

## JUDICIAL VARIANCE STATEMENT

### FOR THE HON. SCOTT H. YUN

Judge Yun enforces the Local Bankruptcy Rules (“LBR”), and requires the use of all mandatory court-approved forms, with the following clarifications, exceptions, and additions:

#### I. THE COURT WEBSITE AND THE CENTRAL GUIDE

The court website provides a variety of information from a variety of sources that is intended be helpful guidance to those who appear before the court. This includes The Central Guide, which is a collection of links and information. No content on the court website is binding on any individual judge.

To the extent that Judge Yun’s procedures refer to the court website or The Central Guide, it is intended to be helpful to the parties and generally illustrative of his interpretation of relevant law and procedures. Judge Yun may deviate from the content on the court website in the event that (1) the guidance provided contradicts his interpretation of applicable law or procedure, or (2) the facts or circumstances of a particular case warrant an alternative action or procedure.

#### II. LOCAL BANKRUPTCY RULES

**A. LBR 3015-1(v) (Chapter 13 Attorneys’ Fees).** Judge Yun follows the procedures outlined in LBR 3015-1(v) for awarding fees in chapter 13 cases with the following clarifications:

1. Judge Yun generally allows the No Look Fee Maximums for additional services, which are found in The Central Guide, but will evaluate each application on a case-by-case basis and may determine that a lesser fee or no fee is appropriate under the specific circumstances. [The Central Guide Section 4/ 3015-1(v)(2)/ TCG Supplement: Presumptively Reasonable Fees -- Chart -- Chapter 13 Attorneys]. In addition to the “no-look” fee, Judge Yun will generally allow one-half hour of paralegal time for preparing the fee application and obtaining the debtor’s consent, or preparing a detailed declaration concerning multiple attempts to obtain the debtor’s consent.
2. Fee applications with detailed billing records must be filed in each instance where there is no court-approved no-look fee or fees are sought on an hourly basis. Detailed billing records identify the name of the person providing the service, their role (i.e. attorney, paralegal), the date, the amount of time spent on each task, and a detailed description of the task. Multiple tasks should not be lumped together, even if they are performed on the same date. Separate fee applications should be filed for no-look fee services and services based on detailed billing records.
3. Local Bankruptcy Rule Forms F 3015-1.12.APP.CH13.FEES and F 3015-1.19.APP.CH13.FEES.DMCON, along with their related form orders, are

mandatory in all chapter 13 cases where an attorney seeks additional fees in excess of the flat fee paid under a Rights and Responsibilities Agreement. The Consent and Declaration of Debtor(s) contained within the forms is required unless exigent circumstances prevent execution by the debtor(s). Any exigent circumstances must be explained in the application and supported by admissible evidence.

- B. LBR 3015-1(w) (Notice of Chapter 13 Motions).** In chapter 13 cases, Judge Yun requires compliance with LBR 9013-1(o)(3)(A) for motions and applications that may be filed on notice of opportunity to request a hearing (for which there is no pending opposition or request for a hearing). For purposes of filing the Declaration that No Party Requested a Hearing on Motion, the chapter 13 trustee's objections or comments are considered resolved, and the motion is deemed unopposed, if the debtor agrees to any proposed modification and uploads a proposed order indicating that the motion or application is being granted subject to that modification. The modified terms must be inserted into the order directly below the check-box for "Granted on the terms set forth in the chapter 13 trustee's comments on or objection to Debtor's motion." The Declaration that No Party Requested a Hearing on Motion must still be filed in accordance with LBR 9013-1(o)(3)(A).
- C. LBR 3015-1(w)(1)(C) (Motion for Sale or Refinance of Debtor's Residence).** In accordance with LBR 1001-1(d), Judge Yun waives application of LBR 3015-1(w)(1)(C). All motions for sale or refinancing of the debtor's residence require compliance with LBR 9013-1(d) or (o) and notice to all creditors.
- D. LBR 3015-1(w)(3)(A) (Chapter 13 Trustee's Motions to Dismiss or Modify a Confirmed Plan).** Judge Yun strictly enforces LBR 3015-1(w)(3)(A) for setting hearings when a debtor opposes the chapter 13 trustee's motion to dismiss the case or modify a confirmed plan. The debtor must use Judge Yun's self-scheduling procedures to select a hearing date for the court's next available chapter 13 calendar. The hearing date must give the chapter 13 trustee at least 7 days' notice, but must not be more than 30 days after the opposition is filed. Failure to timely set a hearing in accordance with LBR 3015-1(w)(3)(A) may result in the trustee's motion being granted without further notice.
- E. LBR 3020-1(b) (Chapter 11 Plan Confirmation Order).** The following language must be included in any proposed order confirming a chapter 11 plan:

If the above-referenced case is converted to one under chapter 7, the property of the reorganized debtor, or of any liquidation or litigation trust, or of any other successor to the estate under the plan, that has not been distributed under the plan shall be vested in the chapter 7 estate, except for property that would have been excluded from the estate if this case had always been one under chapter 7.

Within 120 days of the entry of this order, [the plan proponent] shall file a status report explaining what progress has been made toward consummation of the confirmed plan of reorganization. The initial report shall be served on the United

States trustee, the 20 largest unsecured creditors, and those parties who have requested special notice. Further reports shall be filed every 120 days thereafter and served on the same entities, unless otherwise ordered by the court.

A post-confirmation status conference will be held on \_\_\_\_\_, 20\_\_ at 1:30 p.m. in Courtroom 302.

The identity of the plan proponent should be filled in, but the space for the date of the post-confirmation status conference should be left blank and a date will be selected by the court.

**F. LBR 5005-2(d) & The Central Guide Section 2-02 TCG Supplement: Serving a Judge's Copy (Judge's Copy).**

1. All judge's copies must contain durable tabs and be securely bound with a staple, prong fastener, or other method that is unlikely to be disturbed during the normal processing of paperwork. [LBR 5005-2(d)(1)]. Binder clips and rubber bands are not sufficiently secure to bind judge's copies. Regular post-it notes are not sufficiently durable to serve as appropriate tabs.
2. All judge's copies of documents related to a hearing must have the hearing date on the first page.
3. The ECF Receipt or Notice of Electronic Filing should be affixed at the end of the document, and not the front, so that the hearing information and title of the document are not obscured. [LBR 5005-2(d)(2)].
4. Judge's copies should be single-sided with one page of text per page, and should be identical to the filed version of the document.
5. Judge's copies of chapter 11 case commencement documents are not required.
6. Judge's copies of U.S. Trustee documents, such as monthly operating reports, are not required.
7. Please see The Central Guide Section 2-02 TCG Supplement: Serving a Judge's Copy Section 2.2 for other documents that do not require a judge's copy.
8. In addition to the documents listed in The Central Guide Section 2-02 TCG Supplement: Serving a Judge's Copy Section 2.2, Judge Yun also does not need a judge's copy of the following documents:
  - a. Lodged orders or notices of lodgment
  - b. Motions for protective orders using form F 9037-1.1MOTION.RESTRICT.PERS.ID

- c. Debtor's applications for an order confirming that loan modification discussions do not violate the automatic stay using form F 4001.1.6.DEBTOR.APP.LOAN.MOD
- d. Motions to reopen a chapter 7 or 13 case solely to file a financial management course certification or discharge application, or to file a motion to avoid a judgment lien under 11 U.S.C. § 522(f)
- e. Chapter 13 applications for supplemental fees of less than \$1,000
- f. Chapter 13 declarations concerning filing tax returns, payment of domestic support obligations, and secured debt payments
- g. Mediation applications
- h. Stipulations to continue hearings

**WARNING – Judge's copies are required for all matters that will be heard on the court's calendar. If the copies are not timely received, the hearing may be vacated without further notice. In that event, a new hearing date must be selected and noticed by the moving party.**

- G. LBR 6004-1(f) (Notice of Sale of Estate Property).** Judge Yun enforces the requirement that a Notice of Sale of Estate Property must be submitted to the clerk on the court-approved form for purposes of publication on the court's website.
- H. LBR 7016-1(b)(1) and (b)(3) (Pretrial Stipulation).** A pretrial stipulation must be filed on the docket, but not separately lodged in LOU. A separate proposed pretrial order must be lodged in LOU.
- I. LBR 7055-1(b) (Default Judgment).** Motions for default judgment should be set for hearing and should include admissible evidence to establish all of the elements of the plaintiff's case in chief. Please do not upload or lodge a proposed default judgment until after the hearing.
- J. LBR 7056-1(b)(2) (Summary Judgment).** The proposed statement of uncontroverted facts and conclusions of law must be served and filed on the docket but should **not** be lodged in LOU at the same time. The court may direct the prevailing party to lodge proposed findings and conclusions after the hearing on summary judgment or partial summary judgment. A proposed summary judgment should **not** be lodged in LOU until after the hearing date.
- K. LBR 9009-1(b)(2) (Court-approved Forms).** All optional court-approved forms are mandatory before Judge Yun unless ordered otherwise or as provided below.

Please do not use the following court-approved forms in Judge Yun's cases:

1. Chapter 11 forms for individuals.
2. Declaration of Contribution to Chapter 13 Plan F.3015-1.09.DEC.CONTRIBUTION. Instead, please use the form contribution declaration available on the website of

- chapter 13 trustee Rod Danielson and write the confirmation hearing date in the caption.
- L. LBR 9019-1(a)(2) (Settlements).** Judge Yun does not follow the hearing appearance procedure for settlements provided in LBR 9019-1(a)(2). Parties must appear at every hearing unless the hearing has been vacated, the matter is on the chapter 13 consent calendar, or the tentative ruling indicates that appearances are waived. If the parties timely and properly bring a settlement before the court via stipulation or motion to approve compromise, and an order is lodged, the court will usually vacate the hearing once the order is entered.
- M. LBR 9021-1(b)(1) (Form of a Proposed Order).** Please refer to The Central Guide Section 4/ 9004-1/ TCG Supplement: Form and Format of Documents and LBR 9021-1(b) for order formatting requirements.
- N. LBR 9021-1(b)(2) (Orders on Stipulations).** All orders approving stipulations must contain the full name of the stipulation in the body of the order and the docket entry number where the stipulation can be found. [The Central Guide Section 4/ 9021-1(b)(3)/ Lodged Order Upload - - Procedures and Instructions/ Section 1.2(d); LBR 9021-1(b)(2)]. Orders on stipulations should contain only those terms that are necessary for action by the court or third-parties (i.e. the hearing is vacated) and should not include all of the recitals and provisions/waivers in the stipulation itself.
- O. LBR 9021-1(b)(3)(B) (Objection to Lodged Order).** Judge Yun does not follow the procedure for contacting chambers when there is an objection to a lodged order. Please do not call chambers. Instead, the opposing party should file the objection on the docket within the seven-day objection period following the notice of lodgment. If there was a written opposition to the motion and a notice of lodgment is filed, the order will be held for seven calendar days to allow for written objections unless otherwise waived by the court. If there is an objection filed, Judge Yun will address it accordingly.
- P. LBR 9075-1 (Emergency Motions and Applications for Orders Setting Hearings on Shortened Notice).** Chapter 11 first-day motions may be scheduled by calling Judge Yun's Courtroom Deputy at (951) 774-1075 or by calling chambers at (951) 774-1026. For all other emergency motions or applications for an order setting a hearing on shortened notice, the applicable moving papers must first be filed on the docket and a judge's copy must be delivered to the bin on the third floor outside Judge Yun's courtroom before the matter will be considered. The moving party should then lodge a proposed order and call chambers to leave a message indicating that the papers have been filed and delivered. Chambers will call the moving party if the request for a hearing is granted and provide further information/instructions. Otherwise, the order denying the request will be entered on the docket.

### **III. CHAPTER 11 DISCLOSURE STATEMENTS**

The proponent of a disclosure statement may file an amended disclosure statement prior to the hearing to address specific issues raised in the oppositions. However, in order to proceed with the same hearing date, the amendment must be filed no later than seven days prior to the hearing. If the amended disclosure statement is filed later, or substantive changes are made that affect non-objecting parties, the hearing will be continued or re-noticed as the court directs.

### **IV. CHAPTER 11 SUBCHAPTER V CASES**

Judge Yun prefers the formatting and content of the local form plan for subchapter V cases that was adopted by the Bankruptcy Court for the District of New Jersey. While not mandatory, this form is helpful for counsel in drafting their own plans for use in subchapter V cases before him. The form can be found at the following website address:

<https://www.njb.uscourts.gov/forms/chapter-11-subchapter-v-small-business-debtors-plan-reorganization-or-liquidation>

### **V. CHAPTER 13 PLAN**

Judge Yun does not permit lien avoidance through a chapter 13 plan. Motions under 11 U.S.C. §§ 506 and 522(f) must be filed as separate motions and noticed under FRBP 7004. Debtors should not use Section IV(C) of the court's form chapter 13 plan or Attachments B, C, or D to the chapter 13 plan or confirmation order. Attachment A should be used only when applicable.

### **VI. CHAPTER 13 CONFIRMATION**

Please see the court's opinion in In re Deutsch, 529 B.R. 308 (Bankr. C.D.Cal. 2015), which can be found on the court website, concerning chapter 13 plans that rely on contributions by non-debtors. Admissible evidence in support of non-debtor contributions is required to address the following, non-exclusive factors in order to satisfy 11 U.S.C. §§ 101(30), 109(e), and 1325(a)(6):

1. The non-debtor's relationship to the debtor and motivation in making the contributions, including any applicable legal obligations.
2. The non-debtor's history of making the contributions or otherwise supporting the debtor.
3. The non-debtor's unqualified commitment to make the contributions in a specific amount for the duration of the chapter 13 plan.
4. The financial ability of the non-debtor to make the proposed contributions, including income and expenses for the prior six months as well as any expected changes during the duration of the chapter 13 plan.

The court-approved form F 3015-1.09.DEC.CONTRIBUTION (Declaration of Contribution to Chapter 13 Plan) does not contain sufficient information/evidence to satisfy these requirements

*Effective May 1, 2022*

and should not be used. Instead, please use the form contribution declaration available on the website of chapter 13 trustee Rod Danielson and write the confirmation hearing date in the caption.