or makes or suffers a fraudulent transfer (as defined in §§ 67 or 70 of the bankruptcy act) of any of his property:

(ii) makes or suffers a preferential transfer, while insolvent, as defined in § 60a of the bankruptcy act;

(iii) suffers or permits, while insolvent, any creditor to obtain a lien upon any of his property through legal proceedings or distraint and does not vacate or discharge such lien within thirty days from the date thereof or at least five days before the date set for any sale or other disposition of such property;

(iv) makes a general assignment for the benefit of creditors;

(v) while insolvent or unable to pay his debts as they mature, procures, permits or suffers voluntarily or involuntarily the appointment of a receiver or trustee to take charge of his property; or

(vi) admits in writing his inability to pay his debts and his willingness to be adjudged bankrupt. Federal Bankruptcy Act, § 3, 11 U.S.C. § 21.]

[Such an amendment might be effected by the addition of language at the end of Section 5 as set forth and italicized below:

"SEC. 5. Notwithstanding section 28:1–208 of the District of Columbia Code, payments owed under a retail installment contract or revolvingc hargeaccount-agreement may only be accelerated in the case of a default in payment or performance by the buyer, or on the same grounds as would authorize an attachment before judgment under paragraphs (2) through (5) subsection (d) of section 16–501 of the District of Columbia Code [.], *or in case of adjudication of bankruptcy of or commission of an act of bankruptcy by the buyer.*"]

(d) *Providing a civil penalty correlative to the criminal penalty for violation of regulations under the bill.*—Section 17 of the bill should be amended as set forth and italicized below:

"SEC. 17. In case of failure by a seller to comply with the provisions of this Act, *or of any regulation promulgated by the Commissioners under the authority of this Act*, except as a result of an inadvertent or bona fide error, such seller shall be barred from recovery of any service charge or of any delinquency, collection, extension, deferral, or refinance charge . . . "

[The purpose of this recommendation is to provide a civil penalty against the seller for violation of regulations promulgated under the bill, as well as for violation of the bill itself, and thus to correct the anomalous discrepancy between the civil sanction provisions of Section 17 and the criminal sanction provisions of Section 16, under which willful violation of a regulation promulgated under the bill could result in fine and/or imprisonment.]

DECEMBER 4, 1967.

Hon. ALAN BIBLE,
Chairman, Committee on the District of Columbia,
U.S. Senate, Washington, D.C.

DEAR SENATOR BIBLE: I have for report S. 316, 90th Congress, a bill "To provide for the regulation in the District of Columbia of retail installment sales of consumer goods (other than motor vehicles) and services, and for other purposes."

My predecessors in office, the Board of Commissioners, took notice of the case of *Ora Lee Williams* v. *Walker-Thomas Furniture Company* (198 A.2d 914), decided on March 30, 1964, by the District of Columbia Court of Appeals, involving a relief recipient who had entered into a series of installment contracts with a local merchant. Each of the contracts provided, in fine print, that the payments on such contracts were to be prorated on all purchases made thereunder, and that no title was to vest in the purchaser until all of the contracts were paid in full. The purchaser defaulted on the last few payments under the last of these contracts, and the seller of the goods repossessed all of the items purchased under all of the contracts. The District of Columbia Court of Appeals, in affirming the judgment for the seller in a replevin action against the buyer of the personal property, after commenting on the seller's full knowledge of the financial situation of the buyer (a relief recipient who had to house, feed, and clothe herself and her seven children on a welfare payment of $218 per month), made the following statement:

"We cannot condemn too strongly appellee's conduct. It raises serious questions of sharp practice and irresponsible business dealings. A review of the legislation in the District of Columbia affecting retail sales and the pertinent decisions of the highest court in this jurisdiction disclose, however, no ground upon which this court can declare the contracts in question contrary to public policy. We note that were the Maryland Retail Installment Sales Act, Art. 83, Secs. 128–153, or its