

## 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.

PETER H. CARROLL  
Chief Judge

KATHLEEN J. CAMPBELL  
Executive Officer/Clerk of Court

Suggestions and comments  
are always welcome.

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## Important Updates

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## Passing of the Gavel

On January 25, 2011, the Passing of the Gavel from Chief Bankruptcy Judge Vincent P. Zurzolo to Judge Peter H. Carroll was commemorated at the Ninth Circuit Court of Appeals in Pasadena.

Judge Peter Carroll gave the opening remarks, followed by Senior Circuit Judge Michael Daly Hawkins, Judge Erithe A. Smith, and retired Judge David N. Naugle. Each speaker applauded Judge Zurzolo for his accomplishments and congratulated the new Chief Judge. Their comments were followed by Judge Sheri Bluebond and Clerk of Court Kathleen J. Campbell, both of whom presented gifts of appreciation on behalf of the judges and Clerk's Office.



Chief Judge Peter H. Carroll

Chief District Judge Audrey B. Collins and Judge Virginia A. Phillips carried out the presentation and order of appointment, during which Judge Peter Carroll was formally appointed as Chief Judge. Chief Judge Peter H. Carroll thanked the presenters and everyone responsible for hosting the event. He stated "The Court faces significant challenges in the next four years," with the continued increase in caseload and reduction in budget. Despite these challenges, Chief Judge Peter H. Carroll stated he was definitely looking forward to his time as Chief Judge.

Upon the conclusion of Chief Judge Peter H. Carroll's remarks, a reception was held in the courthouse lobby. The reception was funded by the generous contributions from the Central District Consumer Bankruptcy Attorneys Association, the Federal Bar Association (Inland Empire Chapter), the Financial Lawyers Conference, the Inland Empire Bankruptcy Forum, the Los Angeles County Bar Association, the Los Angeles Bankruptcy Forum, and the Orange County Bankruptcy Forum.

## Central District Welcomes New Bankruptcy Judges Mark S. Wallace, Scott C. Clarkson, and Wayne E. Johnson

The Central District is pleased to welcome three new judges to the U.S. Bankruptcy Court for the Central District of California - Judge Mark S. Wallace, Judge Scott C. Clarkson, and Judge Wayne E. Johnson. Chief Judge Peter H. Carroll swore in Judges Wallace and Clarkson on January 20 and Judge Johnson on February 28. Judges Clarkson and Wallace maintain chambers in the Santa Ana Division, with Judge Clarkson hearing Riverside Division cases and Judge Wallace hearing a combination of both Riverside and Santa Ana Division cases. Judge Johnson will maintain chambers and hear cases in the Riverside Division.

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

Reassignment of Judge Victoria S. Kaufman's Bankruptcy and Adversary Proceedings

As of January 10, 2011, all pending Los Angeles Division chapter 13 bankruptcy cases and related adversary proceedings assigned to Judge Victoria S. Kaufman were reassigned to Judge Ernest M. Robles. For information regarding the case changes, how to schedule matters on Judge Robles' calendar, and other details, please refer to Public Notice 11-002.

New Case Assignments to Judge Scott C. Clarkson and Judge Mark S. Wallace

As of February 1, 2011, a portion of cases filed at the Riverside Division were reassigned to Judge Clarkson and Wallace. For more information, please refer to Public Notice 11-003, or the Judges' Procedures area on the Court's website under Information -> Judges Procedures/Information.

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## The Honorable Mark S. Wallace

Prior to his appointment to the bench, Judge Wallace was counsel at the law firm of Stutman, Treister & Glatt, P.C. He has worked on medium to large-size corporate and partnership Chapter 11 reorganizations. From 1979 to 1991, Judge Wallace was a shareholder at the Phoenix law firm of Osborn, Maledon, P.A., where he practiced tax and corporate law, and was the firm's principal tax lawyer.

Judge Wallace is a member of the Board of Directors of the Los Angeles Bankruptcy Forum and has served as its liaison to the Pro Bono Bankruptcy Subcommittee since 2006. He also served as a director on the Board of Directors of Public Counsel from 2006 to 2009, and as chair from 2005 to 2007 of the Bankruptcy and Workouts Committee, an organization in which he was a founding member.

A native of East Brunswick, New Jersey, Judge Wallace received his A.B. degree from Princeton University, where he graduated summa cum laude and Phi Beta Kappa. He received his J.D. in 1977 from Columbia University, School of Law, where he was the *Notes and Comments Editor* of the Columbia Law Review and a Harlan Fiske Stone Scholar.

## The Honorable Scott C. Clarkson

Prior to his appointment to the bench, Judge Clarkson was the managing attorney of Clarkson, Gore & Marsella, APLC, in Torrance, California. He has been a practicing attorney for over 28 years. As a former Legislative Assistant to a U.S. Congressman from 1977 through 1982, assigned to the House of Representatives' Judiciary Committee, he was a direct observer and participant in the creation of the 1978 Bankruptcy Code in the U.S. House of Representatives. Since 1989, he has practiced in California at all levels of bankruptcy law, including working with individuals and public and private corporations in chapters 7 and 11. Judge Clarkson has also practiced as a litigator, who was significantly involved in both the prosecution and defense of preference and fraudulent avoidance actions, and many types of recovery actions.

Judge Clarkson is a longtime member of the Los Angeles County Bar Association. He served on its Bankruptcy Committee, as chair from 2004 to 2006, and its Commercial Law and Bankruptcy Section, as chair from 2008 to 2009. Judge Clarkson was also a member of the Bar Advisory Board Committee of the U.S. Bankruptcy Court for the Central District of California.

A native of Houston, Texas, Judge Clarkson received his B.A. from Indiana University in 1979 and his J.D. from George Mason University School of Law in 1982.

## The Honorable Wayne E. Johnson

Prior to his appointment to the bench, Judge Johnson was, the founder of the Law Office of Wayne Johnson in Redlands specializing in business and consumer bankruptcy cases. He has worked as a bankruptcy attorney in the Commerce and Finance Group of Brobeck, Phleger & Harrison, LLP, in Los Angeles from 1996 to 2003, and at Lewis, D'Amato, Brisbois & Bisgaard, LLP, in Los Angeles from 1994 to 1996. He also served as a law clerk for the Honorable David N. Naugle, retired bankruptcy judge for the Central District of California.

Judge Johnson was an adjunct professor of law at Trinity Law School in Santa Ana from 1999 to 2001, where he taught "Bankruptcy and Creditors Rights" and "Ethics and the Profession." He

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has published numerous articles on bankruptcy matters and actively served in the LA County Bar Association. He served as the president and a board member of the Inland Empire Bankruptcy Forum; as the education co-chair of the California Bankruptcy Forum; and is a member of the American Bankruptcy Institute.

A native of Pasadena, California, Judge Johnson received his B.A. in 1989 from Cornell University, where he graduated magna cum laude. He received his J.D. from the University of Pennsylvania Law School in 1992.

## Court Begins Providing Information to the Public Through Twitter

It's official. The U.S. Bankruptcy Court for the Central District of California is now on Twitter! The Court is using Twitter, a free online service, to post messages (tweets) on topics and announcements of interest such as Public Notices, General Orders, Opinions, estate sales, statistics, Court closures, and the availability of Court publications.

Those who have a Twitter account can follow the Court @cacbnews. Those without an account can still access our Twitter postings by going to <http://twitter.com/cacbnews> or by clicking on the Twitter link located on the left side of the Court's web page.

For more information about Twitter, or to sign-up for a free account, go to <http://twitter.com/>.

## Judge Kathleen Thompson Becomes a Recalled Bankruptcy Judge

Judge Kathleen Thompson's status as an active Bankruptcy Judge was converted to a Recalled Bankruptcy Judge in January. She will continue to maintain chambers in the San Fernando Valley Division and assist with the San Fernando Valley Division's caseload. All pending bankruptcy cases and related adversary proceedings in the San Fernando Division assigned to Judge Thompson were reassigned to Judge Kaufman.

## CM/ECF Tips

### Running Judge/Trustee/341(a) Meeting Assignment

Attorneys who file petitions electronically are required to upload the creditors and run the Judge/Trustee/341(a) Meeting Assignment. Doing so not only ensures notices are sent out timely, but also decreases processing time.

If you do not, the Court will automatically run the Judge/Trustee/341(a) Meeting Assignment to all cases where creditors have been uploaded. However, this will make it unlikely for two or more chapter 7 cases filed concurrently to obtain the same trustee and 341(a) meeting assignments. If you try to run the Judge/Trustee/341(a) Meeting assignment after the Court, you may be presented with an error message. Please review your cases for a Judge/Trustee/341(a) Meeting Assignment before contacting the ECF Help Desk.

## Filing Statistics

### Central District of California - Percent Increase in Filings

January - February 2010 to January - February 2011\*

<b>6.6% ↑</b>	<b>-2.5% ↓</b>	<b>36.5% ↑</b>	<b>13.0% ↑</b>
2011: 15,812	2011: 192	2011: 5,635	2011: 21,639
2010: 14,831	2010: 197	2010: 4,127	2010: 19,155
Chapter 7	Chapter 11	Chapter 13	Total

### National - Percent Increase in Filings

12 Mo. Period Ending December 30, 2010 to Same Period Ending December 31, 2009

<b>8.4% ↑</b>	<b>-9.7% ↓</b>	<b>7.9% ↑</b>	<b>8.1% ↑</b>
2010: 1,139,601	2010: 13,713	2010: 438,913	2010: 1,593,081
2009: 1,050,832	2009: 15,189	2009: 406,962	2009: 1,473,675
Chapter 7	Chapter 11	Chapter 13	Total

\*Based on estimated filing data for February 2011.

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

### Krystal Air

SV-10-23983-MT, Chapter 11, Filed 11/2/10, Assets \$1-10 million and Liabilities \$10-50 million. Disclosure Statement and Chapter 11 Plan filed 2/8/2011. Hearing for Motion for Relief from Automatic Stay on 3/3/2011 @ 1:30PM. Order approving application to employ Stephen J. Coonan as Aircraft Valuation Expert signed 2/23/2011

### Loan Exchange Group, a CA General Par, a Partnership

SV-10-23699-MT, Chapter 11, Filed 10/28/10, Assets \$10-50 million and Liabilities \$1-10 million. Motion by debtor to dismiss filed on 2/2/2011. Hearing on Motion to Dismiss set for 2/24/2011.

### AVP Pro Beach Volleyball Tour, Inc.

LA-10-56761-BB, Chapter 11, Filed 10/29/10. Assets between \$100,001-\$500,000 and Liabilities between \$1-\$10 million. Scheduling Order entered on 1/4/2011 setting 3/1/2011 as the last day to file the Proof of Claims. The Status Conference Hearing is continued to 3/23/2011.

### WestCliff Medical Laboratories, Inc./BioLabs, Inc.

SA-10-16743-TA, SA-10-16746-TA, Chapter 11, Filed 5/19/10. Assets and Liabilities between \$50-\$100 million. Order Granting Debtor's Motion to Extend Exclusivity Period for Filing a Chapter 11 Plan to 3/15/2011 was entered on 2/22/2011.

### Ocean Parks Hotels - TOY LLC/Ocean Park Hotels - TOP LLC

SV-10-15358-GM, SV-10-15359-GM, Chapter 11, Filed 5/6/10. Assets and Liabilities between \$10-\$50 million. Objection to Confirmation of Plan filed on 2/3/2011 and 2/4/2011.

### Bander Law Firm, LLP

LA-10-15066-AA, Chapter 7, Filed 2/12/10. Assets between \$1-100 million and Liabilities between \$500,001-\$1 million. Order entered on 10/19/2010 granting the trustee's application to employ LC Financial as collection representative.

### The Walking Company

ND-09-15138-RR, Chapter 11, Filed 12/7/09. Assets over \$100 million and Liabilities between \$1-100 million. Case closed 12/28/2010.

### Downey Regional Medical Center-Hospital Inc.

LA-09-34714-BB, Chapter 11, Filed 9/14/09. Assets over \$100 million and Liabilities between \$1-100 million. Monthly operating report filed by debtor on 2/22/2011.

### IM Stopping Power GmbH

SV-09-21491-MT, Chapter 15, Filed 9/1/09. Assets between \$50,000-100,000 and Liabilities between \$1-100 million. No new information to report.

### Lenny Kyle Dykstra

SV-09-18409-GM, Chapter 11, Filed 7/7/09. Assets between \$0-50,000 and Liabilities between \$1-100 million. Order granting Application for Compensation for Victor A Sahn signed 12/26/2010. Order approving the nunc pro tunc substantive consolidation of the debtor's estate with non-debtor alter ego entities signed 12/29/2010. Order Authorizing Chapter 7 Trustee to retain Crowe Horwath LLP as accountants signed 1/5/2011. Order granting (in part) Chapter 7 Trustee's Motion Objecting to debtor's claimed Homestead and claimed exemptions in household goods and furnishings signed 2/24/2011.

### PPA Holdings, LLC

SA-09-16353-ES (LEAD of 22), Chapter 11, Filed 6/26/09. Assets and Liabilities over \$100 million. Hearings on Fee Applications suspended until such time as Trustee Notices hearing on Fee Applications. Order Denying Motion for Reconsideration of Court's Order Dated 9/13/2010 Converting Cases to Chapter 7.

### Z Gallerie

LA-09-18400-VZ, Chapter 11, Filed 4/10/09. Assets and Liabilities between \$1-100 million. Order entered on 9/27/10 by the reorganized debtor for entry of final decree closing case and order discharging Omni Management Group, LLC as agent for the Clerk.

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

SV-09-13964-GM, SV-09-13965-GM, Chapter 11, Filed 4/7/09. Assets and Liabilities between \$1-100 million. Order approving Stipulation Extending Statue of Limitations Applicable to Actions by the debtor's estates against the debtor's non-debtor affiliates and Andrew A Wiederhom signed 2/11/2011. Order approving Application of debtors and debtors in possessions to employ GlassRatner Advisory & Capital Group LLC as Financial Advisors to the debtors signed on 2/17/2011. Motion for Relief from Automatic Stay signed 2/24/2011.

### Crystal Cathedral Ministries, a California non-profit corporation

SA-10-24771-RK, Chapter 11, Filed 10/18/10. Assets and Liabilities \$50-\$100 million. Status Conference hearing continued to 5/25/2011 @ 11:30AM.

### Toni Braxton

LA-10-51909-BR, Chapter 7, Filed 9/30/10. Assets between \$1-10 million and Liabilities between \$10-50 million. Order entered on 2/14/2011 approving stipulation between Chater 7 trustee and debtor to extend time to object to exemptions.

### Liberty Entertainment, Inc.

LA-10-51881-ER, Chapter 7, Filed 8/30/10. Assets between \$500,000 to \$1 million and Liabilities between \$1-10 million. Order entered on 1/26/2011 that this case shall be jointly administered with case #2:10-bk-51909-BR, Toni Braxton.

### Garden Grove Dermatology Center Inc.

SA-10-19195-ES (Lead of 6 Cases), Chapter 11, Filed 7/06/10. Assets between \$500,00 to \$1 million and Liabilities between \$1- \$10 million. Status Conference hearing continued to 5/12/2011 @ 10:30AM.

### Children's Museum of Los Angeles

SV-09-14446-GM, Chapter 7, Filed 4/17/09. Assets between \$10 to \$50 million and Liabilities between \$1-10 million. No new information to report.

### The Pasadena Playhouse State Theatre of California, Inc.

LA10-28586-TD, Chapter 11, Filed 5/10/10. Assets between \$100,001 to \$500,000 and Liabilities between \$1-10 million. Second Post-Confirmation Status Report filed on 1/12/2011.

### Meruelo Maddux Properties Inc. a DE Corp

SV09-13356-KT (Lead of 2), Chapter 11, Filed 3/27/09. Assets between \$500 to \$1 Billion and Liabilities between \$100-\$500 million. Order granting in part, denying in part Motion for Relief from the Automatic Stay signed 12/29/2010. Order granting Stipulation to Withdraw Motion for Relief for an Order Disallowing Claim # 9 signed 1/14/2011. Modified Chapter 11 Plan filed 1/14/2011. Adversary 1:11-ap-01051 filed by Asha Abdella on 1/3/2011. Notice of Continuance of hearing on Motion to Modify the Clarlestown Plan to 3/7/2011 @ 9:30AM.

\*Based on a combination of asset and liability levels, number of creditors, high activity, and/or name recognition.