



# COURT NEWS

Chief Judge Vincent P. Zurzolo

2007

Jon D. Ceretto, Executive Officer/Clerk

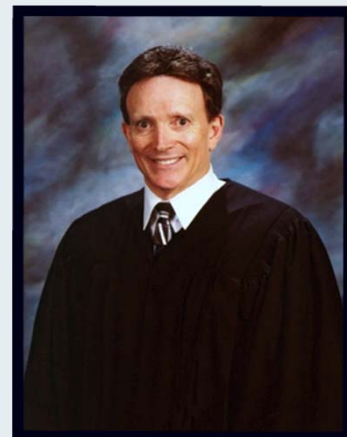
## JUDGE P. ZURZOLO COMMENCES TERM AS CHIEF BANKRUPTCY JUDGE



Chief Judge Vincent P. Zurzolo

Judge Vincent P. Zurzolo began serving his four-year term as Chief Judge of the Bankruptcy Court for the Central District of California on January 2, 2007. In a recent interview, Judge Zurzolo said that he sees his new role as "Chief Judge of the whole district, not just Los Angeles" inasmuch as he hopes to collaborate and share ideas amongst all five divisions. He also plans to continue his involvement with the Debtor Assistance Project, and in the development of chapter 11 case management procedures. Judge Zurzolo was originally appointed to the bankruptcy bench in 1988, six years after graduating with a law degree from the University of California at Davis.

Judge Russell's four-year term as Chief Judge ended on December 31, 2006. During his term as Chief Judge, Judge Russell oversaw the implementation of BAPCPA at the Court, and the conversion of the Court's case management system to the nationally supported CM/ECF system (the largest conversion in the nation). He also expanded the Court's Mediation Program and formed the Student Credit Education Task Force. In 2004, Judge Russell became the first bankruptcy judge to be named "Outstanding Jurist" by the Los Angeles County Bar Association. His current term as a bankruptcy judge will expire in 2014.



Judge Barry Russell

## SAVE THE DATE: PASSING OF THE GAVEL

The Passing of the Gavel ceremony, marking the change of Chief Bankruptcy Judge from Judge Russell to Judge Zurzolo, will take place on January 23 at 4:00 p.m. at the U.S. Court of Appeals in Pasadena (125 South Grand Avenue). Reserved seating in the main courtroom is by invitation only, however there is limited public seating, and all are welcome to observe by video from the overflow room or in the lobby.

For those who are unable to attend the ceremony, please join us at the reception at approximately 5:00 p.m. The reception is sponsored by contributions from: University of California at Davis School of Law, Beverly Hills Bar Association Bankruptcy Section, Central District Consumer Bankruptcy Attorneys Association, Financial Lawyers' Conference, LACBA Commercial Law & Bankruptcy Section, and Los Angeles Bankruptcy Forum.

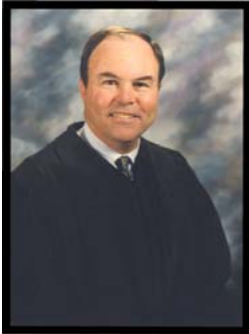
## COURT CLOSURES

Monday, January 15, 2007  
Dr. Martin Luther King, Jr. Day

Monday, February 19, 2007  
Presidents' Day

All Federal Holidays are listed in  
Public Notice 06-018

## RETIREMENT OF JUDGE JOHN E. RYAN



Judge Ryan retired from his Santa Ana Division bench on January 2, 2007 and continues to serve as a recalled bankruptcy judge through April 2, 2007. Judge Ryan served as Chair of the Legislation Implementation Task Force which coordinated the Court's effort to comply with the major change in bankruptcy law brought about by the BAPCPA. Judge Ryan is well known for presiding over the Orange County chapter 9 case as well as other notable cases, including Entertainment Specialties, Econo Lube and Tune, and Power Plant Maintenance Specialist. Judge Ryan served on the Bankruptcy Appellate Panel (BAP) for the Ninth Circuit between 1997 and 2003, including a term as presiding judge. He was a participant in the Orange County Bankruptcy Forum, who will be hosting a farewell ceremony in March.

Prior to his appointment to the bench, Judge Ryan was a partner at Jennings, Enstrand and Henrickson in San Diego, a general counsel at Altec Corp, and an associate at Hale & Dorr in Boston. Judge Ryan was a Naval Aviator during the Vietnam conflict. He is a graduate of Georgetown University School of Law and the Naval Academy. He will be succeeded by Assistant US Attorney Robert N. Kwan.

### ECF TRAINING CLASSES

Since ECF became available to registered attorneys in mid-August 2006, ECF has accepted more than 1,000 chapter 7 petitions, 250 chapter 13 petitions, 27,000 pleadings and 2,400 claims. The majority of the high volume filing attorneys practicing in our district have now received ECF training. In the new year, the Court will continue to hold ECF classes. Please check the Court's web site, under *Electronic Services > CM/ECF > Registration/Training* for up-to-date information on scheduled ECF classes, and to register online for ECF training.

Pursuant to General Order 06-03, all attorneys and trustees practicing in the United States Bankruptcy Court for the Central District of California will soon be required to file documents electronically using the CM/ECF system. Furthermore, all attorneys and trustees are required to attend training and complete the required homework to be issued a CM/ECF username, login, and password. So be sure to take advantage of these training classes if you have not already done so.

### NEW REAFFIRMATION AGREEMENT FORM

Effective January 2, 2007, the national Reaffirmation Agreement form (Form 240A) replaced Local Bankruptcy Rule form F 4008-1.1, which has been discontinued (see Public Notice 06-019). The Board of Judges approved this form for mandatory use. The new Reaffirmation Agreement form is available in fillable format on the Court's web site under *Court Forms*.

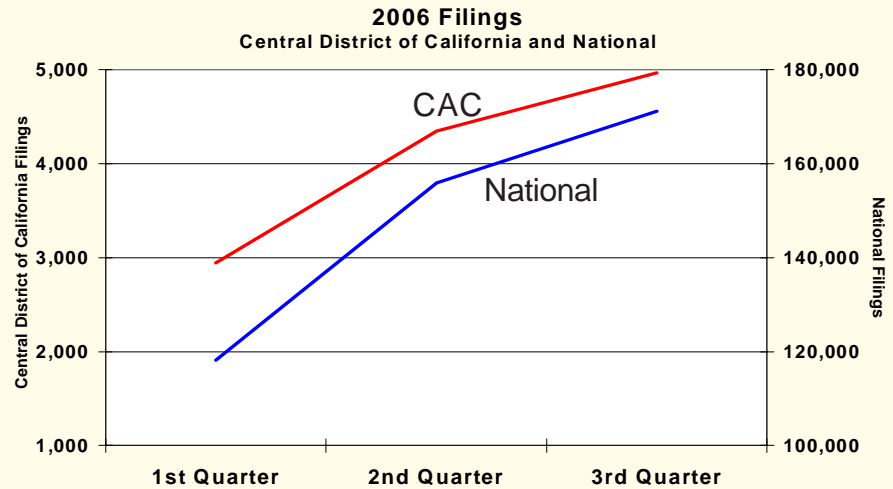
### CHANGES TO BANKRUPTCY FEES

The Judicial Conference has approved changes to the Bankruptcy Court Miscellaneous Fee Schedule effective January 1, 2007. The fees are as follows and can be found in Public Notice 06-020 on the Court's website ([www.cacb.uscourts.gov](http://www.cacb.uscourts.gov)).

Fee Item	Prior Fee	Fee Effective 1/1/07
<b>Case Reopening</b>		
Chapter 7	\$220	\$260
Chapter 13	\$150	\$235
<b>Case Conversions</b>		
Chapter 12 to Chapter 7	\$15	\$60
Chapter 12 to Chapter 13	None	\$35
Chapter 13 to Chapter 7	\$15	\$25
<b>Appeals</b>		
Authorization of Direct Appeal or Cross Appeal from Bankruptcy Court to Court of Appeals	None	\$200*
<b>Splitting a Joint Bankruptcy Case</b>		
Chapter 7	\$220	\$260
Chapter 13	\$150	\$235
*This new \$200 fee is payable to the Bankruptcy Court if the Court of Appeals authorizes a direct appeal or direct cross appeal.		

## BANKRUPTCY FILINGS CONTINUE TO INCREASE

The number of bankruptcy cases filed in the district and nationally have steadily increased from the low volume of filings in late 2005 that followed the historic surge in pre-BAPCPA filings. In 2006, the Central District of California received an increasing number of bankruptcy petitions in every quarter of 2006. Over the last 10 weeks, the Central District has seen an average 4.4% increase in filings from week to week. Approximately 1,942 cases were filed at the Court during December 2006, for an estimated total of nearly 18,000 filings for the year.



## FILING STATISTICS

	2006	2005	% Change
<b>Central District of CA</b>	<b>ANNUAL ESTIMATE</b>	<b>TOTAL</b>	<b>06 vs 05</b>
Chapter 7	14,288	79,948	-82.3%
Chapter 11	242	268	-10.1%
Chapter 13	3,333	4,028	-17.8%
<b>Total *</b>	<b>17,863</b>	<b>82,244</b>	<b>-78.9%</b>
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	12-Month Period Ending 9/30/06	12-Month Period Ending 9/30/05	% Change
<b>Nationally</b>			
Chapter 7	833,147	1,346,201	-38.1%
Chapter 11	6,003	6,637	-9.6%
Chapter 13	272,937	429,316	-36.4%
<b>Total *</b>	<b>1,112,087</b>	<b>1,782,154</b>	<b>-37.6%</b>

\*Excludes Chapter 9, Chapter 12, Chapter 15 and Section 304 filings.

**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
Queen's Seaport Development, Inc.	LA-05-15175-VZ	03/16/05	11	\$47	\$29	Trustee's second case status report filed on 12/15/06.
Tradex LTD	LA-05-20537-RN	05/10/05	Sect 304	Over \$100	Over \$100	Status conference rescheduled to 6/21/07.
WattsHealth Foundation, Inc., dba UHP Healthcare	LA-05-22627-TD	05/31/05	11	\$55	\$45	Order granting Fourth Interim Fee Application entered on 12/15/06.
APX Holdings, LLC	LA-06-10875-EC	03/16/06	7	Over \$100	Over \$100	Case was converted to chapter 7 on 9/21/06. Order allowing Star Leasing's Administrative Priority Claim entered on 12/14/06.
Marion Knight, aka Suge Knight	LA-06-11187-EC	04/04/06	11	\$4	\$137	Status conference continued to 1/17/07.
Death Row Records, Inc	LA-06-11205-EC	04/04/06	11	undetermined	\$111	Order granting motion for 2004 examination of Vivienne Austin entered on 12/13/06.
Los Osos Community Services District	ND-06-10548-RR	08/25/06	9	\$1-10	Less than \$1	Hearing set for 1/23/07 for Motion for Relief from Stay. Three pending complaints with Status Conferences set for 1/9/07 at 11:00 a.m.
Santa Barbara Beach Holding, LLC	ND-06-10887-RR	11/22/06	11	\$54	Over \$75	Order for sale of real property filed on 12/15/06.
Rancho Las Flores Development	RS-05-12224-MG	03/11/05	11	\$11	\$8	Order confirming chapter 11 plan entered 12/6/06.
GSM Wireless	SA-05-13514-JR	05/19/05	11	\$10-50	\$10-50	Notice of referral of appeal to US District Court filed on 12/21/06.
Trigem America Corp.	SA-05-13972-TA	06/03/05	11	Over \$100	Over \$100	Motion to compel hearing scheduled for 1/10/07 at 10 a.m.
Trigem Texas Inc.	SA-05-14047-TA	06/08/05	11	Over \$100	Over \$100	Effective date of liquidation plan is 11/13/06. Hearing for fee applications scheduled for 1/24/07 at 10 a.m.
Window Rock Entertainment, dba Cortislim	SA-05-50048-JR	11/23/05	11	\$18.40	\$162	Order confirming 3rd amended plan entered on 8/29/2006.
Ownit Mortgage Solutions, Inc.	SV-06-12579-KT	12/28/06	11	\$1-10	Over \$100	New Filing
Jill Kelly Productions, Inc.	SV-05-15389-KT	08/08/05	11	\$1-10	\$1-10	Order stipulating transition of royalty payments approved on 12/18/06. Hearing for 2nd interim fee application scheduled for 1/30/07 at 2 p.m.
Persistence Capital, LLC	SV-05-16450-KT	09/13/05	11	\$85	\$29	341(a) Meeting rescheduled to 1/10/07 at 10 a.m.
10000 Millenium Plaza LLC	SV-05-50021-GM	10/26/05	11	\$50-100	\$30	Order confirming 3rd amended liquidation plan filed on 12/15/06.
Robert Blake, aka Michael J Gubitosi	SV-06-10125-GM	02/03/06	11	\$0.50	\$50-100	Order for examination of financial documents filed on 9/21/06.
PureBeauty, Inc.	SV-06-10545-KT	04/18/06	11	\$10-50	\$50	Order granting motion to strike proof of claim filed on 12/21/06. Hearing to extend exclusivity period scheduled for 1/23/07 at 10 a.m.
Bodies in Motion, Inc.	SV-06-10931-GM	06/20/06	11	\$10-50	\$50	Status conference continued to 1/05/07 at 9 a.m. Employee claims bar date is 1/15/07.

\*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.

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Suggestions and comments are always welcome.  
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