



COURT NEWS



Chief Judge Barry Russell

2005

Jon D. Ceretto, Executive Officer/Clerk

***e*FILE EXPECTED TO BECOME MANDATORY**

The bankruptcy judges for the Central District of California recently voted to revise Amended General Order 02-01 to make *eFile* usage **mandatory**. Upon approval of this General Order by the District Court, attorneys who manually file documents capable of being filed electronically in at least five cases or adversary proceedings within a single calendar year will thereafter be required to file all such documents electronically. The Court will monitor manual filings by attorneys, and those exceeding the five case "threshold" may be issued an Order to Show Cause why sanctions or other consequences should not be imposed for failure to comply.

For attorneys not already registered to use *eFile*, now is a good time to register online and begin using *eFile* before it becomes mandatory. To register, access the Court's web site, www.cacb.uscourts.gov, and select *Electronic Services -> eFile -> Register Me Now!*. The *eFile* Support Center is available to assist you and may be reached at (213) 894-2365 from 9:00 a.m. to 4:00 p.m. Monday through Friday (except federal holidays). Currently, registered users can electronically submit chapter 7 and chapter 13 voluntary petitions, Motions for Relief from the Automatic Stay, and adversary proceedings. *Court News* will keep you updated on any new developments in this important matter.

COURT SEEKS COMMENTS ON LOCAL BANKRUPTCY RULES REVISIONS

The public is encouraged to submit comments on proposed revisions to the following Local Bankruptcy Rules: 1002-1, 2014-1, 3007-1, 7001-1, and 7003-1. All comments must be made in writing and received by the Court no later than Tuesday, January 18, 2005. Comments should be mailed to:

Judge Peter H. Carroll
United States Bankruptcy Court
3420 Twelfth Street
Riverside, CA 92501-3819

Additional information regarding the submission of comments may be found in **Public Notice 04-015** on the Court's web site, www.cacb.uscourts.gov at *Notices & Orders -> Public Notices -> Proposed Revisions to the Local Bankruptcy Rules*. You may download the Local Bankruptcy Rules revisions from the *Procedures/ Rules/Forms -> Local Bankruptcy Rules and Forms* section of the Court's web site.

UPCOMING PROJECTS FOR THE BANKRUPTCY MEDIATION PROGRAM

The Bankruptcy Mediation Program intends to expand its services this year beginning with several important projects it expects to implement in the spring 2005. Details are still being finalized for:

- The Strauss Institute for Dispute Resolution of Pepperdine University School of Law will conduct a two-day advanced training program for panel mediators. Although the cost of the program is not yet known, it has been established that participating mediators will be permitted to apply for an 80% “rebate” from the District Court Attorney Admissions Fund. The application for the “rebate” will require proof that a mediator attended the full program. This program will also provide MCLE credit.
- The Court is working with Public Counsel to develop a program that will provide for mediation panel members to represent *pro se* litigants, plaintiffs, or defendants at mediation conferences only, at no cost to the litigants. The program will be implemented initially in the Bankruptcy Court’s Los Angeles Division only. It will be similar in structure to the Debtor Assistance Project, in which Public Counsel attorneys assist debtors at reaffirmation hearings and in non-dischargeability litigation.

If you have any questions, please e-mail Sue Doherty, Mediation Program Coordinator, at Susan_Doherty@cacb.uscourts.gov or call her at (213) 894-6093. *Court News* will keep you updated on any further project developments.

SERBIAN JUDGES VISIT COURT

As part of a judicial study tour to provide information about court processes and systems, the Court hosted 13 Serbian judges and clerk’s office staff during the week of December 13-17, 2004. Invited by Judge Samuel L. Bufford and sponsored by the United States Agency for International Development, the tour group consisted of seven commercial court presiding judges, three technical staff, and three project lawyers.

The Serbian guests participated in a full schedule of activities that had been arranged by the Court. Jon D. Ceretto, Executive Officer/Clerk of Court, provided introductions and a tour of the Los Angeles Division. The Court’s management team provided a detailed review of court operations, including *eFile*, Courtroom Services, and Case Initiation. Technical staff provided an overview of court systems and applications such as digital court recording, *CIAO!* (the Court’s calendaring and order-generating system), network management, specialty systems, and software development practices. The study tour concluded with a visit to the Los Angeles Superior Court.

OPPORTUNITY FOR PUBLIC COMMENT ON PROPOSED AMENDMENTS TO THE F.R.B.P.

The Judicial Conference’s Advisory Committee on Bankruptcy Rules requests your comments on several proposed amendments to the Federal Rules of Bankruptcy Procedure (F.R.B.P.). Below is a summary of the proposed changes:

- A proposed new **Rule 2202(g)(4)** would allow creditors to arrange with a “notice provider” to have notices sent to them at a preferred address or addresses.
- A proposed amendment to **Rule 9001(g)** (General Definitions) would define a “notice provider” as any entity approved by the Administrative Office to give notice to creditors under Rule 2002(g)(4).
- A proposed amendment to **Rule 9036** (Notice by Electronic Submission) deletes the requirement that the sender of electronic notice receive confirmation that the notice was received.

Court Closures

Day/Date	Holiday
Monday, January 17, 2005	Dr. Martin Luther King, Jr. Day
Monday, February 21, 2005	Presidents’ Day

F.R.B.P

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PROPOSED AMENDMENTS TO THE F.R.B.P.

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- **Rule 1009** (Amendments of Voluntary Petitions, Lists, Schedules, and Statements) would be amended to require the debtor to submit a corrected statement of Social Security number when the debtor becomes aware that the Social Security number previously submitted under Rule 1007(f) to the court is incorrect.
- Amended **Rule 4002** (Duties of Debtor) implements §§ 521 (3) and (4) of the Bankruptcy Code and requires the debtor to bring specified documentation of income, recently filed federal income tax return, and financial assets to the § 341 meeting of creditors.
- The proposed amendments to **Rule 5005** (Filing and Transmittal of Papers) update the rule by authorizing the district judge and clerk of the bankruptcy appellate panel to transmit erroneously delivered papers to the bankruptcy court clerk and the United States trustee.
- **Rule 7004** (Process; Service of Summons; Complaint) is amended to revise the method of service of a summons and complaint on the attorney for the debtor whenever an entity

serves the debtor with the summons and complaint.

- **Schedule I of Official Form 6** (Schedules) is amended to require the disclosure of the current income of the non-filing spouse of a debtor in a chapter 7 case.

More information on these proposed amendments may be found at <http://www.uscourts.gov/rules/comment2005/CompleteBrochure.pdf>.

Public comment on these proposals is due by February 15, 2005. Comments may be sent electronically to <http://www.uscourts.gov/rules/submit.html>. Comments may also be mailed to: Peter G. McCabe, Secretary of the Committee on Rules of Practice and Procedure, Administrative Office of the United States Courts, Washington, D.C. 20544.

Court Statistics January - December 2004

	2004 ANNUAL ESTIMATE	2003 TOTAL	% CHANGE 04 vs 03
Case Commencement:			
Chapter 7	55,502	65,227	-15%
Chapter 11	304	371	-18%
Chapter 13	5,485	10,088	-46%
*TOTAL	61,291	75,686	-19%
Complaints:			
Dischargeability	1,666	2,055	-19%
Recover Money/Property	2,487	3,712	-33%
All Other	412	401	3%
TOTAL	4,565	6,168	-26%
Motions:			
Personal Property	4,091	6,346	-36%
Real Property	3,630	6,525	-44%
Unlawful Detainer	654	883	-26%
Other RFS	432	504	-14%
Dismiss	7,944	9,916	-20%
Dismiss/Convert	214	241	-11%
Fees, Employment, Expenses	9,205	11,196	-18%
TOTAL	26,170	35,611	-27%
National Filing Trends			
	12-Month period ending 09/2004	12-Month period ending 09/2003	% Change 04 vs 03
Chapter 7	1,153,865	1,177,292	-2.0%
Chapter 11	10,368	10,144	2.2%
Chapter 13	454,412	473,763	-4.1%
*TOTAL	1,618,645	1,661,199	-2.6%

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

For more information, visit our web site at www.cacb.uscourts.gov.

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
Largest Cases	USA Sogo Inc.	LA-03-18660-SB	03/31/03	7	\$177	\$314	Order granting sales of estate property entered on 12/22/04.
	Imperial Credit Industries, Inc.	LA-03-28969-ES	07/17/03	11	\$169	\$291	Status hearing continued to 1/13/05.
	Vista Hospital Systems, Inc.	RS-03-18901-DN	06/10/03	11	\$142	\$132	Hearing on Motion to Modify Confirmation Order scheduled 12/27/04.
	InterDent Service Corporation	SA-03-13594-JR	05/09/03	11	\$139	\$348	Motion for Final Decree filed 12/9/04.
	Sun World International, Inc.	RS-03-11370-DN	01/30/03	11	\$138	\$121	Hearing on Motion to Sell Substantially All Assets of the Estate scheduled for 1/14/05.
High Profile Cases*	Illuminations.com, Inc.	LA-04-10427-SB	01/12/04	11	\$52	\$55	Order approving professional fees entered on 12/7/04.
	Spectrum Restaurant Group, Inc.	SA-03-15911-RA	08/06/03	11	\$39	\$107	Chapter 11 plan confirmed 8/6/04. Status Report due: 2/6/05.
	Strouds Acquisition Corporation	LA-03-23620-ER	05/20/03	11	\$27	\$36	The second amended plan was approved at the 12/16/04 hearing.
	Lux Corporation d/b/a Mr. Rags	SA-03-10697-JR	01/28/03	11	\$20	\$29	Status Conference hearing set for 1/11/05 @ 2:30p.m.
	Clothestime Stores, Inc.	SA-03-14555-RA	06/13/03	7	\$15	\$49	Order approving employment of professional Wertz & Company LLP as Chapter 7 Trustee's accountant entered 12/22/04
	Botanicals International Extracts	LA-03-18788-BB	04/01/03	11	\$10	\$15	Order approving professional fees entered on 12/22/04.
	Tri-City Mental Health Center	LA-04-13167-BR	02/13/04	9	\$1-10	\$10-50	Hearing to be held on 1/10/05 for approval of disclosure statement for Tri-City's Ch. 9 plan of adjustment.
	Aaron Tonken	LA-04-12883-EC	02/10/04	7	\$1-10	\$10-50	Motion for relief from stay hearing on 1/4/05.
	American Restaurant Group, Inc. dba Stuart Anderson's Restaurants	LA-04-30732-TD	09/28/04	11	\$33	\$223	Order granting the employment of professional entered on 12/21/04.
	Checkmate Staffing, Inc.	SA-03-19318-JR	12/29/03	11	\$22	\$31	Order entered 12/13/04 re: Disclosure Statement and Plan to be filed by 4/4/05.
	Santa Paula Memorial Hospital	ND-03-13454-RR	12/22/03	11	\$18	\$6	Hearing set for 2/2/05 re disclosure statement filed by Creditors Committee.
	Sega Gameworks LLC	LA-04-15404-BB	03/09/04	11	\$26	\$36	Hearing set for motion to authorize sales of debtor's assets on 1/6/05.
	Jeffrey and Nan Bennett	RS-03-26484-MG	11/14/03	11	\$21	\$27	Hearing on Objections to Claims scheduled for 1/25/05.
	Fujita Corporation USA	LA-04-27072-ES	08/05/04	11	\$5	\$111	Order approving professional fees entered on 12/20/04.
	Franchise Pictures, LLC	LA-04-27996-MT	08/18/04	11	\$0-50	Over \$100	Application for professional fees hearing on 1/18/05.

*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.

Jon D. Ceretto
Executive Officer/Clerk

Michael E. Rotberg
Chief Deputy - Operations

Kathleen J. Campbell
Chief Deputy - Administration

Suggestions and comments are always welcome.
Please call (213) 894-1175 or e-mail us at <Oscar_Sosa@cacb.uscourts.gov>.