

## 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.

Please call (213) 894-1296 or email us at John\_Kohler@cacb.uscourts.gov.

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## Sandra R. Klein Sworn In as Bankruptcy Judge

The Central District is pleased to welcome Judge Sandra R. Klein to the U.S. Bankruptcy Court for the Central District of California. Judge Klein was sworn in by Chief Judge Peter H. Carroll on April 22, 2011, and maintains chambers in the Los Angeles Division. She began receiving new cases as of April 25, 2011.

Approximately 30 guests attended the oath of office, including Judges Vincent P. Zurzolo, Thomas B. Donovan, Deborah J. Saltzman, Scott C. Clarkson, and Judge Klein's husband and mother.



Prior to her appointment to the bench, Judge Klein was the Acting Chief of the Criminal Enforcement Unit of the Department of Justice, U.S. Trustee Program. She previously served in the program as a bankruptcy fraud criminal coordinator from 2003 to 2009. Judge Klein worked as a special assistant U.S. Attorney in the Central District of California from 1997 to 2003. She also clerked for District Judge Lourdes G. Baird of the Central District of California from 1992 to 1994 and Circuit Judge Arthur L. Alarcon of the U.S. Court of Appeals of the Ninth Circuit from 1994 to 1995. In addition to her public sector experience, she was a litigation associate at the law firm of O'Melveny & Myers, LLP from 1995 to 1997.

Judge Klein has also been heavily involved in teaching and mentoring. She was a part-time adjunct professor at Loyola Law School in Los Angeles in 2003, 2005, and 2006, where she taught a course designed to emphasize ethical issues in law and business. She was co-chair of the Law Student Mentoring Committee, Women Lawyers Association of Los Angeles from 2004 to 2005. Additionally, she served as a volunteer instructor for the National Institute of Trial Advocacy, an organization that trains and guides lawyers to be competent and ethical advocates.

A native of Boston, Massachusetts, Judge Klein received her undergraduate degree from the University of Massachusetts in 1982, her J.D. from Loyola Law School in 1992, and her MBA from the UCLA Anderson School of Management in 2009.

## "Raising the Bar on Bankruptcy" Training Series Provides New Perspectives on Bankruptcy

The Court and the Bar have partnered together to launch a year-long training initiative for Court staff, titled "Raising the Bar on Bankruptcy." Each month, in-depth presentations on bankruptcy from the unique perspective of attorneys, trustees and judges will be offered to interested court staff. The year-long curriculum was jointly developed by the Clerk's Office and members of the Los Angeles County Bar Association (LACBA), the LACBA Pro Bono Bankruptcy Subcommittee, and the Central District Consumer Bankruptcy Attorneys Association (CDCBBA).

Over the next twelve months, Court staff will have the opportunity to learn about a wide range of topics including: commencement of cases, the debtor attorney's perspective, and the role of the trustee for all bankruptcy chapters. Judge Alan M. Ahart kicked off the inaugural session on April 7, 2011, with

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

### Court Continues to Provide Information through Twitter

The U.S. Bankruptcy Court for the Central District of California now has over 200 followers on Twitter. You can view our updates even without a Twitter account. Simply go to <http://twitter.com/cacbnews>, or click on the Twitter link located on the left side of the Court's web page to access our Twitter postings.

### Save the Date

The 2011 Earle Hagen Memorial Golf Tournament benefiting the Debtor Assistance Project (DAP) of the Public Counsel Law Center will be held on Monday, September 19, 2011, at the Braemar Country Club in Tarzana, CA. To RSVP or for more information, please contact James T. King at (818) 242-1100 or via email at [king@kingobk.com](mailto:king@kingobk.com).



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an entertaining and informative presentation on the "History and Jurisdiction of Bankruptcy in the USA," attended by over 80 staff in the Roybal Federal Building. On May 13, the second session will be taught by Erik Clark of Borowitz & Clark and Dennis McGoldrick of the Law Office of Dennis McGoldrick, specifically focusing on Chapter 7 bankruptcy from the debtor attorney's perspective. The session will be held in Roybal and broadcast live via video to all divisional offices.

The Court wishes to extend its sincere appreciation to the local Bar for their assistance in providing valuable training for Court staff and offers special thanks to the Raising the Bar training committee members who collaborated with the Court to develop the curriculum: Brian Holman, Keith Higginbotham, Karen Rinehart, Jason Wallach, Howard Camhi, Bernard Given, Marisa Hawkins, and Jerry Namba.

## Judges' Night Dinner Held in Costa Mesa

On March 1, 2011, the Orange County Bankruptcy Forum (OCBF) hosted a Judges' Night dinner titled "True 'Writ' or Best Practices Before our Bankruptcy Courts" at the Westin Hotel in Costa Mesa. Judges from throughout the Central District of California, along with 150 members of the legal community, attended the event.

OCBF board member and attorney Jess Bressi of Luce, Forward, Hamilton & Cripps, LLP moderated the panel consisting of Chief Judge Peter H. Carroll, Judges Erithe E. Smith, Theodor C. Albert, Robert Kwan, Catherine E. Bauer, Deborah J. Saltzman, Mark S. Wallace, Scott C. Clarkson, and Wayne Johnson. The judges spoke on a variety of topics including brief writing, *ex parte* communications, orders, LOU, fee application preferences, and judicial preferences. Attendees were provided written materials with the judges' court procedures so that they can determine the judges' preferences and improve oral and written advocacy. The judges also answered a wide array of pre-submitted questions.

The attendees gave the event a ranking of 5 out of 5 on overall teaching effectiveness, effectiveness of teaching methods, and significant current intellectual and practical content. Many participants even commented that it was the best judges' night they have ever attended.

## Federal Bar Association Presents "State of the Circuit/District" Luncheon

On March 10, 2011, the Federal Bar Association Los Angeles Chapter presented the "State of the Circuit/District" luncheon at the Kyoto Grand Hotel in downtown Los Angeles. The annual event featured Chief Circuit Judge Alex Kozinski, Chief District Judge Audrey B. Collins, and Chief Bankruptcy Judge Peter H. Carroll.

Approximately 200 judges, attorneys, and law clerks attended the event moderated by Federal Bar Association President Mary Carter Andrus. During the luncheon, each of the three chief judges discussed the current state of their court, filing statistics, newly appointed judges, and court programs. Chief Judge Carroll also promoted the Central District's Twitter account as the Court's newest method of disseminating information to the public.

## Judge Alan M. Ahart Relocates to San Fernando Valley Division

On May 2, 2011, Judge Alan M. Ahart will officially relocate from the Los Angeles Division to the San Fernando Valley Division.

Some of Judge Ahart's Los Angeles Division bankruptcy cases and adversary proceedings will be transferred to the San Fernando Valley Division and assigned new San Fernando Valley Division case numbers. All parties in these matters will be sent notices with the new case numbers. Papers filed in Judge Ahart's San Fernando Valley Division cases must be filed either electronically, or, for filers not registered to use CM/ECF, at the Intake Section of the San Fernando Valley Division. All judge's copies for Judge Ahart must be served at his San Fernando Valley Division.

For a listing of bankruptcy cases and adversary proceedings retained by Judge Ahart and for appropriate contact information, please refer to Public Notice 11-008

# 8th Annual Run for Justice

The 8th Annual "Run for Justice" was held on Saturday, March 19, 2011, at Dodger Stadium. More than 400 individuals participated in this year's event, along with law firms, corporations, government agencies, and non-profit organizations. Judge Maureen A. Tighe ran the race and represented the U.S. Bankruptcy Court.

The event raised over \$68,000 for the Public Counsel Law Center, one of the nation's largest not-for-profit law firms. Public Counsel is responsible for the operation of the Los Angeles Self-Help Desk and is instrumental in providing assistance to debtors on reaffirmation agreements, non-dischargeability actions and other self-help projects. For more information on Public Counsel, please visit their website at [www.publiccounsel.org](http://www.publiccounsel.org).

# Imposition of Sanctions Against Suspended/Disbarred Attorneys

On April 4, 2011, the Court began to impose monetary sanctions on attorneys who file documents at the Court despite having been prohibited from doing so by either the Bankruptcy Court or District Court for the Central District of California, or attorneys who have been suspended or disbarred from practice of law by the California State Bar. Separate sanctions are now imposed on each document filed by a suspended or disbarred attorney. Please see Public Notice 11-006 for more information.

# Fee Installments/Waiver Instructions and Application Package Updated

The following important changes have been made to the Court's Fee Installments and Fee Waiver Instructions and Applications package:

- 2011 poverty guidelines have been included;
- The instructions and application package for fee installment and waiver are now available on the Court's website under *Petition Forms*;
- National fillable forms have been included.

For updated fee installment and waiver instructions and application package, please visit the Court's website under *Forms/Rules/General Orders > Petition Forms*.

## CM/ECF Tips

### Certificate of Credit Counseling

When filing a petition, the Certificate of Credit Counseling must be filed as a separate event code. If the certificate is not filed as a separate event code, it will be flagged as deficient and the case will not be discharged. In a joint petition, two certificates may be filed under one event code. However, the certificates still need to be filed separately from the bankruptcy petition itself.

### Declaration of Attorney Re: Limited Scope of Appearance

If the Declaration of Attorney Re: Limited Scope of Appearance is deficient when a petition is filed, please select *Declaration of Attorney* as the missing document. DO NOT select the *Attorney Disclosure*, as the two are not the same documents.

## Filing Statistics

Central District of California - Percent Increase in Filings  
January - April 2011\* to January - April 2010

<b>1.0%</b> ↑	<b>6.2%</b> ↑	<b>29.7%</b> ↑	<b>7.0%</b> ↑
2011: 35,367 2010: 35,009 Chapter 7	2011: 421 2010: 396 Chapter 11	2011: 12,109 2010: 9,337 Chapter 13	2011: 47,896 2010: 44,742 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 2009: 1,050,832 Chapter 7	2010: 13,713 2009: 15,189 Chapter 11	2010: 438,913 2009: 406,962 Chapter 13	2010: 1,593,081 2009: 1,473,675 Total

\*Based on estimated filing data for April 2011.

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

### **Verdugo Mental Health**

LA-11-22739-PC, Chapter 11, Filed 03/25/11, Assets \$1-10 million and Liabilities \$1-10 million. Notice of filing debtor's schedules and statement of financial affairs filed on 4/8/11.

### **Rio Rancho Super Mall LLC**

RS-11-16835-CB, Chapter 11, Filed 03/02/11, Assets \$10-50 million and Liabilities \$10-50 million. Order (1) scheduling hearing and case management conference and (2) requiring status report set for 5/3/11. Order granting application to employ Lee and Kent as counsel for the debtor signed 4/1/11. Order entered 4/8/11, granting final approval for interim limited use of cash collateral. Application to employ Kim and Assoc., as accountants for debtor filed 4/7/11.

### **Great East Land Hotel Group, Inc. dba La Quinta Inn Suites Eastland, TX**

SV-11-12415-VK, Chapter 11, Filed 02/25/11, Assets \$1-10 million and Liabilities \$1-10 million. 341(a) mtg set for 4/5/2011 @ 10:00 AM. Application to Employ Michael H. Raichelson as attorney filed on 3/18/2011.

### **HomeSuites, LLC**

ND-11-10163-RR, Chapter 11, Filed 01/12/11, Assets \$1-10 million and Liabilities \$1-10 million. Motion to use cash collateral hearing set for 4/28/11; Monthly Operation Report for month ending March 31 filed 4/22/11.

### **Sexy Hair Concepts, LLC**

SV-10-25922-GM, Chapter 11, Filed 12/21/10, Assets \$50-100 million and Liabilities \$50-100 million. Transcript re: Hearing Held 3/3/11 filed on 3/23/11. Amendment to Schedule F filed 4/1/11.

### **Krystal Air**

SV-10-23983-MT, Chapter 11, Filed 11/2/10, Assets \$1-10 million and Liabilities \$10-50 million. Order Granting Continuance of Motion for Relief from Stay Hearing to 4/8/2011 @ 11:00 AM

### **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. Order Dismissing Case and Directing Debtor to pay Quarterly Fees to the OUST with interest, signed on 3/24/2011.

### **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. Debtors and debtors In Possession's motion filed on 4/13/11 for order substantively consolidating Chapter 11 Estate of AVP, Inc with Chapter 11 Estate of AVP Pro Beach Volleyball Tour, Inc.

### **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 re: Stipulation re: pre-petition claims of Garvey Schubert Barer; It is ordered that the Scheduled Claim is hereby disallowed in its entirety signed 3/21/11; Order Granting Debtors' Motion to Extend Exclusivity Period to and including June 13, 2011 to the plan; and Exclusivity Periods to obtain acceptance of plans is extended to and including to August 12, 2011 3/31/11; Order Re: Amended Stipulation Resolving Motion of Roche Diagnostics Corporation for Entry of An Order Allowing and Directing Payment of an Administrative Expenses Doc # 412, signed 4/12/11

### **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. Order Granting Order Confirming Chapter 11 Plan, signed on 3/21/11.

### **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.

### **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. Order entered on 4/14/11 granting debtor's motion to disallow claim No. 839 filed by London and Paci Capital Advisors, LLC.

### **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. Status Report re: Foreign Bankruptcy Proceeding filed 03/24/11.

### **Lenny Kyle Dykstra**

SV-09-18409-GM, Chapter 11, Filed 7/7/09. Assets between \$0-50,000 and Liabilities between \$1-100 million. Notice of Change of Address for Attorney for Trustee David K. Gottlieb filed on 2/28/2011.

### **PPA Holdings, LLC**

SA-09-16353-ES (LEAD of 22), Chapter 11, Filed 6/26/09. Assets and Liabilities over \$100 million. Order Granting Motion for Relief from Automatic Stay ACTION IN NON-BANKRUPTCY, Doc # 1140 Signed on 4/12/2011; Motion Notice of Motion for Approval of Cash Disbursements by the Trustee Thomas H Casey; hearing requested entered 04/07/2011.

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

LA-10-24771-RK, Chapter 11, Filed 10/18/10. Assets and Liabilities \$50-\$100 million. Appeal filed with District court on Calif. Edison Co 3/2/11; Joint/Joinder of Official Committee of Unsecured Creditors in Debtor's Limited Opposition to Professional Fee Statement filed 4/1/11; Order Granting Motion to Approve Stipulation for: (1) Adequate Protection Payments to Farmers & Merchants Bank of Long Beach; and (2) Limited Relief From The Automatic Stay filed 4/1/11; Order Approving Stipulation Resolving Notice of Setting/Increasing Insider Compensation for William Gaultiere signed 4/4/11; Transfer of claim transfer agreement 3001 filed 4/11&12/11.

### **Toni Braxton**

LA-10-51909-BR, Chapter 7, Filed 9/30/10. Assets between \$1-10 million and Liabilities between \$10-50 million. Stipulation between Chapter 7 trustee and debtor Toni Braxton to further extend time to object to exemptions filed on 4/13/11.

### **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. Amended statement of financial affairs filed by debtor on 1/26/11.

### **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. Order On Stipulation Continuing Hearing on Debtor's Motion For Contempt To Find Creditor United Healthcare Services and its Counsel, Bryan S Westerfeld of Waraven & Lehman LLP in Contempt signed on 4/5/2011. Continued to May 5, 2011 at 10:30 a.m. Ctrm 5A entered: 04/05/2011; Order Authorizing Use Cash Collateral Through and Including January 14, 2011 signed on 4/8/2011.

### **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. Third post-conformation status report filed on 4/12/11.

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