

## 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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**COURT CLOSED**  
**Friday, July 3**  
**Independence Day**  
**Holiday (Observed)**



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## Court Works to Tackle System Slowdowns and Outages

CM/ECF system functionality has suffered in recent weeks because of unexpected system errors and nationally mandated upgrades. On June 30, an error occurred on the database at the heart of CM/ECF, causing an unrecoverable loss of filing data. At the time of publication, the Court is working to restore lost data from back-up servers. This incident, part of a series of outages and severe slowdowns in recent months, have prompted the Court to tackle performance issues in multiple ways.

Since January, the Court has needed to occasionally restrict access to CM/ECF and related systems to try to remedy some slowdowns caused by a nationwide upgrade of the CM/ECF system. The Court has already replaced the external CM/ECF server and has put PACER on a replication server to speed up system functionality. Within the next couple of months, the Court plans to transition to a more robust server to support CM. It is expected that this new hardware, in addition to in-house upgrades to CM, will improve

system performance and lessen the severity of slowdowns. The switch to the new server, however, will require a brief CM/ECF outage, and a public notice will be issued in advance and posted on the Court's website.

The Court has also hired over a dozen new clerks to assist in the Intake and Courtroom Services areas to help deal with the influx of filings. The Court is still actively hiring generalist clerks and is in the process of establishing a full-time Saturday shift to handle the increased workload. The Court has also refined some of its internal processes, such as running smaller reports, to avoid slowing down the system.

The Court appreciates the patience and cooperation of all CM/ECF users and is diligently working to enhance system functionality. Information on future systems upgrades and any potential outages is always announced via public notice on the Court's website, [www.cacb.uscourts.gov](http://www.cacb.uscourts.gov).

For more information,  
visit our web site at [www.cacb.uscourts.gov](http://www.cacb.uscourts.gov).

## CM/ECF Tips

**Filing Reaffirmation Agreements:** Registered CM/ECF users have two docket event codes to choose from when filing reaffirmation agreements online: “Reaffirmation Agreement” and “Reaffirmation Agreement (Pro Se).” Attorneys should not use “Reaffirmation agreement (Pro Se)” because using the Pro Se docket event code will trigger a hearing with a judge.

**Avoid Duplicate Filings:** Attorneys who use bankruptcy petition software should review their software to ensure that a duplicate case isn't created when attempting to file schedules and other documents. Creating a duplicate case will result in duplicate charges.



From left to right: Judge Sheri Bluebond, Judge Alan M. Ahart, Judge Samuel L. Bufford, Judge Thomas B. Donovan, Judge Victoria S. Kaufman, Judge Robert N. Kwan, Judge Richard M. Neiter, Judge Ernest M. Robles, and Judge Maureen A. Tighe. Event photos by J. Scott Bovitz.

## Judges' Night Enlightens and Entertains Local Legal Community



Judge Ernest M. Robles.

Judges from all throughout the Central District of California gathered with members of the local legal community on June 8 as part of the Los Angeles Bankruptcy Forum's "Ask the Judges" dinner at the Omni Hotel in downtown Los Angeles. The event, attended by Judges Alan M. Ahart, Sheri Bluebond, Samuel L. Bufford, Thomas B. Donovan, Victoria S. Kaufman, Robert N. Kwan, Richard M. Neiter, Ernest M. Robles, Maureen A. Tighe and more than 200 local legal professionals, served as a great opportunity for networking and discussion.



Judge Sheri Bluebond with Mitch Ryan of Epiq Bankruptcy Solutions.

The judges touched on a variety of procedural and legal issues. The judges promoted the Court's self-help desks in the San Fernando Valley and Santa Ana divisions, and asked for more attorneys to volunteer their time. Judge Bluebond clarified the rules behind judges' copies of pleadings, and the judges also discussed ECF accessibility issues. The judges also answered questions about witnesses, trustee fees, BAPCPA, and whether auctions should be held in Chapter 11 asset sales.

Both the judges and attendees said they appreciated the opportunity to share opinions and discuss important questions. For more information and to view more pictures from the event, please visit the Los Angeles Bankruptcy Forum's website at [www.labankruptcyforum.org](http://www.labankruptcyforum.org).

## Judges Profiled in Local Publications

Judge Samuel L. Bufford and Judge Robert N. Kwan were recently profiled in the *Los Angeles Daily Journal* and both profiles touched on the ever-increasing workload for bankruptcy courts in this economic climate.

Judge Bufford's profile highlighted his experience in both domestic and international issues over his 23-year career. A leading expert on international insolvency, Judge Bufford has authored two books and taught jurists around the world, most recently in Abu Dhabi. Judge Bufford was praised for his consistency in the courtroom and his willingness to explain his reasoning.

Judge Kwan's profile focused on his personal and professional background prior to joining the Central District two years ago. With extensive experience in both private practice and in the United States Attorney's Office in Los Angeles, Judge Kwan was praised by local attorneys for his practicality and compassion in the courtroom. Judge Kwan said he appreciated not only the role that bankruptcy fills as a "safety net" for both businesses and individuals, but also being able to give debtors a second chance and a renewed sense of optimism.

The *Daily Journal* profiles may be accessed on their website, [www.dailyjournal.com](http://www.dailyjournal.com) (subscription required).

## Changes Coming To Time-Computation Rules

Time-computation rules have always been a source of confusion for litigants, lawyers, and even court staff, but in March 2009, the Supreme Court approved amendments to the Federal Rules of Bankruptcy Procedure, as well as appellate, civil, and criminal rules, that are expected to simplify the method of computing time deadlines. These adjustments are effective December 1, 2009.

The amended rules, which would impact FRBP 9006, now generally state that deadlines should be set based on calendar days, rather than "court days" or "business days," meaning that weekends and holidays would be included for all time periods. Because this could have the impact of shortening existing periods in bankruptcy proceedings, most short periods were extended to offset this shift in rules.

Future revisions to the Local Bankruptcy Rules that result from these amendments will be announced via public notice on the Court's website. More information on these changes can be found on the U.S. Courts website, [www.uscourts.gov/rules](http://www.uscourts.gov/rules).

## CM/ECF Tips (Cont.)

### Obtaining a CM/ECF

**Log-in:** In order to receive a CM/ECF log-in, the following steps must be taken: Review the electronic learning modules on the Court's website, take the quizzes, and email the quiz results and Certificate of Completion to the Court PDFs to the ECF Support Desk. Once the Court has received the certificate and quiz results, it will issue a training CM/ECF log-in and password, which are necessary to complete the practice assignments. Once the practice assignments are successfully completed, a log-in and password to the live CM/ECF system are issued.

## Filing Statistics

### Central District of California - Percent Increase in Filings January - June 2008 to January - June 2009\*

<b>78% ↑</b> 2009: 37,712 2008: 21,173 Chapter 7	<b>126% ↑</b> 2009: 593 2008: 262 Chapter 11	<b>65% ↑</b> 2009: 10,782 2008: 6,539 Chapter 13	<b>76% ↑</b> 2009: 49,092 2008: 27,975 Total
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### National - Percent Increase in Filings 12 Mo. Period Ending Mar. 31, 2009 to Same Period Ending Mar. 31, 2008

<b>46% ↑</b> 2009: 819,362 2008: 560,015 Chapter 7	<b>70% ↑</b> 2009: 11,785 2008: 6,971 Chapter 11	<b>11% ↑</b> 2009: 370,875 2008: 334,551 Chapter 13	<b>33% ↑</b> 2009: 1,202,503 2008: 901,927 Total
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\*Based on estimated filing data for June 2009.

## Top 20 Cases of Interest Filed in the Last 24 Months

### **PPA Holdings, LLC**

SA-09-16353-ES (LEAD of 22), Chapter 11, Filed 6/26/2009. Assets and Liabilities between \$1-100 million. First day motions were filed regarding cash collateral, joint administration, utilities, payroll, etc.

### **LA Hotel Venture LLC dba Los Angeles Marriott Downtown**

LA-09-18746-BR, Chapter 11, Filed 4/15/2009. Assets between \$1-100 million and Liabilities over \$100 million. Motion to dismiss or convert case was filed by the U.S. Trustee on 6/11/09.

### **Z Gallerie**

LA-09-18400-VZ, Chapter 11, Filed 4/10/2009. Assets and Liabilities between \$1-100 million. Status conference is set for 7/16/09.

### **Fatburger Restaurants of California, Inc./Fatburger Restaurants of Nevada, Inc.**

SV-09-13964-GM, SV-09-13965-GM, Chapter 11, Filed 4/7/2009. Assets and Liabilities between \$1-100 million. Cases transferred from Judge Thompson to Judge Mund on 6/4/09. Motion for relief hearing set for 6/18/09 for case 09-13964-GM. Proof of claim deadline set for 7/20/09.

### **Fleetwood Enterprises, Inc.**

RS-09-14254-MJ (LEAD of 43), Chapter 11, Filed 3/10/2009. Assets and Liabilities over \$100 million. Hearing to extend the exclusive periods for debtor to file plan set for 7/1/09. Hearing on debtor's motion to set final claims bar date set for 7/1/09. Status conferences on complaints set for 8/6/09.

### **Bethany Holdings Austin Apartments, LLC**

SA-09-11873-RK (LEAD of 15), Chapter 11, Filed 3/4/2009. Assets and Liabilities between \$1-100 million. Order entered on 6/3/09 on notices of setting insider compensation through 6/30/09.

### **Right Start Acquisition Company**

SV-09-11132-MT, Chapter 11, Filed 2/3/2009. Assets and Liabilities between \$1-100 million. Chapter 11 plan and disclosure statement filed on 5/1/09 and withdrawn on 5/6/09. Motion for relief hearing set for 6/18/09.

### **StarRibs North, LP**

SA-08-17182-TA (LEAD of 15), Chapter 11, Filed 11/6/2008. Assets and Liabilities between \$1-100 million. Motion for order voluntarily dismissing certain chapter 11 cases was filed on 6/1/09.

### **Palmdale Hills Property, LLC**

SA-08-17206-ES (LEAD of 25), Chapter 11, Filed 11/6/2008. Assets and Liabilities over \$100 million. Hearing continued on debtor's joint disclosure statement to 6/30/09.

### **Karykeion Inc.**

SV-08-17254-MT, Chapter 11, Filed 9/22/2008. Assets and Liabilities at \$1-100 million. Order entered extending exclusivity period for filing Chapter 11 plan and solicit acceptances thereof to 7/20/09 & 9/20/09 respectively. Adversary case 09-ap-01165 filed on 5/27/09.

### **Century City Doctors Hospital, LLC**

LA-08-23318-SB, Chapter 7, Filed 08/22/2008. Assets and Liabilities between \$1-100 million. Hearing set for 7/14/09 regarding the trustee's motion for authority to abandon estate's interest.

### **Woodside Group, LLC**

RS-08-20682-PC, Chapter 11, Filed 8/20/2008. Assets and Liabilities unknown. Hearing on debtor's motion to approve disclosure statement set for 7/6/09. Hearing on JP Morgan Chase Bank's motion to appoint chapter 11 trustee for Alameda Investments set for 7/6/09.

### **IndyMac Bancorp, Inc.**

LA-08-21752-BB, Chapter 7, Filed 07/31/2008. Assets between \$1-100 million and Liabilities over \$100 million. Order was entered on 6/11/09 approving stipulation granting leave to pursue claim on appeal in the Virginia Supreme Court as a limited relief from the automatic stay.

### **Shoe Pavilion, Inc.**

SV-08-14939-MT, Chapter 11, Filed 7/15/2008. Assets and Liabilities at \$1-100 million. Motion to approve compromise with Wells Fargo Retail Finance, LLC filed 6/11/09, with hearing set for 7/1/09.

### **Estate Financial Mortgage Fund, LLC**

ND-08-11535-RR, Chapter 11, Filed 07/01/2008. Assets over \$100 million and Liabilities between \$1-100 million. Hearing set for 6/11/09 regarding a notice of proposed use, sale or lease of property outside of the normal course of business.

### **Fremont General Corporation**

SA-08-13421-ES, Chapter 11, Filed 6/18/2008. Assets and Liabilities over \$100 million. Chapter 11 plan and disclosure statement were filed by debtor on 6/1/09.

### **eStyle, Inc.**

LA-08-13518-SB, Chapter 11, Filed 3/19/2008. Assets and Liabilities between \$1-100 million. Hearing regarding a motion for approval of chapter 11 disclosure statement has been continued to 6/30/09.

### **Axiom International, Inc.**

LA-08-10277-BB, Chapter 7, Filed 01/08/2008. Assets and Liabilities over \$100 million. An application to employ D&H Credit Service, Inc./Overpaid Payables Recovery, Inc. as a special collections agent was filed on 6/9/09.

### **Valley Health Systems, Inc.**

RS-07-18293-PC, Chapter 9, Filed 12/13/2007. Assets and Liabilities at \$100 million. Order entered 5/6/09 establishing 7/10/09 as the supplemental claims bar date. Hearings on objections to claims set for 7/6/09.

### **Great Circle Family Foods, LLC, dba Krispy Kreme Doughnuts**

SA-07-12600-ES (LEAD of 6), Chapter 11, Filed 8/22/2007. Assets and Liabilities between \$1-100 million. Plan confirmed at hearing held on 4/30/09. Post Confirmation Status Conference set for 10/22/09.

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