and
4
               (B) Inserting 'and has perfected such transfer'
5
            after ''purchaser'' the second place it appears.
 б
7
       Sec. 464. Section 545 of title 11 of the United States
    code is amended --
8
            (1) in paragraph (1)(A), by striking out 'is' the
9
10
        first time it appears;
            (2) in paragraph (1)(C), by striking out 'appointed'
11
       and inserting in lieu thereof 'appointed or authorized
12
13
       to take''; and
14
            (3) in paragraph (2), by striking out 'on the date
       of the filing of the petition' each place it appears and
15
       inserting in lieu thereof 'at the time of the
16
     commencement of the case".
17
       Sec. 465. (a) Section 546(a) of title 11 of the United
18
   States Code is amended in paragraph (1) by striking out
19
20
    "and" and Inserting in lieu thereof "or".
       (b) Section 546(b) of title 11 of the United States code
21
    is amended by striking out "the trustee under section 500,
22
    545, or' and inserting in lieu thereof 'a trustee under
23
24
    sections 544, 545, and'.
       (c) Section 546(c) of title 11 of the United States Code
25
26
   is amended--
27
            (1) by striking out "the trustee" and inserting in
28
        lieu thereof 'a trustee':
            (2) by striking out "right" the first place it
29
ЗØ
        appears;
31
            (3) by inserting ''of goods that has sold goods to
        the debtor' after "seller" the first place it appears:
32
```

(4) by striking out "of goods to the debtor" after

33

34

''business,''; and

1	(5) In paragraph (2), by
2	(A) inserting "the" after ! If"; and
3	(B) striking out 'an administrative expense'
4	and inserting in lieu thereof 'a claim of a kind
5	specified in section 503(b) of this title ".
б	(d) Section 546(e) of title 11 of the United States Code,
7	as redesignated by section 351, is amended by inserting
8	''financial institution'' after ''stockbroker''.
9	Sec. 466. (a) Section 547(a) of title 11 of the United
1Ø	States Code is amended
11	(1) in paragraph (2), by inserting ''including
12	proceeds of such property, " after "law,"; and
13	(2) in paragraph (4), by
14	(A) striking out '', without penalty'; and
15	(B) inserting ''without penalty'' after
16	'`payable''.
17	(b) Section 547(b) of title 11 of the United States Code
18	is amended
19	(1) by striking out ''of property of the debtor' and
20	inserting in lieu thereof "of an interest of the debtor
21	in property';
22	(2) in paragraph (4) by amending subparagraph (B) to
23	read as follows:
24	''(B) between ninety days and one year before the
25	date of the filing of the petition, if such creditor
26	at the time of such transfer was an insider; ",
27	(3) In paragraph (4) by striking out ''and'' at the
28	end thereof; and
29	(4) in paragraph (5) by striking out the period at
ЭØ	the end thereof and inserting in lieu thereof ''; and'',
31	and by adding at the end thereof the following new
32	paragraph:
33	''(6) if such creditor at the time of such transfer
34	had reasonable cause to believe the debtor was insolvent

34

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at the time of such transfer. ".
       (c) Section 547 of title 11 of the United States Code Is
   amended in subsection (c)(2) thereof by striking out
3
   subparagraph (B) of such paragraph, and by redesignating
  subparagraphs (C) and (D) thereof as subparagraphs (B) and
б
   (C), respectively.
       (d) Section 547(c) of title 11 of the United States Code
7
   is amended--
8
            (1) in paragraph (2)(A), by inserting 'by the
9
       debtor' after 'incurred';
10
            (2) in paragraph (3), by striking out "of" the
11
       first place it appears and inserting in lieu thereof
12
       ''that creates'':
13
           (3) in paragraph (3)(B), by--
14
               (A) Inserting ''on or'' after ''perfected''; and
15
               (B) striking out "such security interest
16
           attaches' and Inserting in lieu thereof 'the debtor
17
           receives possession of such property'';
18
19
           (4) In paragraph (5), by--
               (A) striking out "of" the first place it
20
21
           appears and inserting in lieu thereof "that
           creates'; and
22
23
               (B) striking out 'all security interest' and
24
            inserting in lieu thereof 'all security interests';
25
            and
            (5) in paragraph (5)(A)(ii), by striking out "and"
26
27
        and inserting in lieu thereof "or".
        (e) Section 547(d) of title 11 of the United States Code
28
29
    Is amended by--
ЗØ
            (1) striking out ''A'' and inserting in lieu thereof
        ''The'';
31
32
            (2) inserting 'an interest in' after 'transfer
       of'';
33
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(3) Inserting ''to or for the benefit of a surety'

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                               89
       after ''transferred''; and
1
            (4) Inserting ''such'' after ''reimbursement of''.
2
        (f) Section 547(e) of title 11 of the United States Code
3
    is amended in paragraph (2)(C)(1), by striking out "and"
4
    and inserting in lieu thereof "or".
 5
 б
        (g) Section 547 of title 1% of the United States Code is
    amended by adding at the end thereof the following new
 7
8
    subsection:
        ''(g) For the purposes of this section, the trustee has
9
    the burden of proving the avoidability of a transfer under
10
    subsection (b) of this section, and the creditor or party in
99
    interest against whom recovery or avoidance is sought has the
12
13
    burden of proving the nonavoidability of a transfer under
    subsection (c) of this section. ".
14
15
       Sec. 467. (a) Section 548(a) of title 11 of the United
    States Code is amended --
16
17
            (1) by stilking out "if the debtor" and inscriing
       In lieu thereof 'If the debtor voluntarily or
18
19
       Involuntarily ";
           (2) In paragraph (1), by striking out "occurred"
20
34
        and inserting in lieu thereof "'was made''; and
22
            (3) In paragraph (2)(B)(LL), by Inserting "for a
23
       transaction' after 'engaged in business'.
       (b) Section 508(c) of title 11 of the United States Code
24
25
    Is amended by--
26
           (1) inserting 'or may retain' after 'llen on';
27
       and
28
            (2) striking out '', may retain any lien
29
       transferred, ''.
30
        (c)(1) Section 548(d)(1) of title 11 of the United States
1 8
    Code is amended by --
            (A) striking out "becomes so far" and inserting in
32
```

(B) striking out "such transfer could have been "

33

34

Lieu thereof 'is so';

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and inserting in lieu thereof 'applicable law permits
```

- 2 such transfer to be''; and
- 3 (C) striking out ''occurs'' and inserting in lieu
- 4 thereof ''Is made''.
- 5 (2) Section 548(d)(2)(B) of title 11 is amended by
- 6 Inserting ''financial institution, '' after ''stockbroker''.
- 7 Sec. 468. (a) Section 549(a) of title 11 of the United
- 8 States Code is amended--
- g (1) by striking out ''(b) and (c)'' and inserting in
- 10 lieu thereof ''(b) or (c)''; and
- (2) in paragraph (2) (A), by inserting 'only' after
- 12 'authorized'.
- 13 (3) striking out "that occurs" and inserting in
- 14 Lieu thereof 'made'';
- (4) striking out "Is valid against the trustee to
- the extent of ' and Inserting in lieu thereof ''to the
- 17 extent's and
- 18 (5) Inserting "'is" before "'glven".
- (c) Section 509(c) of title 11 of the United States code
- 20 is amended to read as follows:
- 21 ''(c) The trustee may not avoid under subsection (a) of
- 22 this section a transfer of real property to a good faith
- 23 purchaser without knowledge of the commencement of the case
- 24 and for present fair equivalent value unless a copy or notice
- 25 of the petition was filed, where a transfer of such real
- 26 property may be recorded to perfect such transfer, before
- 27 such transfer is so perfected that a bona fide purchaser of
- 28 such property, against whom applicable law permits such
- 29 transfer to be perfected, could not acquire an interest that
- 30 is superior to the interest of such good faith purchase. A
- 31 good faith purchaser without knowledge of the commencement of
- 32 the case and for less than present fair equivalent value has
- 33 a lien on the property transferred to the extent of any
- 34 present value given, unless a copy or notice of the potition

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1 was so filed before such transfer was so perfected. ' '.
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- 1 Mgg go iffed before agon cramater was go berreored.
- 2 (d) Section 549(d)(1) of title 11 of the United States
- 3 Code is amended by striking out "and" and inserting in lieu
- 4 thereof ''or''.
- 5 Sec. 469. (a) Section 550(a) of title 11 of the United
- 6 States Code is amended by striking out "549, or 724 (a) of
- 7 this title" and inserting in lieu thereof "549, 553 (b), or
- 8 724 (a) of this title".
- 9 (b) Section 550(d) of title 11 of the United States Code
- 10 is amended--
- 11 (1) in paragraph (1)(N), by inserting 'or accruing '.
- to' after 'by';
- (2) in paragraph (1)(B), by striking out ''value''
- and inserting in lieu thereof 'the value of such
- 15 property'';
- 16 (3) In paragraph (2), by striking out subparagraphs
- (D) and (E) and inserting in lieu thereof the following:
- 18 "(D) payment of any debt secured by a lien on such
- 19 property that is superior or equal to the rights of the
- 20 trustee; and'; and
- (4) in paragraph (2), by redesignating subparagraph
- 22 (F) as subparagraph (E).
- 23 (d) Section 550(e)(1) of title 11 of the United States
- 24 Code is amended by striking out "and" and inserting in lieu
- 25 thereof "or".
- 26 Sec. 470. Section 551 of title 11 of the United States
- 27 Code is amended by striking out "but only with respect to
- 28 property of the estate''.
- Sec. 471. Section 552(b) of title 11 of the United States
- 30 Code is amended by--
- 31 (1) inserting "'522," after "'506(c),"";
- (2) striking out 'a secured party enter' and
- inserting in lieu thereof "an entity entered"; and
- 34 (3) striking out "except to the extent" and

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- inserting in lieu thereof "except to any extent".
- sec. 472. Section 553(b)(1) of title 11 of the Unlied
- 3 States Code Is amended by striking out 'or 365(h)(1) and
- 4 Inserting in lieu thereof '', 365(h)(2), or 365(l)(2)''.
- 5 Sec. 473. (a) Subsections (a) and (b) of section 550 of
- title 11 of the United States Code are each amended by
- 7 Inserting 'and benefit' after 'value'.
- 8 (b) Section 554(c) of title 11 of the United States Code
- 9 is amended to read as follows:
- ''(c) Unless the court orders otherwise, any property
- 11 scheduled under section 521(a)(1) of this title not otherwise
- 12 administered at the time of the closing of a case is
- 13 abandoned to the debtor and administered for purposes of
- 14 section 350 of this title. ".
- (c) Section 554(d) of title 11 of the United States Code
- 16 is amended by striking out "section (a) or (b) of".
- 17 Sec. 474. Section 555 of title 11 of the United States
- 18 Code is amended by inserting '', financial institution, '
- 19 after ''stockbroker''.
- 20 Sec. 475. (a) Chapter 5 of title 11 of the United States
- 21 Code as amended by section 352 is amended by adding at the
- 22 end thereof the following new section:
- 23 ''\$ 558. Defenses of the estate
- 'The estate shall have the benefit of any defense
- 25 available to the debtor as against any entity other than the
- 26 estate, including statutes of limitation, statutes of frauds,
- 27 usury, and other personal defenses. A walver of any such
- 28 defense by the debtor after the commencement of the case does
- 29 not bind the estate. ".
- 30 (b) The table of sections for chapter 5 of title 11 of
- 31 the United States Code is amended by adding at the end
- 32 thereof the following new item:
 - "558. Defenses of the estate.".
- 33 Sec. 476. The table of sections for chapter 7 of title 11

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- 1 of the United States Code Is amended by striking out
- 2 ''Succesor'' in the Item relating to section 703 and
- 3 inserting in lieu thereof ''Successor''.
- 4 Sec. 477. (a) Section 702(b) of title 11 of the United
- 5 States Code is amended by inserting 'held' after 'meeting
- 6 of creditors'.
- 7 (b) Section 702(c) of title 11 of the United States Code
- 8 Is amended--
- 9 (1) in paragraph (1), by inserting 'of a kind'
- 10 after ''claims''; and
- 11 (2) in paragraph (2), by inserting "a" after
- 12 ''for''.
- 13 (c) Section 702(d) of title 11 of the United States Code
- 14 is amended by striking out "subsection (c) of".
- 15 Sec. 478. Section 703(b) of title 11 of the United States
- 16 Code is amended by striking out ''specified in section 701(a)
- 17 of this title. Sections 701(b) and 701(c) of this title apply
- 18 to such Interim trustee" and inserting in lieu thereof "and
- 19 subject to the provisions of section 76% of this titter.
- 20 Sec. 479. Section 704 of title 11 of the United States
- 21 Code as amended by section 311 is amended--
- 22 (1) In paragraph (1), by striking out "up";
- (2) in paragraph (8), by striking out "with the
- 24 court and 17; and
- 25 (3) by amending paragraph (9) to read as follows:
- "(9) file interim reports, as circumstances justify,
- of the condition of the estate and make and file a final
- report and account of the administration of the
- 29 estate.''.
- 30 Sec. 480. Paragraphs (1) and (2) of section 707 of Little
- 31 11 of the United States Code are each amended by striking out
- 32 ''and'' and Inserting in lieu thereof ''or''.
- 33 Sec. 481. (a) Section 723(a) of title 11 of the Unlied
- 34 States Code is amended by striking out all after "claims".

1 and inserting in lieu thereof "which are allowed in a dase

- 2 under this chapter concerning a partnership and with respect
- 3 to which a general partner of the partnership is personally
- 4 liable, the trustee shall have a claim against such general
- 5 partner for the full amount of the deficiency ".
- 6 (b) Section 723(c) of title 11 of the United States Code
- 7 is amended by--
- 8 (1) striking out 'such case' each place it appears
- and inserting in lieu thereof "such partner's case";
- 10 (2) striking out 'be property' and inserting in
- 11 lieu thereof 'by property';
- 12 (3) striking out `'726(a)'' and inserting in lieu
- 13 thereof ''726''; and
- (4) striking out 'the kind' and inserting in lieu
- thereof 'a kind'.
- 16 Sec. 482. (a) Section 724(b) of title 11 of the United
- 17 States Code Is amended--
- (1) by striking out "taxes" and inserting in Theu
- 19 thereof 'a tax'';
- 20 (2) In paragraph (2), by--
- 21 (A) striking out "claims" and inserting in lieu
- thereof 'any holder of a claim of a kind';
- (B) striking out "sections" and inserting in
- 24 Lieu thereof "section"; and
- (C) striking out 'and' and inserting in lieu
- 26 thereof 'or';
- 27 (3) In paragraph (3), by Inserting 'tax' after
- 'allowed'; and
- 29 (4) by redesignating paragraphs (5) and (6) as
- paragraphs (6) and (7), respectively, and by inserting
- 31 after paragraph (4) the following new paragraph:
- 32 ''(5) fifth, to any holder of a claim of a kind
- specified in section 507(a)(1) = 507(a)(2) = 507(a)(3).
- 34 507(a)(4), or 507(a)(5) of this title, to the extent that

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such claim is not paid under paragraph (2) of this
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- 2 subsection;'';
- 3 (5) in paragraph (6), as redesignated by paragraph
- 4 (5), by--
- 5 (A) striking out ''fifth'' and inserting in lieu
- 6 thereof ''sixth'';
- 7 (B) inserting ''tax'' after ''allowed''; and
- 8 (C) striking out ''tax'' after ''such'' the third
- 9 place it appears; and
- 10 (6) In paragraph (7), as redesignated by paragraph
- 11 (5), by striking out ''sixth' and inserting in lieu
- thereof 'seventh'.
- (b) Section 724(c) of title 11 of the United States Code
- 14 is amended by--
- 15 (1) striking out "creditor" and inserting in lieu
- thereof 'holder of a claim'; and
- 17 (2) striking out "creditors" each place it appears
- and inserting in lieu thereof "holders".
- 19 (c) Section 724(d) of title if of the United States code
- 20 is amended by---
- 21 (1) striking out "whose priority" and inserting in
- 22 lieu thereof "the priority of which"; and
- 23 (2) Inserting "if such lien were" after "the same
- 24 as''.
- Sec. 483. Section 725 of title 11 of the United States
- 26 Code is amended by inserting 'of property of the estate'
- 27 after 'distribution'.
- Sec. 484. (a) Section 726(a) of title 11 of the United
- 29 States Code is amended in paragraph (5), by inserting "and,
- 30 after all claims have been paid interest at the legal cate,
- 31 then interest at the contract rate' after 'legal rate'.
- 32 (b) Section 726(b) of title if of the United States Gode
- 33 is amended by--
- 34 (i) striking out 'a particular paragraph' and

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1 Inserting in lieu thereof "each such particular
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- paragraph''; and
- 3 (2) striking out "administrative expenses" each
- 4 place it appears and inserting in lieu thereof 'a claim
- allowed under section 503(b) of this title'; and
- 6 (3) striking out ''have'' and inserting in liqu
- 7 thereof 'has'.
- 8 (c) Section 726(c) of title 11 of the United States Code
- 9 is amended--
- 10 (1) in paragraph (1), by striking out
- ''Administrative expenses' and inserting in lieu thereof
- ''Claims allowed under section 503 of this title'; and
- (2) in paragraph (2), by striking out 'Claims other
- than for administrative expenses' and inserting in lieu
- thereof 'Allowed claims, other than claims allowed under
- 16 section 503 of this title, ".
- 17 Sec. 485. (a) Section 727(a) of title it of the United
- 18 States Code is amended --
- (1) in paragraph (6)(C), by striking out "property"
- and inserting in lieu thereof "'property";
- 21 (2) In paragraph (7), by Inserting ", under this
- 22 title or under the Bankruptcy Act, " after " another
- 23 case'; and
- (3) in paragraph (8), by inserting a comma after
- 25 137111
- 26 (b) Section 727(c)(i) of title ii of the United States
- 27 Code is amended by inserting 'the granting of a' after
- 28 ''to''.
- 29 (c) Section 727(e)(2)(N) of title 11 of the United States
- 30 Code is amended by striking out "and" and inserting to lieu
- 31 thereof "or".
- 32 Sec. 486. (a) Section 728(c) of title in of the United
- 33 States Code is amended by striking out the comma after
- 34 ''taxable income''.

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(b) Section 728(d)(2) of title 11 of the United States
 1
   Code is amended by inserting 'otherwise' after 'is', and
 2
   by striking out 'otherwise' after 'partner'.
 3
       Sec. 487. Section 741 of title 11 of the United States
4
   Code is amended --
5
            (1) In paragraph (2)(\Lambda); by--
 6
 7
                (A) striking out 'the debtor' the first time it
            appears and inserting in lieu thereof 'a person';
 8
                (B) striking out 'holds' and inserting in lieu
 9
            thereof 'has';
10
                (C) striking out "the debtor" the second and
11
            third time it appears and inserting in lieu thereof
12
            ''such person''; and
13
                (D) striking out 'business as a stockbroker'
44
            and inserting in lieu thereof 'such person's
15
16
           business as a stockbroker, '';
            (2) in paragraph (2)(B), by--
17
18
               (A) striking out "holds" and inserting in fleu
           thereof "has";
19
30
                (B) striking out "the debtor" the first place
21
           It appears and Inserting in Item thereof 'a
        person'; and
33
23
                (C) by striking out "the debtor" and insecting
34
            In lieu thereof 'such person' in clause (11);
25
            (3) in paragraph (4)(A)(i), by striking out "and
26
        that Is' and Inserting in lieu thereof 'from and that
27
        is the lawful':
28
            (4) In paragraph (6)(\Lambda)(1), by--
29
                (A) Inserting a comma after ''petition'; and
30
                (B) inserting 'any' after 'except'; and
31
            (5) In paragraph (7), by amending such paragraph to
        read as follows:
32
            ''(7) 'securities contract' means contract for the
33
        purchase, sale, or loan of a security, including an
34
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- option for the purchase or sale of a security, 1
- certificate of deposit, or group or index of securities 2
- (including any interest therein or based on the value 3
- thereof), or any option entered into on a national 41
- securities exchange relating to foreign currencies, or 5
- the guarantee of any settlement of cash or securities by б
- or to a securities clearing agency; "; and 7
- (6) in paragraph (8) by inserting 'a final 8
- settlement payment, " after "settlement payment on 9
- account, ' '. 10
- Sec. 488. Section 745(a) of title 11 of the United States . 11
- Code is amended by inserting 'the debtor for' after 'by'. 12
- Sec. 489. (a) Section 752(a) of title 11 of the United 1.3
- States Code is amended by --14
- 15 (1) striking out "customers allowed" and in Lieu
- thereof 'customers' allowed'; 16
- (2) Inserting 'of the kind' after 'except i 7
- claims'; and 10
- (3) inserting "'such" before "customer property". 19
- (b) Section 752(b)(2) of title 11 of the United States 20
- Code is amended by stalking out "726(a)" and inserting in 24
- Lieu thereof "726". 22
- Sec. 490. Section 751 of title 11 of the United States 33
- Code is amended in paragraph (10), by striking out "and that 211
- 25 is' in subparagraph (A)(vill) and inserting in lieu thereof
- "from and that is the lawful". 26
- 27 Sec. 491. Section 763(a) of title 11 of the United States
- Code is amended by--28
- 29 (1) Inserting "the debtor for" after "by"; and
- 30 (2) striking out "deemed to be" and inserting in
- lieu thereof 'treated as''. 31
- 32 Sec. 492. Section 764(a) of title 11 of the United States
- Code is amended by inserting 'by the debtor' after 'any 33
- 34 transfer''.

- Sec. 493. Section 765(a) of title 11 of the United States
- Code is amended by striking out "notice under", and 2
- inserting in lieu thereof ''notice required by''. 3
- Sec. 494. Section 766(j)(2) of title 11 of the United 44
- States Code is amended by striking out "726(a)" and 15
- Inserting in lieu thereof ''726''. б
- Sec. 495. Section 901(a) of title 11 of the United States 7
- Code is amended by inserting a comma after ''1111(b)''. 8
- Sec. 496. Section 902(2) of title 11 of the United States 9
- Code is amended by striking out "title, legal or equitable, 1Ø
- to real property against which has been levied a special 11
- assessment or special tax'' and by inserting in lieu thereof 12
- "legal or equitable title to real property against which a 13
- special assessment or special tax has been levied". 14
- Sec. 497. Section 903(2) of title 11 of the United States 15
- Code is amended by striking out "to" the first place it 16
- 17 appears.
- Sec. 498. Chapter 9 of title 11 of the United States Code 18
- is amended by striking out "SUBCHAPER II" and inserting in 19
- lieu thereof 'SUBCHAPTER TI''. 20
- 21 Sec. 499. (a) Section 921(d) of title ii of the United
- States Code is amended by --33
- (1) striking out 'an' and inserting in lieu thereof 23
- 'any'; and 34
- 25 (2) striking out the comma after ''petition'' the
- second place it appears, and after "'faith''. 26
- (b) Section 921 of title 11 of the United States Code is 27
- 28 amended by redesignating subsections (e) and (f) as
- 29 subsections (d) and (e), respectively.
- (c) Section 921(a) is amended by striking out "169(d)" 30
- 31 and inserting in lieu thereof ''109(d)''.
- (d) Section 921(d) of title 11 of the United States code, .32
- as so redesignated, is amended by striking out "subsection 33
- (d) " and inserting in lieu thereof "subsection (c)". 34

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Sec. 500. Section 922(a)(1) of title 11 of the United 9 States Code Is amended by--

- (1) inserting ''a'' before ''judicial''; and 3
- (2) inserting "action or" before "proceeding". 4
- Sec. 501. Section 927(b) of title 11 of the United States 5
- Code is amended by inserting 'of a plan under this chapter' б
- after ''confirmation''. 7
- Sec. 502. Section 943(b) of title 11 of the United States 8
- Code is amended--9

2

- (1) in paragraph (4), by striking out ''to be 10
- 11 taken'': and
- 12 (2) by amending paragraph (5) to read as follows:
- ''(5) except to the extent that the holder of a 13
- particular claim has agreed to a different treatment of 14
- 15 such claim, the plan provides that on the effective date
- of the plan each holder of a claim of a kind specified in 16
- section 507(a)(1) of this title will receive on account 17
- of such claim cash equal to the allowed amount of such 18
- claim; and ... 19
- Sec. 503. Section 945(a) of title 11 of the United States 20
- Code is amended by striking out "execution" and inserting 21
- 22 In lieu thereof 'Implementation'.
- Sec. 504. Section 1102(b)(1) of title 11 of the United 23
- 24 States Code Is amended by striking out "order for relief"
- and Inserting in lieu thereof "commencement of the case". 25
- Sec. 505. (a) Section 1103 (b) is amended by--26
- (1) inserting "having an adverse interest" after 27
- 'entity'; and 38
- 29 (2) adding at the end thereof the following:
- 30 "Representation of one or more creditors of the same
- 31 class as represented by the committee shall not per de
- 32 constitute the representation of an adverse interest. ".
- 33 (b) Section 1103(c) of title 11 of the United States code
- 34 is amended--

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(1) In paragraph (3), by--
1
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- (A) striking out ''recommendations' and 2
- inserting in lieu thereof ''determinations'; and 3
- (B) inserting ''or rejections' after 4
- "acceptances"; and K
- (2) in paragraph (4), by striking out '', if a б
- 7 trustee or examiner, as the case may be, has not
- previously been appointed under this chapter in the 8
- case''. 9
- Sec. 506. Section 1105 of title 11 of the United States 10
- Code is amended by striking out ''estate, and' and inserting . 11
- in lieu thereof ''estate and of the''. 12
- Sec. 507. Section 1106(b) of title 11 of the United 13
- States Code is amended by inserting '', except to the extent 14
- that the court orders otherwise, " before "any other". 15
- Sec. 508. Section 1107(a) of title 11 of the United 16
- States Code is amended by inserting "serving in a case" 17
- after ''on a trustee''. 18
- Sec. 509. Section 1108 of title 11 of the United States 19
- Code is amended by Inserting '', on request of a party in 30
- 3.1 interest and after notice and a hearing; ' after ' court'.
 - Sec. 516. Section 1111(b) of title 11 of the United 22
 - States Code Is amended to read as follows: 33
 - 311 ''(b)(1) Except where property of the estate that becures
 - a claim is sold subject to section 363(k) of this title, 25
 - abandoned under sections 554 or 557 of this title, exempted 26
 - under section 522 (b) of this title, or surrendered to the 27
 - 38 holders of such claims, or is to be sold, abandoned,
 - exempted, or surrendered under the plan--29
 - "(A) a claim secured by such property shall be BE
 - allowed or disallowed under section 502 of this time the 7 1
 - same as if the holder of such claim had recourse against 32
 - the debtor on account of such claim, whether or not such 33
 - holder had such recourse, unless the class of which such 34

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claim is a part elects, by at least two-thirds in amount

and more than one-half in number of allowed claims of

such class, to be governed by subparagraph (B) of this

4 paragraph; and

9

10

11

5 ''(B) unless the aggregate value of the Interests In

6 such property of the holders of such claims is

7 inconsequential, the class may elect, as provided under

subparagraph (A) of this paragraph, that such claims of

such class, whether or not the holders of such claims had

recourse against the debtor and notwithstanding section

506(a) of this title, shall be secured claims to the full .

12 extent that such claims are allowed.

13 ''(2) The provisions of paragraph (1) of this subsection

14 are limited to the purposes of this chapter and such

15 paragraph shall not in any other way alter, affect, or create

16 any right or liability of or in any other entity who may be

17 liable with the debtor on a debt to which the provisions of

18 such paragraph apply. ''.

19 Sec. 511. (a) Section 1112(a) of title 11 of the United

20 States Code 1s amended--

21 (1) in paragraph (2), by striking out "is an

Involuntary case originally commenced under this

chapter' and inserting in lieu thereof 'originally was

commenced as an involuntary case under this chapter ';

25 and

3.5

23

211

26 (2) in paragraph (3), by striking out 'on other

than' and Inserting in lieu thereof 'other than on'.

(b) Section 1112(b) of title 11 of the United Status code

29 Is amended--

30 (1) In paragraph (5), by Inserting "a request made

for ' before 'additional'; and

32 (2) in paragraph (8), by striking out "and" and

inserting in lieu thereof "or".

34 Sec. 512. (a) Section 1121(c)(3) of title if of the

1 United States code is amended by striking out "the claims or

- 2 Interests of which are' and inserting in lieu thereof 'of
- 3 claims or interests that is ".
- 4 (b) Section 1121(d) of title 11 of the United States Code
- 5 is amended by inserting ''made within the respective periods
- 6 specified in subsection (c) of this section" after
- 7 'interest'.
- 8 Sec. 513. (a) Section 1123(a) of title 11 of the United
- 9 States Code is amended--
- 10 (1) by striking out ''A'' and inserting in lieu
- 11 thereof ''Notwithstanding any otherwise applicable
- 12 nonbankruptcy law, a'';
- 13 (2) In paragraph (1), by--
- (A) Inserting a comma after ''classes of
- 15 claims'; and
- (B) by striking out ''507(a) (6) of this title''
- and Inserting in lieu thereof ''507 (a) (7) of this
- title, ';
- 19 (3) In paragraph (3), by striking out 'shall':
- 20 (4) In paragraph (5), by striking out "execution"
- and Inserting in lieu thereof "Implementation"; and
- 22 (5) In paragraph (5)(G), by Inserting "of" after
- 23 "Walving".
- (b) Section 1123(b)(2) of title 11 of the United States
- 25 Code is amended by--
- 26 (1) strlking out "or rejection" and inserting in
- lieu thereof '', rejection, or assignment'; and
- 28 (2) striking out "under section 365 of this title"
- and inserting in lieu thereof "under such section".
- 30 Sec. 514. Section 1124 of title 11 of the United States
- 31 Code is amended ---
- 32 (1) by amending paragraph (2)(A) to read as follows:
- "(A) cures any such default that occurred before or
- 34 after the commencement of the case under this title.

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other than a default of a kind specified in section

- 365(b)(2) of this title; "; and 2
- (2) in paragraph (3)(B)(i), by striking out ''and'' 3
- and inserting in lieu thereof 'or'. U
- Sec. 515. (a) Section 1125(a) of title 11 of the United 5
- States Code is amended --
- (1) in paragraph (1), by inserting '', but adequate 7
- 8 information need not include such information about any
- other possible or proposed plan' after ''plan'; 9
- (2) in paragraph (2)(B), by inserting 'the' after 10
- "with"; and 99
- (3) in paragraph (2)(C), by inserting 'of' after 12
- ''holders''. 13
- (b) Section 1125(d) of title 11 of the United States Code 14
- 15 Is amended bv--
- 16 (1) Inserting 'regulred under subsection (b) of this
- section" after "statement" the first place it appears; 17
- 18 and
- 19 (2) inserting '', or otherwise seek review of, ...
- after 'appeal from'. 20
- (c) Section 1125(e) of title 11 of the United State: Code 21
- Is amended by--22
- 23 (1) Inserting "acceptance or rejection of a plan"
- 24 after ''sollcits'; and
- 25 (2) inserting "solicitation of acceptance or
- rejection of a plan or 'after 'governing'. 26
- 27 Sec. 516. (a) Section 1126(b)(2) of title 11 of the
- 28 United States Code is amended by striking out "1125(a)(1)"
- 29 and inserting in lieu thereof "1125(a)".
- 30 (b) Section 1126(d) of title 11 of the United States Code
- 31 is amended by inserting a comma after "such interests" the
- 32 first place it appears.
- 33 (c) Section 1126(f) of title 11 of the United States Code
- 34 is amended by --

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(1) striking out "'is deemed" and inserting in lieu
1
       thereof '', and each holder of a claim or interest of
2
       such class, are conclusively presumed'';
3
           (2) striking out "solicititation" and inserting in
       lieu thereof ''solicitation'; and
5
           (3) striking out "Interest" and Inserting in fleu
6
       thereof ''interests''.
7
       (d) Section 1126(g) of title 11 of the United States Code
8
    is amended by striking out "any payment or compensation"
9
   and inserting in lieu thereof "receive or retain any
10
    property''.
99
       Sec. 517. (a) Section 1127(a) of title 11 of the United
12
    States Code is amended by--
13
            (1) Inserting 'of a plan' after 'After the
14
       proponent''; and
15
           (2) Inserting "of such plan" after
16
        ''modification''.
17
18
       (b) Section 1127(b) of title 11 of the United Status Code
   is amended by striking out "the court, after notice and a
10
   hearing, confirms such plan, as modified, under section 1129
30
21
   of this title, and dircumstances warrant such modification "
    and Inserting in lieu thereof "circumstances warrant such
3.5
23
    modification and the court, after notice and a hearing,
34
    confirms such plan as modified, under section 1129 of this
    title".
25
       Sec. 518. (a) Section 1129(a) of title 11 of the United
2ΰ
27
    States Code Is amended ---
            (1) in paragraph (1), by striking out 'chapter.'
28
29
        and inserting in lieu thereof "title.";
30
            (2) In paragraph (2), by striking out 'chapter. "
        and inserting in lieu thereof "title.";
31
32
            (3) by amending paragraph (4) to read as follows:
33
            ''(4) Any payment made or to be made by the
```

proponent, by the debtor, or by a person issuing

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securities or acquiring property under the plan, for
1
       services or for costs and expenses in or in connection
2
       with the case, or in connection with the plan and
3
       incident to the case, has been approved by, or is subject
11
       to the approval of, the court as measonable; ";
5
            (4) in paragraph (5)(A)(11), by striking out the
б
7
       period and inserting in lieu thereof ''; and'';
            (5) in paragraph (5)(B), by striking out "The" and
 8
       inserting in lieu thereof 'the';
9
           (6) In paragraph (6), by inserting ''governmental''
10
       after ''Any'';
11
           (7) in paragraph (7), by--
12
13
                (A) inserting ''of each impaired class of claims
            or interests' in lieu of 'each class'; and
911
                (B) striking out ''creditor's' in subparagraph
15
            (B) and inserting in lieu thereof "holder's";
16
            (8) in paragraph (8), by inserting "of claims or
17
       interests' after ''each class';
18
19
            (9) In paragraph (9)(C), by Inserting **507(a)(i)
        that results from the sale of a capital asset, recapture
20
       of an investment tax credit, recapture of depreciation,
21
       or similar event or section's after "sections; and
33
23
            (10) by amending paragraph (10) to read as tollows:
            "(10) If a class of claims is impaired under the
24
25
        plan, at least one class of claims that is impaired under
26
        the plan has accepted the plan, determined without
27
        including any acceptance of the plan by any insider. ".
28
        (b) Section 1129(b) of title 11 of the United States Code
    Is amended --
29
BE
            (1) by striking out "Notwithstanding section Sim(a)
31
        of this title, if " and inserting in lieu thereof " if ";
32
            (2) in paragraph (2)(A), by striking out "lien"
33
        each place it appears and inserting in lieu thereof
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''llens';

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107
           (3) in paragraph (2)(B)(LL), by Inserting "under the
1
       plan' after 'retain'; and
2
           (4) in paragraph (2)(C)(i), by--
3
               (A) striking out 'claim' and Inserting in lieu
4
           thereof "'Interest''; and
5
                (B) striking out "and the value" and inserting
б
            in lieu thereof ''or the value''.
       (c) Section 1129(d) of title 11 of the United States Code
    is amended by--
9
           (1) striking out ''a party in interest that is'';
10
            (2) inserting "the application of" after
11
       ''avoldance of' the second place it appears; and
12
            (3) adding at the end thereof the following new
13
       sentence: 'In any hearing under this subsection, the
111
       governmental unit has the burden of proof on the Issue of
15
       avoldance. **.
16
17
       Sec. 519. (a) Section 1141(a) of title if of the United
   States Code is amended by--
18
           (i) striking out "Except" and inserting in live
10
       thereof 'Notwithstanding section 510(a) of this tille
20
       and except''; and
24
            (2) striking out "any creditor or equity sequency
2.5
       holder of, or general partner in, " and inserting to fleu
23
       thereof 'any creditor, equity security holder, or
34
25
        general partner in''.
        (b) Section 1141(c) of title 11 of the United States Code
26
27
    is amended to read as follows:
        ''(c) Except as provided in subsections (d)(2) and (d)(3)
28
    of this section and except as otherwise provided in the plan
29
30
    or in the order confirming the plan, after confirmation of a
    plan, the property dealt with by the plan is free and clear
31
    of all claims and interests of creditors, equity security
33
    holders, and of general partners in the debtor. ".
33
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Sec. 520. (a) The heading for section 1102 of title if of

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1 the United States Code is amended to read as follows:
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- 2 'S 1142. Implementation of plan'.
- 3 (b) The item relating to section 1102 in the table of
- 4 sections for chapter 11 of title 11 of the United States Code
- 5 is amended by striking out "Execution" and inserting in
- 6 lieu thereof 'Implementation'.
- 7 (c) Section 1142(a) of title 11 of the United States Code
- 8 is amended by striking out the comma after ''plan'' the
- 9 second place it appears.
- 10 (d) Section 1142(b) of title 11 of the United States Code
- 11 is amended by inserting ''a' after ''by''.
- 12 Sec. 521. Section 1144 of title 11 of the United States
- 13 Code is amended by inserting ''if and only'' after ''revoke
- 14 such order''.
- 15 Sec. 522. (a) Section 1145(a) of title 11 of the United
- 16 States Code Is amended--
- (1) by striking out "Except with respect to an
- entity that is an underwriter as defined in subsection
- (b) of this section, section' and inserting in lieu
- 20 thereof "Section";
- (2) In paragraph (3), by striking out "for an
- 22 affillate's
- 23 (3) In paragraph (3)(B)(L), by inscriing "or 16(d)"
- after ''i3'' and by Inserting ''or 780(d)'' after
- 25 ''78m'';
- 26 (4) by amending paragraph (3)(B)(Li) to read as
- 27 follows:
- ''(ii) in compliance with the disclosure and
- reporting provision of such applicable section; and is
- 30 (5) in paragraph (3)(C), by striking out "two" each
- place it appears and inserting in lieu thereof 'one';
- 32 (6) in paragraph (3)(C)(ii), by striking out \$186.7
- each place it appears and inscriing in lieu thereof
- 34 ''90''; and

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1 (7) in paragraph (4), by striking out "stockholder"

- each place it appears and inserting in lieu thereof
- 3 ''stockbroker''.
- 4 (b) Section 1145(b) of title 11 of the United States Code
- 5 Is amended--
- 6 (1) in paragraph (1), by inserting "and except with
- 7 respect to ordinary trading transactions of an entity
- that is not an issuer' after 'subsection';
- 9 (2) in paragraph (1)(C), by striking out ''for' and
- 10 Inserting In lieu thereof ''from'';
- (3) in paragraph $(2)(\lambda)(1)$, by striking out
- ''combination' and Inserting in lieu thereof ''or
- 13 combining'; and
- 14 (4) in paragraph (2)(A)(ii), by striking out
- ''among' and inserting in lieu thereof ''from or to''.
- (c) Section 1145(d) of title 11 of the United States
- 17 Code is amended by striking out ''commercial''.
- sec. 523. (a) Section 1146(c) and (d) of title 11 of the
- 19 United States Code are each amended by striking out instale
- 20 or local ".
- (b) Section 1146(d)(1) of title 11 of the United States
- 22 Code is amended by striking out "and" and inserting in lieu
- 23 thereof "or".
- Sec. 524. Section 1163 of title 11 of the United States
- 25 Code is amended by striking out "'qualified" and inscribing
- 26 in lieu thereof ''eligible, qualified,''.
- 27 Sec. 525. Section 1166 of title 11 of the United States
- 28 Code is amended by striking out "the Interstate Commerce Act
- 29 (49 U.S.C. 1 et seq.) " and inserting in lieu thereof
- 30 'subtitle IV of title 49'.
- 31 Sec. 526. Section 1168(b) of title 11 of the United
- 32 States Code is amended by Inserting a comma after
- 33 ''approval''.
- 34 Sec. 527. Section 1169(c) of title 11 of the United

- 1 States Code is amended by striking out 'the Interstate
- 2 Commerce Act (49 U.S.C. 1 et seq.)' and inserting in lieu
- 3 thereof 'subtitle IV of title 49''.
- 4 Sec. 528. (a) Section 1170(a) of title 11 of the United
- 5 States Code is amended by Inserting ''of all or a portion''
- 6 after 'the abandonment'.
- 7 (b) Section 1170(c) of title 11 of the United States Code
- 8 is amended by inserting a comma after 'abandonment'.
- 9 (c) Section 1170(d)(2) of title 11 of the United States
- 10 Code is amended by--
- 11 (1) striking out "the abandonment of a railroad
- 12 line' and inserting in lieu thereof 'such
- 13 abandonment'; and
- 14 (2) striking out "termination" each place it
- appears and inserting in lieu thereof "suspension".
- sec. 529. Section 1171(b) of title 11 of the United
- 17 States Code is amended by striking out "'such' and insenting
- 18 In lieu thereof "the same".
- sec. 530. Section 1173(a)(4) of title 11 of the United
- 20 States Code Is amended by striking out "compatible" and
- 21 Inserting in lieu thereof "consistent".
- 22 Sec. 531. (a) Section 1301(b) of title 11 of the United
- 23 States Code is amended by Inserting "and may protest" after
- 24 ''of' the first place it appears.
- (b) Section 1301(c)(3) of title 11 of the United States
- 26 Code is amended by inserting ''continuation of' after
- 27 ''by''.
- (c) Section 1301 of title 11 of the United States Code as
- 29 amended in title III is further amended by adding at the end
- 30 thereof the following new subsection:
- 31 ''(e) The confirmation of a plan shall automatically
- 32 grant relief from the stay as to any particular claim to the
- 33 extent that the plan does not propose to pay any amount of
- 34 that allowed claim. ".

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Sec. 532. (a) Section 1302(b) of title 11 of the United States Code as amended by section 314 is amended by 2 redesignating paragraphs (3) and (4) as paragraphs (4) and 3 (5), respectively and by inserting after paragraph (2) the 4 following new paragraph: 5 ''(3) dispose of, under regulations issued by the б Director of the Administrative Office of the United 7 States Courts, moneys received or to be received in a 8 case under chapter XIII of the Bankruptcy Act; and ". 9 (b) Section 1302(e) of title 11 of the United States Code 10 11 is amended --(1) in paragraph (4), by striking out ''fix'' and 12 inserting in lieu thereof "set for such individual"; 13 (2) In paragraph (1)(A), by striking out "for such 14 Individual''; and 15 (3) In paragraph (2)(A), by--16 17 (A) striking out "of" and inserting in flou thereof "received by"; and 18 (B) striking out "upon all payments" and 19 Inserting in Heu thereof "of all such paymenis 20 21 made''. Sec. 533. Section 1304(b) of title 11 of the United 3.5 23 States Code is amended by striking out the comma after not the debtor''. 211 Sec. 534. (a) Section 1307(b) of title 11 of the United 25 26 States Code is amended by inserting a comma after "time". (b) Section 1307(c) of title 11 of the United States Code 27

(1) In paragraph (5), as redesignated by inserting

"and" after the semicolon and Inserting in lieu thereof

(3) in paragraph (8), as redesignated by inserting

(2) in paragraph (7), as redesignated by striking out

''a request made for'' before ''additional'';

as amended by section 315 is amended--

"or"; and

38

29

30

31

32

33

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"other than completion of payments under the plan"
      after ''In the plan''.
2
      Sec. 535. (a) Section 1322(a)(2) of title 11 of the
3
   United States Code is amended by inserting a comma after
U
   ''payments''.
5
      (b) Section 1322(b) of title 11 of the United States Code
б
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- 7 is amended--
- (1) in paragraph (2), by inserting '', or leave unaffected the rights of holders of any class of claims" 9 before the semicolon; 10
- (2) in paragraph (4), by inserting 'other' after 11 ''claim or any'; 12
- (3) in paragraph (7), by--13
- 14 (A) Inserting "subject to section 365 of this title, " before "provide"; 15
- (B) striking out 'or rejection' and inserting 16 17 in lieu thereof '', rejection, or assignment'; and
- (C) striking out "under section 365 of this 1 8 title' and inserting in lieu thereof 'under such 19 section''; and 30
- (4) In paragraph (8), by striking out "any". 21
- Sec. 536. Section 1323(c) of title 11 of the United 22
- States Code is amended by striking out "the plan as 33
- modified, unless the modification provides for a change in 24
- the rights of such holder from what such rights were under 25
- the plan before modification, and ' and inserting in lieu 26
- thereof 'such plan as modified, unless'. 27
- 28 Sec. 537. Section 1324 of title 11 of the United States
- Code is amended by striking out "the" the second place it 29
- 30 appears.
- Sec. 538. Section 1325(a)(1) of title 11 of the Unlied 31
- States Code is amended by inserting "the" before "other". 32
- Sec. 539. Section 1326(b)(2) of title 11 of the Unlied 33
- 34 States Code as amended by section 310 is amended by inserting

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''of this title' after ''1302(d)' ".
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- Sec. 540. (a) Section 1328(a)(2) of title 11 of the
- United States Code is amended to read as follows: 3
- ''(2) of a kind specified in section 523(a) of this 11
- title.'. 5

- (b) Section 1328(e) of title 11 of the United States Code 6
- 7 is amended--
- (1) in paragraph (1), by Inserting 'by the debtor' 8
- after ''obtained'; and 9
- 10 (2) in paragraph (2), by striking out 'knowledge of
- 11 such fraud came to the requesting party' and inserting
- in lieu thereof 'the requesting party did not know of 12
- such fraud until''. 13
- Sec. 541. Section 1329(a) of title 11 of the United 14
- 15 States Code is amended --
- (1) by inserting "of the plan" after 16
- 17 " confirmation";
- (2) by striking out "a plan" and inserting in tieu 18
- 10 thereof 'such plan'; and
- (3) In paragraph (3), by striking out the commun. 20
- 3.1 Sec. 542. Section 15102 of title 11 of the United States
- Code is amended by striking out "chapter" the first place 22
- it appears and inserting in lieu thereof "title". 23
- Sec. 543. Section 15103(f) of title it of the United 211
- States Code is amended by --25
- 26 (1) striking out ''704 (8), '';
- (2) inserting '1106(a)(1), 1108, ' after '1105'; 27
- 28 and
- 29 (3) Inserting "1302(b)(1), 1302(b)(3), " after
- 30 ''1302(a),''.
- 31 Sec. 544. Section 15322(b)(1) of title 11 of the United
- 32 States Code is amended by --
- 33 (1) inserting ''required to be'' after ''bond'' the
- 34 first place it appears;

1 (2) striking out ''(2)''; and

- 2 (3) inserting 'of this title' before the semicolon.
- 3 Sec. 545. Section 15324 of title 11 of the United States
- 4 Code is amended by inserting a comma after 'a trustee'.
- 5 Sec. 546. Section 15330 of title 11 of the United States
- 6 Code is amended by adding at the end thereof the following:
- 7 'The notice required under section 330 of this title shall
- 8 be given to the United States trustee. ' .
- 9 Sec. 547. (a) Section 15701(a) of title 11 of the United
- 10 States Code is amended by striking out 'trustee
- 11 established' and inserting in lieu thereof 'trustees
- 12 established''.
- 13 (b) Section 15701(b) of title 11 of the United States
- 14 Code is amended by striking out "such persons" and
- 15 inserting in lieu thereof 'the members of such panel'.
- 16 Sec. 548. (a) Section 15703(a) of title 11 of the United
- 17 States Code is amended by striking out ''specified in section
- 18 15701(a) of this title. Sections 701(b) and 701(c) of this
- 19 title apply to such interim trustee. " and by inserting in
- 20 lieu thereof "and subject to the provisions of sections 701
- 21 and 15701 of this title.''.
 - 22 (b) Section 15703(b) of title 11 of the United States
 - 23 Code is amended by striking out "truste" and Inserting in
 - 24 lieu thereof 'trustee'.
 - Sec. 549. Section 15704 of title 11 of the United States
 - 26 Code is amended to read as follows:
 - 27 ''\$ 15704. Duties of trustee
 - '`The trustee shall--
 - 29 ''(1) if the business of the debtor is authorized to
 - 30 be operated, file with the United States trustee periodic
 - 31 reports and summaries of the operation of such business,
 - including a statement of receipts and disbursements; and
 - 33 ''(2) make and file interim reports, as circumstances
 - justify, on the condition of the estate with the United

1 States trustee and make and file a final report and

- account of the administration of the estate with the
- 3 United States trustee and the court. ".
- 4 Sec. 550. Section 151102(b) of title 11 of the United
- 5 States Code is amended by striking out ''Interest of' and
- 6 inserting in lieu thereof 'interest,'.
- 7 Sec. 551. (a) Chapter 15 of title 11 of the United States
- 8 Code is amended by inserting after section 151105 the
- 9 following new sections:
- 10 ''§ 151106. Duties of trustee and examiner
- 11 ''(a) A trustee shall perform the duties specified in
- 12 sections 704(2), 704(4), 704(6), and 15704 of this title.
- 13 ''(b) A trustee shall transmit a copy or a summary of any
- 14 statement filed under section 1106(a)(4)(A) of this title to
- 15 any creditors' committee, to any indenture trustee, to the
- 16 United States trustee, and to any other entity as the court
- 17 designates.
- 18 'S 151108. Authorization to operate business
- ''Unless the court, upon the request of a party in
- 20 interest or the United States trustee and after notice and a
- 21 hearing, orders otherwise, the trustee may operate the
- 22 debtor's business.''.
- (b) The table of sections for chapter 15 of title 11 of
- 24 the United States Code is amended by inserting after the item
- 25 relating to section 151105 the following new items:
 - ''151106. Duties of trustee and examiner.
 ''151108. Authorization to operate business.''.
- Sec. 552. (a) Section 151302(a) of title 11 of the United
- 27 States Code is amended by inserting '', or shall appoint a
- 28 disinterested person to serve, " after "The United States
- 29 trustee shall serve''.
- 30 (b) Section 151302(b) of title 11 of the United States
- 31 Code is amended to read as follows:
- 32 ''(b) The trustee shall--
- ''(1) perform the duties specified in sections

1 704(2), 704(4), 704(6), and 15704 of this title; and

2 (2) dispose of, pursuant to regulations issued by the

3 Attorney General, moneys received or to be received in a

4 case under chapter XIII of the Bankruptcy Act. ".

5 Subtitle J--Collective Bargaining Agreements

6 Sec. 561. Section 365 of title 11, United States Code, is

amended by inserting after subsection (k) the following new

8 subsection:

9 ''(1) In a case under chapter 9, 11, or 13 of this

10 title--

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''(1) The trustee, after notice and a hearing, may assume or reject a collective bargaining agreement which has been made by the debtor under the authority of title II of the Railway Labor Act, the National Labor Relations Act, or other applicable law. A collective bargaining agreement shall be rejected under this section upon the request of the trustee If the court finds that reasonable efforts to negotiate a change in the contractual terms have been made by the debtor or by the trustee and are not likely to produce a prompt and feasible alternative to rejection, that the inability to reach an agreement threatens to impede the success of the debtor's reorganization under chapter 11 of this title or adjustment of debts under chapter 9 or 13 of this title, that the agreement is burdensome to the estate, and that in considering the needs of the debtor, the employees covered by the agreement, and other parties in interest, the equities balance in favor of the rejection of the agreement.

"(2) Thirty days after a request by the trustee under paragraph (1) of this subsection, the collective bargaining agreement shall be deemed not to be in effect pending a final hearing and determination under paragraph (1) unless the court, after notice and a hearing, orders

the agreement continued in effect pending such final 1 hearing and determination. A hearing under this paragraph 2 may be a preliminary hearing, or may be consolidated with 3 the final hearing under paragraph (1). If the hearing under this paragraph is a preliminary hearing--5 ''(A) the court shall order that such agreement 6 shall not be continued in effect if there is a 7 reasonable likelihood that the trustee will prevail 8 at the final hearing under such paragraph (1); and 10 ''(B) the final hearing shall be commenced within 11 thirty days after such preliminary hearing. ''(3) If during a period when the collective 12 bargaining agreement continues in effect, and if 13 essential to the continuation of the debtor's business, 14 or in the case of a municipality to the continuation of 15 necessary services, or in order to avoid irreparable 16 17 damage to the estate, the court, after notice and a hearing, may authorize the trustee to implement changes 18 19 in the terms, conditions, wages, benefits, or work rules provided by a collective bargaining agreement. Any 20 21 hearing under this paragraph shall be scheduled in accordance with the needs of the trustee. ". 22 23 Sec. 562. The amendments made by this subtitle shall 24 apply in cases commenced under title 11 of the United States 25 Code on and after the date of enactment of this subtitle. Subtitle K--Supplemental Amendments 26 27 Sec. 571. Section 926 of title 11 of the United States Code is amended by--28 (1) inserting ''(a)'' before ''If''; and 29 30 (2) adding at the end thereof the following: ''(b) A transfer of property of the debtor to or for the 3.1 benefit of any holder of a bond or note, on account of such 32

bond or note, may not be avoided under section 547 of this

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title.''.

Sec. 572. (a) Chapter 9 of title 11 of the United States

. . . .

- 3 (1) by redesignating section 927 as section 928;
- 4 (2) by inserting after section 926 the following new
- 5 section:

Code is amended--

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- 6 ''\$ 927. Postpetition effect of security interest
- 7 ''(a) Notwithstanding section 552(a) of this title and
- 8 subject to subsection (b) of this section, any special
- 9 revenue or receipt acquired by the debtor after the
- 10 commencement of the case remains subject to any lien
- 11 resulting from any security agreement entered into by the
- 12 debtor before the commencement of the case.
- 13 ''(b) Any such lien on special revenues or receipts,
- 14 other than municipal betterment assessments, derived from a
- 15 project or system is subject to the necessary operating
- 16 expenses of such project or system, as the case may be. ';
- 17 and

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- 18 (3) by striking out ''927. Dismissal' in the table
- of sections and inserting in lieu thereof:
- ''927. Postpetition effect of security interest.
 ''928. Dismissal.''.
- 20 Sec. 573. (a) Section 925 of title 11 of the United
- 21 States Code is amended--
- 22 (1) by adding at the end of the section heading the
- following: 'and certain secured claims';
- 24 (2) by striking out "A" and inserting in lieu
- thereof ''(a) A''; and
- 26 (3) by adding a new subsection (b) to read as
- 27 follows:
- 28 ''(b) Notwithstanding sections 506 and 1111 (b) of this
- 29 title, a claim payable solely from and secured only by a lien
- 30 on particular revenues or receipts of the debtor is a secured
- 31 claim to the extent that such claim is allowed. ".
- 32 (b) Chapter 9 of title 11, United States Code, is amended
- 33 in the table of sections by amending the item relating to

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section 925 to read as follows:

"925. Effect of list of claims and certain secured claims.''.

Sec. 574. Section 547(c) of title 11 of the United States 2

Code is amended by adding at the end thereof the following: 3

4 "(8) to or for the benefit of a creditor to the

extent such transfer was made to such creditor by a 5

credit guarantor in payment of a debt evidenced by a note

or bond issued by the debtor prior to the commencement of

the case and in accordance with the terms of the debtor's

credit quaranty agreement with the credit quarantor, and

payment of which was supported from time of its issuance

until such transfer by an irrevocable letter of credit,

irrevocable commitment to lend funds, irrevocable note 12

purchase agreement, or a bond of Indemnity issued by a

credit guarantor in the ordinary course of its

business. ''. 15

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Sec. 575. Section 548(d)(2) of title 11, United States 16

Code, is amended by adding at the end thereof the following:

18 ''(D) A secured party or third party purchaser who

obtains title to an interest of the debtor in property

pursuant to a regularly conducted noncollusive

foreclosure, power of sale, or other proceeding or 21

provision of nonbankruptcy law permitting or providing 22

for the realization of security upon default of the 23

borrower under a mortgage, deed of trust, security 24

agreement or other lien, whether before or after the date 25

26 of the filing of the petition, gives reasonably

27 equivalent value to the debtor within the meaning of this

section if such creditor or third party purchaser bids in 28

the full amount of the debt secured by such mortgage, 29

30 deed of trust, security agreement or other lien at such

foreclosure sale. ' '. 31

32 Subtitle L--Miscellaneous

33 Sec. 581. If any provision of this title or any 179820.238 S.L.C.

1 amendment made by this title, or the application thereof to

- discretization and by this citety of the approaches endeds
- 2 any person or circumstance is held invalid, the provisions of
- 3 every other part, and their application shall not be affected
- 4 thereby.
- 5. Sec. 582. Except as otherwise provided in this title the
- 6 amendments made by this title shall become effective three
- 7 months after the date of enactment and shall not apply to any
- 8 case pending on the date of enactment of this title.

Amend the title to read as follows: 'An Act to amend title 28 of the United States Code regarding jurisdiction of bankruptcy proceedings, to establish new Federal judicial positions, to amend title 11 of the United States Code, and for other purposes.''.