

What's Up

In the World of Collections

A Publication of Commercial Collection Corp. of NY

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20-DAY ADMINISTRATIVE CLAIM ...503(b)(9)

The most significant potential benefit to vendors from the 2005 Bankruptcy Code Amendments is the creation of the **20-day administrative claim**. The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BAPCPA) added a new category of administrative claims in 503(b)(9) of the Code for vendors who shipped goods to a debtor 20 days prior to the filing.

The 2005 Bankruptcy Code Amendments made some dramatic changes to vendors' reclamation remedy. On the plus side, the 10-day period was expanded to 45 days. On the negative side, denial of a reclamation no longer automatically results in providing the vendor a lien or administrative expense priority claim. The clear implication of such a deletion is that reclamation will no longer result in an administrative expense priority claim for a vendor. However, the drafters of **BAPCPA added the new 20-day administrative claim, presumably in lieu of the prior remedy.**

The 20-day administrative claim does not have all the baggage of a reclamation claim. Under the new 503(b)(9), to establish a 20-day administrative claim a vendor must:

- (1) **File a motion seeking the remedy.**
- (2) **Prove that the debtor received the vendor's goods within 20 days of the filing.**
- (3) **Prove the value of the goods.**
- (4) **Prove the goods were sold to the debtor in the ordinary course of the debtor's business.**

These requirements appear to be relatively easy to meet. Note that a vendor does **NOT** need to prove there is equity in the inventory, and does **NOT** need to prove the vendor's goods were present and pristine at the time of the demand.

We're Growing!!

Commercial Collection Corp. of NY is proud to announce that we have acquired O'Connor-Ravell Assoc., Inc. (ORA)

Founded in 1977, ORA has been a highly respected collection agency located in New Jersey.

For more information regarding the acquisition, go to our Press Release located on our Web site www.commercialcollection.com



In Business Since
1962

Cont'd on back

Cont'd from front.

Although a written demand is not required (but advisable), a written motion with the court seeking approval and payment of the 20-day administrative claim is required.

There is no doubt that the addition of section 503(b)(9) to the Bankruptcy Code has materially enhanced the right of the suppliers of goods against customers who file for bankruptcy. However, creditors must be diligent in understanding how section 503(b)(9) is being interpreted by the courts and what creditors must do to ensure that this new valuable right is properly asserted and preserved.

(For more information consult your attorney or CCC can refer you to a bankruptcy attorney in your area)



Believe It or Not

FREE DINNER ON CCC

If you know of someone that may be interested in our services, please notify your sales representative or contact Judy Mattioli at jmattioli@commercialcollection.com.

If your referral becomes our client, we will send you to **DINNER ON US!!** It's our way of saying **Thank You**.

Give us a call or send an e-mail... We would **LOVE** to hear from you!

Did You Know?

Commercial Collection Corp. of NY was recently approved to be one of only 11 other agencies to receive the International Association of Commercial Collectors, Inc. (IACC) Certified Agency designation! This unique mark of distinction is awarded after an extensive application and assessment process which determines that the agency meets or exceeds the program's standard operational guidelines. We are honored to be recognized as part of the **IACC's promise...**

To be the premiere resource for industry leaders, promoting quality commercial collection professionals to deliver high-quality, ethical and legal collection services.

To learn more of what it means to use an agency that is a member of the IACC, please visit www.commercialcollector.com

Brain Teaser

An indiscreet young man asks his mathematics teacher her age. She responds, "Today's date is my age, although before this week is over there will be another day with a date one fifth of the new age that I will be".

What is the teacher's sign of the zodiac?

Answer to last Brain Teaser: Wheat

Winners of Last Drawing

1. Mr. Ray Sheley III (Rochester, NY)
2. Ms. Angel Parra (Chicago, IL)
3. Ms. Gail Viner (Fairfax, VA)
4. Mr. Mark Mckeehan (Amherst, NY)
5. Mr. Robert Tate (Cincinnati, OH)

*All answers to be placed on enclosed Fax-O-Gram form.
5 Fax-O-Grams will be pulled at random & sent a FREE Gift.*

HAPPY BIRTHDAY!!

Pisces

Born: February 20 - March 20
Element: Water
Quality: Sensitive & Intuitive
Symbol: The Fishes
Lucky Day: Sunday
Lucky Numbers: 1, 7, 15, 21, 28
Special Color: Soft Sea Green
Starstone: Moonstone

Aries

Born: March 21 - April 20
Element: Fire
Quality: Dynamic & Confident
Symbol: The Ram
Lucky Day: Tuesday
Lucky Numbers: 4, 10, 12, 18, 22
Special Color: Red
Starstone: Diamond

If there is a topic you would like to see appear in our newsletter, please contact Judy Mattioli at:

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