

UNITED STATES BANKRUPTCY COURT
FOR THE
DISTRICT OF MARYLAND

RECEIVED
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00-BK-D

PAUL MANNES
JUDGE

March 13, 2000

U. S. Courthouse
6500 Cherrywood Lane
Greenbelt, Maryland 20770
(301) 344-8040

Mr. Peter G. McCabe
Secretary, Advisory Committee
on Bankruptcy Rules
Administrative Office of
the United States Courts
Washington DC 20544

Dear Mr. McCabe:

This is to request that the Committee consider a "small claims" procedure.

An informal procedure would serve the ends of justice in several situations where the cost of litigation exceeds the amount in controversy. Preference actions under 11 U.S.C. § 547(b) are a perfect example where the formal rules of court governing the reception of evidence and the necessity for counsel effect an injustice. Consider a case filed in Maryland wherein a trustee or debtor-in-possession may seek a \$4,000 preference from an Oregon supplier. That supplier must obtain counsel in this district and travel here to defend the case. Let us suppose that the corporate defendant has a bona fide defense. In all likelihood, it will cost the defendant more to defend the case than is at stake.

Would it be within the realm of the Advisory Committee to create a means to avoid the harsh consequences of such cases as Southwest Express v. ICC, 670 F.2d 53 (CA5 1982), and In re Gantt, 98 B.R. 70 (BC S.D. Ohio 1989), so as to enable corporations to appear by an officer and to arrange for the testimony to be received in some fashion other than requiring a live witness in the home courtroom? I am not suggesting a change in 28 U.S.C. § 1409(b) because of the need for the bankruptcy estate to minimize its legal costs.

Sincerely yours,



PAUL MANNES

COMMITTEE ON RULES OF PRACTICE AND PROCEDURE
OF THE
JUDICIAL CONFERENCE OF THE UNITED STATES
WASHINGTON, D.C. 20544

ANTHONY J. SCIRICA
CHAIR

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CRIMINAL RULES

MILTON I. SHADUR
EVIDENCE RULES

May 11, 2000

Honorable Paul Mannes
United States Bankruptcy Court
for the District of Maryland
U.S. Courthouse
6500 Cherrywood Lane
Greenbelt, Maryland 20770

Dear Judge Mannes:

Thank you for your suggestion regarding the establishment of a small claims procedure. A copy of your letter was sent to the chair and reporter of the Advisory Committee on Bankruptcy Rules for their consideration.

We welcome your suggestion and appreciate your interest in the rulemaking process.

Sincerely,



Peter G. McCabe
Secretary

cc: Honorable Adrian G. Duplantier
Professor Jeffrey W. Morris