

A Communication From the Attorneys General
of
Alaska, Arkansas, California, Colorado, Hawaii, Illinois, Indiana, Louisiana, Maryland,
Massachusetts, Michigan, Minnesota, Missouri, New Mexico, Nevada, North Dakota,
Oregon, Puerto Rico, Rhode Island, South Dakota, Tennessee, Texas, Utah,
Virgin Islands, Washington, and West Virginia

March 2, 2005

The Honorable John Cornyn
United States Senate
517 Hart Senate Office Building
Washington, DC 20510

RE: S. 314, the Fairness in Bankruptcy Litigation Act of 2005

Dear Senator Cornyn,

We understand that the United States Senate is about to debate S. 256, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005. We write to express our hope that, in doing so, the Senate will also take action on S. 314, the Fairness in Bankruptcy Litigation Act of 2005, which we support and which you introduced on February 8, 2005. After all, consistent with the title of S. 256, your legislation to reform the bankruptcy venue laws would indeed help prevent some of the worst abuses we have witnessed in bankruptcy litigation, and provide much needed protection to consumers as well as to the innumerable other parties – large and small alike – that are harmed by opportunistic forum shopping by corporate debtors: creditors, workers, pensioners, retirees, shareholders, and small businesses.

As state attorneys general, we are charged with a solemn duty to enforce the law, to protect consumers, and to combat corporate wrongdoing. It is bad enough that corporate scandals have victimized countless American citizens in recent years. What's worse, many corporations have abused the bankruptcy venue laws and engaged in unseemly forum shopping in order to avoid their financial responsibilities. All too often, corporate debtors have fled their home states to pursue relief in far away jurisdictions – and in search of judges more friendly to the corporations' interests than to the interests of those the corporations have left behind. As you noted in your remarks upon introducing the legislation, literally thousands and thousands of workers, shareholders, retirees, small businesses and countless other Americans are regularly thwarted from protecting their interests and left financially stranded as a result.

Your legislation has already received an impressive and broad range of support, and the undersigned – a bipartisan group of state attorneys general from across the country united in a commitment to protect consumers and curb abusive corporate judge-shopping – is pleased to add its strong support. Not only does S. 314 finally implement a major recommendation from the October 1997 National Bankruptcy Review Commission report, it is supported by innumerable bankruptcy law professors and practitioners nationwide; the National Federation of Independent Business; counsel for the Enron Employees Committee; Brady C. Williamson, who served as chairman of the National Bankruptcy Review Commission; and major national bankruptcy organizations like the National Association of Credit Management, the Commercial Law League of America, and the National Bankruptcy Conference.

We commend your efforts to strengthen our bankruptcy system and protect consumers, creditors, workers, pensioners, shareholders, retirees, and small businesses against unsavory forum shopping by corporate debtors. Passage of S. 314 will end this gamesmanship, help restore credibility to our nation's bankruptcy laws, and safeguard the interests of Americans from all walks of life.

We urge the United States Senate to pursue every means necessary to enact the provisions of your bill into law.


Sincerely,



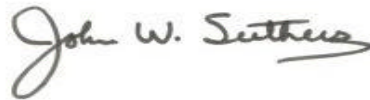
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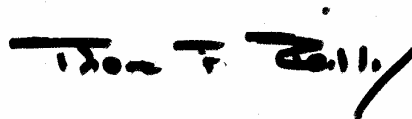
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Attorney General Patrick Lynch
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Attorney General Lawrence Long
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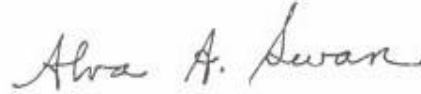
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