



COURT NEWS



Chief Judge Barry Russell

2006

Jon D. Ceretto, Executive Officer/Clerk

SEVENTH ANNUAL MEDIATION LUNCHEON HELD

On November 17, 2005, the Bankruptcy and District Courts for the Central District of California hosted a joint luncheon at the New Otani Hotel Golden Ballroom in Los Angeles to honor Bankruptcy Court mediators and District Court settlement officers for their service during 2004-2005. The annual luncheon recognizes the mediators' and settlement officers' continued dedication and generous service to the Courts in the field of Alternative Dispute Resolution ("ADR").

More than 100 guests attended the event, including Hon. Margaret M. Morrow, Judge of the United States District Court and Chair, Civil Justice Report Act and Alternative Dispute Resolution Committee; Hon. Barry Russell, Chief Judge of the United States Bankruptcy Court and Mediation Program Administrator; Bankruptcy Judges Alan Ahart, Samuel L. Bufford and Erithe Smith; and many District Court and Magistrate Judges.

Judge Morrow and Chief Judge Russell provided the audience with an update of the Courts' ADR programs. Judge Morrow commented that this year's event appeared to have attracted the largest attendance to date, which she considered a sign of the health and growth of the ADR programs. Among other things, she announced the District Court's intention to expand its panel to include many of the Bankruptcy Court's mediators and advised the audience that the District Court would be issuing written invitations to our

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Chief Judge Barry Russell
United States Bankruptcy Court
Central District of California



Judge Margaret M. Morrow
United States District Court
Central District of California



From left to right, United States Bankruptcy Court, Central District of California Judges, Alan M. Ahart, Samuel L. Bufford, Erithe A. Smith

COURT CLOSURES

Day/Date	Holiday
Monday, January 2, 2006	New Year's Day (Observed)
Monday, January 16, 2006	Martin Luther King, Jr. Day
Monday, February 20, 2006	Presidents' Day

SEVENTH ANNUAL MEDIATION LUNCHEON HELD

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mediators in the near future.

Chief Judge Russell congratulated the Bankruptcy Court Mediation Program on its tenth anniversary, stating that the Program officially began on August 1, 1995. He applauded the Program's continued success, noting that 3,334 cases have been assigned to mediation since the Program's inception and that the settlement rate has consistently averaged 63% over the past ten years. He mentioned that there are presently 200 mediators on the panel, and described some of the particularly noteworthy results achieved by some of the mediators, such as the settlement of a matter involving over \$30 million and the successful conclusion of a mediation that lasted more than 27 hours over three days' time.

Judge Russell further reported that two advanced mediation training programs were conducted this year by the Straus Institute for Dispute Resolution of Pepperdine University School of Law for the Program's experienced mediators, and that additional advanced training programs will be held next year. In addition, he expects to conduct brown bag lunches next year to encourage feedback and new ideas from the panel members.

Judge Russell concluded his comments by describing in detail the enormous increase in filings during the months leading up to the October 17, 2005 effective date of the new bankruptcy legislation. He pointed out, for example, that over 28,000 petitions were filed from October 1-16, 2005, a time period during which about 2,300 cases would ordinarily have been filed and that nearly 16,000 petitions were filed in the four days prior to October 17. He also described the technological advances the Court has enacted in anticipation of the new legislation and increased filings, and praised the Court family on its extremely impressive response to the gigantic workload.

Many thanks to all of our Judges, mediators and Mediation Program staff for their efforts to ensure the Program's ongoing success, and kudos to all of our Court staff on an outstanding job all year long!

JUDGE ZURZOLO TO BECOME CHIEF JUDGE IN 2007

Judge Vincent P. Zurzolo was unanimously selected by the judges of the Bankruptcy Court and unanimously approved by the judges of the District Court as the next Chief Judge of the U.S. Bankruptcy Court for the Central District of California. His four year term will begin on January 1, 2007.

CENTRAL DISTRICT BANKRUPTCY JUDGES HONORED

Bankruptcy Judge Geraldine Mund was awarded the "Editor's Prize 2005" during a dinner at the National Conference of Bankruptcy Judges held November 2-5, 2005 in San Antonio, Texas. Judge Mund won the award for her article entitled, "A Look Behind the Ruling: The Supreme Court and the Unconstitutionality of the Bankruptcy Act of 1978," published in the American Bankruptcy Law Journal, Volume 78, Issue 4, 2004.

Bankruptcy Judge Samuel L. Bufford was named "Jurist of the Year" by the Central District Consumer Bankruptcy Attorneys' Association (CDCBAA). He was honored at the association's Second Annual Awards Dinner held on November 22, 2005 at the Los Angeles Marriott Downtown hotel.

Bankruptcy Judge Kathleen Thompson was named "Judge of the Year" by the San Fernando Valley Bar Association. She will be honored on February 16, 2006 at their Annual Judges' Night dinner at the Woodland Hills Hilton. Please contact Linda Temkin at (818) 227-0490, ext. 105 for more information.

Congratulations Judges!

UPCOMING JUDGE CHANGES

After fourteen years on the bench, Judge Robert W. Alberts will retire on February 15, 2006. Judge Erithe A. Smith will be relocating her chambers to the Santa Ana division at the end of January 2006, to fill the vacancy created by his retirement.

On May 1, 2006, Judge James N. Barr will retire after eighteen years on the bench. Judge Theodor Albert will be moving to the Santa Ana division to fill this vacancy.

Selections have been made to fill the two vacancies that will be created in the Los Angeles division as a result of these retirements and moves. The two individuals who have been selected to serve as bankruptcy judges are Richard M. Neiter of Stutman Treister & Glatt and Victoria S. Kaufman of Paul Hastings Janofsky & Walker.



COURT MANAGES UNPRECEDENTED SURGE IN FILING ACTIVITY RELATED TO PRE-BAPCPA CASES

The Court continues to manage the unprecedented surge in filing activity related to the record number of bankruptcy cases filed prior to the effective date of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BAPCPA) on October 17, 2005. A total of 10,353 cases were filed in September 2005, an increase of 125% over September 2004, and an additional 28,583 petitions were filed in the first 16 days of October, representing a 12 fold increase of the normal volume during this period. Since that time, an unparalleled number of subsequent pleadings and claims have been filed, sometimes in excess of 5,000 new documents per day.

To manage this unusually high volume of pleadings and claims, the Clerk's Office created a special task force at each division, hired 17 temporary staff, and focused Clerk's Office priorities on the most time-sensitive documents. The entry of orders has always been kept current. By the end of 2005, the most critical documents, schedules, trustee documents, and several other types of pleadings filed with the Court were at most several days old.

In addition to docketing and imaging the high volume of documents and claims, the Clerk's Office has also concentrated on entering discharges and dismissals, and closing cases. In December alone, the Clerk's Office closed nearly 10,000 cases.

The Court is dedicated to providing timely and accurate service and appreciates the patience exhibited by the bar and the public during this historic time.

DEPOSITING RENT DUE PURSUANT TO § 362(I)(1)

To deposit a rent check with the Court that is due to a landlord, pursuant to § 362(I)(1)(B), the form of payment must be made as follows:

- **A certified or cashier's check or money order made payable to the lessor (landlord) in the amount of rent that would be due during the 30-day period after the filing of the bankruptcy petition.**
- **Payment must be made at the time the bankruptcy petition is filed.**
- **A copy of the judgment for possession should accompany the payment.**

The Court has developed Local Bankruptcy Rules form F 4001-1.2 [Entitled, *Debtor's Further Certification of Cure of Monetary Default Underlying Judgment for Possession of Residential Property and Proof of Deposit* (11 U.S.C. § 362(I)(2)], which may serve as the certification required to be filed and served pursuant to § 362(I)(2). When applicable, this form should be filed within 30 days after the filing of the debtor's petition.

Pursuant to § 362(I)(5)(D) of the Code, the Clerk's Office will transmit the payment to the lessor at the address listed on the bankruptcy petition.

For more information, please see [Public Notice 05-20 \(Amended 12/12/05\) RE: Depositing Rent Due Pursuant to § 362\(I\)\(1\)](#) and [General Order 05-03 RE: Depositing Rent With Court Pursuant to 11 U.S.C. § 362\(I\)](#), located at the Notices and Orders section on the Court's web site www.cacb.uscourts.gov.

Court Statistics January - December 2005

	2005	2004 % CHANGE	
	ANNUAL ESTIMATE	TOTAL	% Change 05 vs 04
Case Commencement:			
Chapter 7	79,912	54,892	46%
Chapter 11	271	302	-10%
Chapter 13	4,028	5,445	-26%
*TOTAL	84,211	60,639	39%
National Filing Trends	12-Month period ending 9/2005	12-Month period ending 9/2004	% Change 05 vs 04
Chapter 7	1,346,201	1,153,865	16.7%
Chapter 11	6,637	10,368	-36.0%
Chapter 13	429,316	454,412	-5.5%
*TOTAL	1,782,154	1,618,645	10.1%

*Excludes Chapter 9, Chapter 12, and Section 304 filings

20 Largest and Other Cases of Interest Filed in the Last 24 Months*

Debtor Name	Case Number	Date Filed	Chapter	Asset Level in Millions	Liability Level in Millions	Last Milestone
Jill Kelly Productions, Inc.	SV-05-15389-KT	08/08/05	11	\$1-10	\$1-10	Application for fees: Hearing to be held on 1/17/2006 at 02:00 PM Crtrm 301, in the San Fernando Valley Division.
Sierra Nevada Public Financing - City of San Joaquin	LA-05-27696-BR	08/03/05	9	\$1-10	\$10-50	Order Granting Motion to Extend Time within which to file chapter 9 plan and disclosure statement; status conference set for 2/14/06.
Burstein Technologies	LA-05-23985-EC	06/16/05	11	Over \$100	\$10-50	Final Applications for fees awarded.
Trigem Texas Inc.	SA-05-14047-JB	06/08/05	11	Over \$100	Over \$100	Order Granting Motion of Debtor for Order Extending Section 1121 periods of Exclusivity; extended to 2/2/06.
Trigem America Corp.	SA-05-13972-JB	06/03/05	11	Over \$100	Over \$100	Order awarding compensation for fees and expenses totaling more than \$300,000.
Tradex LTD	LA-05-20537-ES	05/10/05	Sect 304	Over \$100	Over \$100	Status conference continued to 4/20/06.
WattsHealth Foundation, dba UHP Healthcare	LA-05-22627-TD	05/31/05	11	\$55	\$45	Stipulation and ORDER Extending the exclusive periods to file a plan of reorganization and disclosure statement; GRANTED; Continued to Feb. 1, 2006
GSM Wireless	SA-05-13514-JR	05/19/05	11	\$10-50	\$10-50	Order Granting Motion to Extend Exclusivity Period for Filing a Chapter 11 Plan through 1/16/06; and The Debtor's exclusive right to obtain acceptances of a plan is extended through 3/17/06.
Queen's Seaport Development	LA-05-15175-VZ	03/16/05	11	\$47	\$29	ORDER: The debtor is hereby granted a 60 day extension to assume or reject the leases and each of them to January 14, 2006.
Rancho Las Flores Development	RS-05-12224-MG	03/11/05	11	\$11	\$8	Order: Debtors Exclusive Period to propose a Ch 11 Plan is extended to 1/9/06.
Brett Livingston Strong	SV-05-10137-KT	01/11/05	7	\$184	\$21	341(a) meeting to be held on 1/12/2006 at 09:00 AM at RM 105, 21051 Warner Center Lane, Woodland Hills, CA 91367.
American Restaurant Group, Inc. dba Stuart Anderson's Restaurants	LA-04-30732-TD	09/28/04	11	\$33	\$223	Order Granting Application For Compensation for just under \$2M, signed on 12/19/05.
Franchise Pictures, LLC	SV-05-13855-MT	08/18/04	11	\$0-50	Over \$100	Stipulation and ORDER thereon THIRD - among and between debtors extending bar date for filing proofs of claim or interests in debtors' bankruptcy cases by 120 days to May 9, 2006
Sega Gameworks LLC	LA-04-15404-BB	03/09/04	11	\$26	\$36	Fees Awarded in excess of \$2.5M on 12/5/05.
Tri-City Mental Health Center	LA-04-13167-BR	02/13/04	9	\$1-10	\$10-50	Ch 9 Status Report filed on 12/09/05.
Aaron Tonken	LA-04-12883-EC	02/10/04	7	\$1-10	\$10-50	Order Relieving Phillip Dapeer as counsel for debtor on 11/10/05.
Illuminations.com, Inc.	LA-04-10427-SB	01/12/04	11	\$52	\$55	Over 50 adversary complaints filed in December 2005.
Checkmate Staffing, Inc.	SA-03-19318-JR	12/29/03	11	\$22	\$31	15 adversary complaints filed in December 2005.
Santa Paula Memorial Hospital	ND-03-13454-RR	12/22/03	11	\$18	\$6	Orders allowing and/or disallowing claims were entered in December 2005.
Persistence Capital, LLC	SV-05-16450-KT	09/13/05	11	\$85	\$29	Status report filed on 12/12/05.

*based on a combination of Asset and Liability Levels, Number of creditors, high activity, and/or name recognition

Court News

is published by the United States Bankruptcy Court for the Central District of California as an informational service for the practitioners and public of our Court.

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Suggestions and comments are always welcome.
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