



COURT NEWS



Chief Judge Vincent P. Zurzolo

2008

Jon D. Ceretto, Executive Officer/Clerk

JUDGE NAUGLE RETIRES WITH 32 YEARS OF SERVICE

On September 1, 2008, the Honorable David N. Naugle retired with 32 years of service on the bankruptcy bench in the Central District of California. First appointed on March 1, 1976, Judge Naugle's most recent reappointment in 2000 had extended his 14-year term until 2014.

A ceremony to honor Judge Naugle in his retirement from the Court was held at the Riverside Division on August 28. Chief Judge Stotler of District Court and our own Chief Judge Zurzolo welcomed those in attendance. Remarks were provided by Arturo M. Cisneros, Esquire, of the Inland Empire Bankruptcy Forum, Mark C. Schnitzer, Esquire, of the Federal Bar Association, Wayne Johnson, former Law Clerk, Judge Mund, Judge Jury, and Judge Goldberg. A reception sponsored by the Inland Empire Bankruptcy Forum was held immediately after the ceremony in the Intake area.



From Left: Retired Judge Mitchel R. Goldberg, Judge David N. Naugle, Chief Judge Vincent P. Zurzolo

During his time on the bench, Judge Naugle has served on the Long Range/Strategic Planning Committee, the Space and Security Committee, and the Alternative Dispute Resolution (ADR) Task Force, and was a designee to the Bankruptcy Appellate Panel (BAP). In addition, Judge Naugle has taught numerous seminars at the Inland Empire Bankruptcy Forum and the Inland Empire Federal Bar Association. He is well-known for presiding over some of the Inland Empire's highest profile cases, to include Sun World, Inc., Vista Medical, Transcon Lines, and Parkview Community Hospital.

Judge Naugle's legal experience spans over 40 years, from practicing military law, business law in private practice, to presiding over bankruptcy cases and BAP hearings. Prior to his appointment to the bench, Judge Naugle was an attorney for the law firm of Moran, Nuss and Jager, emphasizing business law. He also served as a Captain in the U.S. Army's Judge Advocate General's Corps. Judge Naugle is a graduate of Stanford Law School and Stanford University.

PROPOSED AMENDMENTS TO FEDERAL RULES OF BANKRUPTCY PROCEDURE

The Judicial Conference's Advisory Committees on Bankruptcy Rules is seeking public comment on proposed rules amendments. Specifically, the committee is seeking comments on the new Bankruptcy Rule 1004.2 (requires entity filing a chapter 15 petition to state the country of the debtor's main interest, filer to list each country in which a case involving debtor is pending, and setting deadline for challenging the statement asserting the country of the debtor's main interest) and Bankruptcy Rule 5012 (establishes procedures in chapter 15 cases for obtaining approval of an agreement regarding communications and coordinating of proceedings with cases involving the debtor pending in other countries), as well as amending Bankruptcy Rules 1007, 1014, 1015, 1018, 4004, 5009, 7001, and 9001.

The full text of the proposed rules amendments and explanatory Committee Notes are set out in the Request for Comment pamphlets, which is posted at www.uscourts.gov/rules. It is also available on request from the Secretary to the Standing Committee. The comment period closes February 17, 2009.

COURT CLOSED

 **LABOR DAY, MONDAY,**
SEPTEMBER 1, 2008

COLUMBUS DAY, MONDAY,
OCTOBER 13, 2008 

REASSIGNMENT OF JUDGE NAUGLE'S BANKRUPTCY CASES AND ADVERSARY PROCEEDINGS

On September 1, 2008, the vast majority of pending bankruptcy cases and related adversary proceedings assigned to Judge David N. Naugle were reassigned to Judge Peter H. Carroll and Judge Meredith A. Jury.

For Judge Naugle's reassigned cases and adversary proceedings, the judge code following these case and proceeding numbers will be changed to reflect the new judge's initials: "PC" for Judge Carroll, "MJ" for Judge Jury.

For additional information or questions regarding the reassigned cases, please check Public Notice 08-011 for the appropriate contact number. The public notice can be found on the Court's web site www.cacb.uscourts.gov under *News/Notices/Publications > Notices > Public Notices*.

CHAPTER 13 LOCAL BANKRUPTCY RULES FORMS EFFECTIVE SEPTEMBER 1, 2008

The Central District of California recently approved new and revised mandatory Chapter 13 Local Bankruptcy Rules Forms. These local changes were announced in Public Notices 08-009. Please begin using the following revised bankruptcy rules forms F3015-1.5 and F 3015-1.6, as well as the new forms F 3015-1.11 Trustee's Comments on or Objection to Application for Supplemental Fees, F 3015-1.12 Order on Application for Supplemental Fees, F 3015-1.13 Trustee's Comments on or Objection to: Debtor's Motion to Modify Plan or Suspend Plan Payments, Debtor's Motion for Authority to Incur Debt, Debtor's Motion for Authority to Refinance Real Property Debtor's Motion for Authority to Sell Real Property, F 3015-1.14 Order on: Debtor's Motion to Modify Plan or Suspend Plan Payments, Debtor's Motion for Authority to Incur Debt, Debtor's Motion for Authority to Refinance Real Property, Debtor's Motion for Authority to Sell Real Property.

The new and revised Chapter 13 Local Bankruptcy Rules Forms are available on the Court's web site www.cacb.uscourts.gov under *Forms/Rules/General Orders*. These documents are also available in printed format, for a fee, at the Intake Section of each division.

LOS ANGELES DIVISION JUDGES TO ASSIST RIVERSIDE DIVISION

On September 1, 2008, Judge Sheri Bluebond, Judge Thomas B. Donovan, and Judge Richard M. Neiter began hearing cases for the Riverside Division. The majority of hearings for Riverside Division cases assigned to the Los Angeles judges will be held by video conference.

Parties appearing before Judge Bluebond and Judge Donovan are to appear at Riverside Division Courtroom 303, while parties for hearings before Judge Neiter are to appear at Riverside Division Courtroom 301. Judge Carroll will relocate his Riverside Division Courtroom to Courtroom 304. All matters previously set on Judge Carroll's calendar in Courtroom 303 will be heard by Judge Carroll in Courtroom 304.

Additionally, Judge Robles has discontinued hearing Riverside Division relief from stay matters for motions filed after August 29, 2008.

For additional information or questions, please check Public Notice 08-012. The public notice can be found on the Court's web site www.cacb.uscourts.gov under *News/Notices/Publications > Notices > Public Notices*.

INLAND EMPIRE BANKRUPTCY FORUM HOSTS 15TH ANNUAL CONSUMER LAW SEMINAR WITH RIVERSIDE JUDGES

The Inland Empire Bankruptcy Forum hosted its 15th Annual Consumer Law Seminar in Riverside on August 23, 2008. Judge David N. Naugle, Judge Meredith A. Jury, and Judge Peter H. Carroll served as distinguished panelist for the event. All three Judges presented a survey of recent cases affecting consumer bankruptcy practice, focusing on decisions of the United States Supreme Court, the Ninth Circuit Court of Appeals, the Bankruptcy Appellate Panel of the Ninth Circuit, and California District and Bankruptcy Courts.

Later in the event, retired Judge Mitchel R. Goldberg and the forum honored Judge Naugle for his support. Judge Naugle has frequently served as panelist and guest lecturer for the forum. Additionally, on numerous occasions he had prepared countless seminar materials.

The Inland Empire Bankruptcy Forum is a forum of lawyers and others dedicated to the study of bankruptcy and insolvency. For more information, please contact The Inland Empire Bankruptcy Forum at (951) 479-3585.

CM/ECF TIPS!

Tax Documents: When filing tax documents concurrently with the petition, do not include the tax documents with the petition PDF. File the tax documents separately with event code Tax Documents. This will protect personal identifiers as established by the Privacy Act.

Selecting the Correct Event Code: If you are unsure what event code to use when filing a document, click on the Search DocEvent feature of CM/ECF to search for the applicable event code. The Search DocEvent feature is located as a hyperlink in the CM/ECF blue menu and can be accessed after you login.

Selecting the Correct PDF: In order to ensure that the correct document is attached to your docket entry, always view the document before attaching. You can accomplish this by highlighting and right-clicking on the document selected. This will ensure that you attaching the correct PDF document.

2007 ANNUAL REPORT PUBLISHED

In July, the Central District issued its 2007 Annual Report. The annual report contain information on numerous topics, including Court appointments, judicial committees, major accomplishments, bankruptcy filing statistics, and public outreach efforts. An electronic version of the annual report is available on the Court's web site www.cacb.uscourts.gov under *News/Notices/Publications > Annual Reports*.

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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Executive Officer/Clerk

Michael E. Rotberg
Chief Deputy - Operations

Suggestions and comments are always welcome.

Please call (213) 894-1296 or e-mail us at [<John_Kohler@cacb.uscourts.gov>](mailto:John_Kohler@cacb.uscourts.gov).

FILING STATISTICS

	2008 Estimated Jan-Aug	2007 Actual Jan - Aug	Percentage Change
Central District of California			
Chapter 7	29,995	15,816	89.6%
Chapter 11	568	212	167.9%
Chapter 13	9,688	4800	101.8%
Total ¹	40,251	20,828	93.3%

	12 Month Period Ending 6/30/08	12 Month Period Ending 6/30/07	Percentage Change
Nationally			
Chapter 7	615,748	450,332	36.7%
Chapter 11	7,293	5,586	30.6%
Chapter 13	344,421	294,693	16.9%
Total ¹	967,462	750,611	28.9%

1 - Excludes Chapter 9, Chapter 12, Chapter 15, and Section 304 filings.

USBC - Central District of California

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	Milestones
Thorpe Insulation Company	LA-07-19271-BB	10/15/2007	11	Over \$100	Over \$100	Notice of motion and supplemental motion filed on 8/18/08 for leave to file confidential documents under seal.
Century City Doctors Hospital, LLC	LA-08-23318-SB	8/22/2008	7	\$10 to \$50	\$50 to \$100	Order entered on 8/22/08 granting motion for authority to operate the debtor's business, employ field representative and maintain usage of certain accounts used by the debtor prior to the petition date.
IndyMac Bancorp, Inc.	LA-08-21752-BB	7/31/2008	7	\$50 to \$100	\$100 to \$500	Declaration of attorney's limited scope of appearance filed on 8/17/08.
Solidus Networks, Inc., dba Pay by Touch	LA-07-20027-TD	10/31/2007	11	unknown	unknown	Declaration of attorney for debtor-in-possession filed on 8/18/08 re non-opposition to motion for order approving stipulation providing for limited relief from the automatic stay to Bank of America and related matters
Axiom International, Inc.	LA-08-10277-BB	1/8/2008	7	\$100 - 500	\$100 - 500	Hearing set on 9/10/08 for motion to approve compromise under rule 9019.
eStyle, Inc.	LA-08-13518-SB	3/19/2008	11	\$1 - 10	\$1 - 10	Hearing set on 9/9/08 re professionals' interim applications for compensation and reimbursement of expenses.
Alert Cellular, LC	ND-07-10918-RR	7/3/2007	11	\$1-100	\$1-100	Hearing re: (1) Third and final fee application scheduled for 10/1/08, (2) Motion for approval of Ch. 11 disclosure statement continued to 10/20/08.
Estate Financial Mortgage Fund, LLC	ND-08-11535-RR	7/1/2008	11	Over \$100	\$1	Order appointing Ch. 11 Trustee signed on 7/25/08. Application to employ Omni Management Group, LLC as Noticing, Claims and Balloting Agent for Clerk of the Bankruptcy Court filed 8/12/08. Motion to extend deadlines to file schedules or provide information filed by Trustee on 8/15/08.
Valley Health Systems, Inc.	RS-07-18293-PC	12/13/2007	9	\$100	\$100	Order setting last day to file proofs of claim entered 6/26/08. Claims due 8/25/08. Government proofs of claim due 12/23/08.
National R V Holdings, Inc	RS-07-17941-PC	11/30/2007	11	1 - 100	\$1 - 100	Hearings on second interim fee applications for the period of April 1, 2008 through July 31, 2008 set for September 30, 2008.
Great Circle Family Foods, LLC, DBA: Krispy Kreme Doughnuts	SA-07-12600-ES (LEAD of 6)	8/22/2007	11	\$1-100	\$1-100	An Order was entered on June 23, 2008 granting Motion filed by Debtor to Extend Exclusivity Period for Filing a Chapter 11 Plan; Disclosure Statement and obtain acceptances thereof. The Debtor's exclusive periods are extended to October 15, 2008 and December 16, 2008 respectively.
People's Choice Home Loan, Inc., a Wyoming corporation	SA-07-10765-RK (LEAD of 3)	3/7/2007	11	Over \$100	Over \$100	Order Confirming Committee's First Amended Liquidating Plan Under Chapter 11 of the Bankruptcy Code Dated May 28, 2008 was signed and entered on 8/6/2008. A postconfirmation status conference will be held on December 10, 2008 at 10:30 a.m.
Real Estate Partners, Inc., dba Coldwell Banker Commercial REP	SA-07-13239-TA (LEAD of 8)	10/8/2007	11	\$1 - 100	\$1 - 100	Order Granting Motion Authorizing Debtors to Enter into Certain Agreement with N-Star Real CDO IV, Ltd. and to Abandon the Estates' Indirect Interests in Certain Real Property was signed and entered on July 11, 2008.
Fremont General Corporation	SA-08-13421-ES	6/18/2008	11	Over \$100	Over \$100	(1) Motion For Order Establishing Procedures For Interim Payment Of Fees And Reimbursement Of Expenses was Filed by Debtor on August 6, 2008. Hearing set for September 2, 2008 at 10:30a.m. (2) An Order approving Information Access Protocol under Section 1102(B)(3) of the Bankruptcy Code was entered on August 14, 2008.
Shoe Pavilion, Inc.	SV-08-14939-MT	7/15/2008	11	50 - 100 Million	\$10 - 50	Order for joint administration, lead case 1:08-bk-14939-MT, member case 1:08-bk-14941-MT, signed 7/21/08. 341(a) Mtg. 9/9/08 @ 10:00 AM. Order extending time to file schedules to 8/29/08.
Ronco Corporation	SV-07-12000-GM (LEAD of 2)	6/14/2007	11	Unknown	Unknown	Hrg. On 8/20/08 @ 10:00 AM re: Motion & Notice to Authorize Trustee to Terminate 401K Plan of Ronco Corp.
Specialty International Inc.	SV-07-12715-KT	8/2/2007	11	Unknown	Unknown	Status Hearing continued to 9/16/08 @ 2:00 PM.
California TD Investments LLC	SV-07-13003-GM (LEAD of 3)	8/21/2007	11	\$13.0	\$117	Hrg for Motion for Relief from Automatic Stay filed on 9/23/08 @ 10:00 AM. Status Hearing to be held 10/7/08 @ 10:00 AM.
Quality Home Loans	SV-07-13006-GM	8/21/2007	11	\$130.0	\$177	Order granting Motion for Sale of Property on 8/5/08. Hrg. for Motion for Relief from Auto. Stay 8/26/08 @ 10:00 AM.
Care Level Management	SV-08-12913-MT (Lead of 17 jointly administered cases)	5/7/2008	11	\$4	\$11	Debtor's Change of Address filed on 7/2/08. Hrg. For 2 Motions for Relief set for 9/4/08 @ 9:30 AM.

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