

Annual Report



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INTRO D UCTION

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Executive Summary

The year 2005 was characterized by three significant events for the Court: the implementation of the historic and far-reaching *Bankruptcy Abuse Prevention and Consumer Protection Act of 2005* (BAPCPA); the record surge in filings prior to the effective date of the new law; and the major conversion of its case management and related systems - the largest such effort in the nation. The Court handled these events in an exemplary manner, despite sustaining another staffing reduction in 2005 that has reduced the Clerk's Office staff by 42% over the last five years.



Investiture Held for Judge Theodor C. Albert

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The investiture of Judge Theodor C. Albert was held on June 1, 2005, in the Edward R. Roybal Federal Building and Courthouse in Los Angeles. (See page 18)

Judge Arthur M. Greenwald Retires

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After 17 years on the bankruptcy bench and 47 years of government service, Judge Arthur M. Greenwald retired on May 31, 2005. (See page 19)

New Bankruptcy Judges Appointed

Ninth Circuit Chief Judge Mary M. Schroeder announced the appointments of Los Angeles attorneys Richard M. Neiter and Victoria S. Kaufman as bankruptcy judges for the Central District of California. Terms for both new judges commence in the first half of 2006. (See page 18)

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Judge Vincent P. Zurzolo Selected to Become Chief Bankruptcy Judge in 2007

Judge Vincent P. Zurzolo was selected by the District Court as the next Chief Bankruptcy Judge in December 2005. His four-year term as Chief Bankruptcy Judge commences January 1, 2007. (See page 19)

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BAPCPA Implementation

Judges Address *Bankruptcy Abuse Prevention and Consumer Protection Act of 2005*

Upon passage of the *Bankruptcy Abuse Prevention and Consumer Protection Act of 2005* (BAPCPA), Chief Judge Russell formed the Legislation Implementation Task Force to spearhead the Court's efforts to comply with the new law. The Task Force completed a thorough review of the BAPCPA, identifying a host of changes that were implemented prior to the effective date of this new law. The Court approved General Order 05-02, which adopted the national Interim Bankruptcy Rules and addressed inconsistencies between these Interim Rules and the Court's Local Bankruptcy Rules. The Court also introduced other BAPCPA-related policies, practices, and revisions and additions to the Local Bankruptcy Rules and forms. (See page 18)

Court Accommodates Debtors During Pre-BAPCPA Filing Surge

In response to the record number of pre-BAPCPA cases filed in the first half of October 2005, Court staff displayed unbelievable dedication and flexibility. They worked tirelessly late into the night to manage the mass of filers and accept their petitions throughout the district. In the weeks leading up to the effective date of BAPCPA, the majority of these cases were filed in person. (See page 23)

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Record Surge in Pre-BAPCPA Filings Results in 39% Increase for 2005

Prior to the effective date of BAPCPA on October 17, 2005, a record number of bankruptcy petitions were filed, increasing overall filings in the district by 39% during 2005. Although in September filings increased by 125%, a total of 28,586 petitions were filed in the first 16 days of October - nearly one-half the volume of all petitions filed for the entire year of 2004. On Friday, October 14, 2005, a total of 8,943 petitions were received throughout the district, a national record for filings received in one day. (See page 35)

Clerk's Office Manages Unprecedented Surge in Filing Activity Related to Pre-BAPCPA Cases

Following the historic surge in the filings of pre-BAPCPA cases prior to October 17, 2005, the number of subsequent pleadings and claims filed at the Court spiraled upwards through January 2006 to as many as 6,800 documents *per day*. To manage this unusually high volume, the Clerk's Office created a special task force in each division, hired temporary staff, and focused Clerk's Office priorities on the most time-sensitive documents. (See page 26)

Court Completes Largest CM Conversion in Nation

On September 6, 2005, the Court completed a major change in technology with the conversion of its aging NIBS case management system to the nationally-supported Case Management system (CM). The Court replaced many of its other related systems, which were not compatible with CM including applications for imaging, cashiering, accounting, and calendaring. The conversion, the largest in the nation, required a coordinated effort between operations staff, technical staff, and the Administrative Office. (See page 24)

CIAO! Upgraded and Made Available to Other Courts

During 2005, the Court increased awareness and interest in CIAO!, its locally-developed calendaring and order generation system. The Court actively provided information about CIAO! throughout the judiciary, oftentimes through remote automated demonstrations. Two bankruptcy courts have already installed CIAO! for testing, and a number of other bankruptcy and district courts have expressed an interest in this program. Also during 2005, CIAO! was upgraded to BAPCPA standards and was acknowledged by the A.O. with the award of a second grant. (See page 25)

Clerk's Office Awarded Two IT Grants by Administrative Office

The Clerk's Office was awarded grants through the *Edwin L. Nelson Local Initiatives Program* for the development of two IT projects. The first project is webCIAO!, a web-based version of the Court's calendaring and order generation system. The second is Receipting Integration Module (RIM), an application designed to integrate the Court's case management system with its new cashiering and imaging systems. (See page 25)

Court Completes Second Successful College-Level Intern Program

Building on the success of its first college-level intern program in 2004, the Clerk's Office hired eight college-level interns to work an initial eight-week term during the summer of 2005. The interns were assigned mentors from the Clerk's Office senior staff and worked in a team environment to complete a number of major projects such as: developing the testing, training, and exercise program for the Continuity of Operations Plan; developing a Code of Conduct training session; revising property management policies and procedures; and other significant projects. The Court benefitted from the skills and perspective of the interns, while the interns were provided with "real world" work experience and gained valuable knowledge of the judiciary. (See page 27)

Financial Audit Concludes Court in Full Compliance

After completing its audit of the Court's financial related activities for the 39 month period ending June 30, 2005, Kearney & Company issued an audit report stating that the Court's financial statements were presented fairly, in all material respects, and were in conformity with the *Guide to Judicial Policies and Procedures*. Furthermore, there were no material weaknesses in internal control over financial reporting and there were no reportable conditions of noncompliance with laws and regulations. (See page 30)

Telework Program Launched

In February 2005, the Clerk's Office launched its Telework Program in compliance with national requirements. Telework provides employees with flexibility in handling their work and personal obligations, while enabling the Court to meet future budget and space limitations. (See page 27)

Management Staff Receive COOP Training

An initial Continuity of Operations Plan (COOP) training session was held during the summer of 2005 for management staff and COOP activation team members. The COOP is an emergency preparedness measure that



enables the Court to continue operations in the event that an emergency disruption disables one or more of its divisions. Attendees at the training session discussed large scale exercises designed to test the COOP's responsiveness and were given an overview of the general structure of the COOP. (See page 30)

Upgraded Phone Equipment Provides Substantial Savings



The Court installed a telephone switch and upgraded telephone hand sets in the Los Angeles Division during June 2005. This new phone switch enables the Court to save nearly \$200,000 per year (about 50% of the prior year amount) in telephone operating expenses related to this division. (See page 30)

Shelter-in-Place Procedures Developed

Shelter-in-Place (SIP) procedures were developed to prepare all divisions of the Court to handle emergency situations that prevent occupants from safely leaving a courthouse (e.g., airborne contaminant, sniper, or civil unrest). SIP drills were conducted to test these new procedures and familiarize staff with this new concept. (See page 30)

Clerk's Office Staff Downsized by 42% Over Last Five Years

On April 17, 2005 a reduced operating budget required the Clerk's Office to involuntarily separate 26 employees. An additional seven Clerk's Office staff were also voluntarily separated under the Court's Buy-Out plan. As a result of this and other staffing reductions, coupled with normal attrition, the Clerk's Office has downsized its staff by 42% over the last five years, from 420 employees in May 2000 to 245 employees in May 2005. (See page 27)

MISSION OF THE COURT

The mission of the United States Bankruptcy Court for the Central District of California is to serve the public by:

- Resolving matters referred to the Court in a just, efficient, and timely manner
- Supplying prompt and accurate information
- Responding fairly and courteously to the needs of the entire community
- Providing leadership in the administration of justice in the bankruptcy system

In fulfilling our mission, the Court recognizes the importance of:

- Demonstrating respect for the dramatic impact that bankruptcy has on the lives of our customers
- Instilling confidence in the competence, impartiality, and ethics of the entire Court

THE BANKRUPTCY JUDGES OF THE CENTRAL DISTRICT OF CALIFORNIA

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Top Row (From Left):

Arthur M. Greenwald, James N. Barr, Peter H. Carroll, Erithe A. Smith,
Vincent P. Zurzolo, Ernest M. Robles, John E. Ryan

Center Row (From Left)

Alan M. Ahart, Mitchel R. Goldberg, Robin L. Riblet, Geraldine Mund,
Sheri Bluebond, Thomas B. Donovan, Samuel L. Bufford

Front Row (From Left):

David N. Naugle, Kathleen Thompson, Maureen A. Tighe,
Barry Russell (Chief Judge) Ellen Carroll, Meredith A. Jury, Robert W. Alberts

Not Pictured:

Theodor C. Albert

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ACCOMPLISHMENTS

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JUDICIAL COMMITTEES

The judicial committees, established by the *Court Governance Plan*, address Court-related issues. These committees are responsible for providing feedback and guidance to the entire Board of Judges regarding Court operations and administrative issues. Clerk's Office management staff attend the committee meetings and provide support to the committees. Chief Judge Barry Russell and Executive Officer/Clerk of Court Jon D. Ceretto are *ex-officio* members of each committee.

The 2005 standing judicial committees were:

Executive Committee

Judge Barry Russell, Chair
 Judge Sheri Bluebond
 Judge Mitchel R. Goldberg
 Judge John E. Ryan
 Judge Erithe A. Smith
 Judge Maureen A. Tighe
 Judge Vincent P. Zurzolo

Case Management Committee

Judge Sheri Bluebond, Chair
 Judge Ellen Carroll
 Judge Mitchel R. Goldberg
 Judge Geraldine Mund
 Judge John E. Ryan
 Judge Vincent P. Zurzolo

Chapter 13 Committee

Judge Kathleen Thompson, Chair
 Judge Alan M. Ahart
 Judge James N. Barr
 Judge Peter H. Carroll
 Judge Meredith A. Jury

Education and Training/Retreat Committee

Judge Geraldine Mund, Chair
 Judge Samuel L. Bufford
 Judge Peter H. Carroll
 Judge Arthur M. Greenwald
 Judge Meredith A. Jury

Long Range/Strategic Planning Committee

Judge David Naugle, Chair
 Judge Sheri Bluebond
 Judge Robin L. Riblet
 Judge John E. Ryan
 Judge Maureen A. Tighe
 Judge Vincent P. Zurzolo

Pro Se Committee

Judge Vincent P. Zurzolo, Chair
 Judge James N. Barr
 Judge Peter H. Carroll
 Judge Erithe A. Smith

Rules Committee

Judge Maureen A. Tighe, Chair
 Judge Peter H. Carroll
 Judge Kathleen Thompson
 Judge Erithe A. Smith

Space and Security Committee

Judge John E. Ryan, Chair
 Judge Geraldine Mund
 Judge David N. Naugle
 Judge Robin L. Riblet
 Judge Vincent P. Zurzolo

U.S. Trustee Liaison Committee

Judge Alan M. Ahart, Chair
 Judge Peter H. Carroll
 Judge Thomas B. Donovan
 Judge Ernest M. Robles
 Judge Maureen A. Tighe

Task Forces, *Ad Hoc* Committees**Alternate Dispute Resolution Committee**

Judge Barry Russell, Chair

Diversity Outreach Task Force/PICO

Judge Geraldine Mund, Chair
 Judge James N. Barr
 Judge Robin L. Riblet
 Judge Erithe A. Smith
 Judge Maureen A. Tighe

Legislation Implementation Task Force

Judge John E. Ryan, Chair
 Judge Alan M. Ahart
 Judge Theodor C. Albert
 Judge Erithe A. Smith
 Judge Maureen A. Tighe

Student Credit Education Task Force

Judge Geraldine Mund, Chair
 Judge James N. Barr
 Judge Samuel L. Bufford
 Judge Meredith A. Jury
 Judge Robin L. Riblet
 Judge Erithe A. Smith
 Judge Vincent P. Zurzolo

Special Assignment**Legislation Liaison**

Judge Sheri Bluebond, Chair
 Judge Robert W. Alberts
 Judge Thomas B. Donovan
 Judge Geraldine Mund
 Judge David N. Naugle

Judges Address *Bankruptcy Abuse Prevention and Consumer Protection Act of 2005*

Following the signing of the *Bankruptcy Abuse Prevention and Consumer Protection Act of 2005* (BAPCPA) into law by President Bush on April 20, 2005, Chief Judge Russell formed the Legislation Implementation Task Force to spearhead the Court's efforts to comply with this new law. Chaired by Judge Ryan, the Task Force was comprised of bankruptcy judges chairing judicial committees impacted by BAPCPA, and volunteer bankruptcy judges. The Committee solicited input from the legal community regarding changes needed in any of the Court's Local Bankruptcy Rules, forms, or procedures as a result of BAPCPA. Several attorneys also served on subcommittees and provided valuable input. The Task Force completed a thorough review of BAPCPA, identifying a host of changes that were implemented prior to the effective date of this new law.

With the approval of General Order 05-02 by Chief Judge Russell, the Court adopted the Interim Bankruptcy Rules effective October 17, 2005, the same day that BAPCPA went into effect. This General Order also addressed inconsistencies between the Interim Bankruptcy Rules and the Court's Local Bankruptcy Rules. In the weeks prior to the effective date of BAPCPA, the Court also introduced other BAPCPA-related policies, practices, and revisions and additions to the Local Bankruptcy Rules and forms.

Investiture Held for Judge Theodor C. Albert

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On June 1, 2005, Circuit Judge Richard A. Paez administered the Oath of a Bankruptcy Judge to Theodor C. Albert, who then became the newest bankruptcy judge in the Central District of California. Judge Albert was an experienced attorney who practiced bankruptcy law almost exclusively for 22 years. He co-founded and developed a successful law practice in 1995 that handles all types of insolvencies. Judge Albert obtained his juris doctorate degree from the University of California at Los Angeles School of Law. He co-published bankruptcy articles, was a founding director of the Orange County Bar Association, and served as a bankruptcy mediator for the Central District of California. Judge Albert maintains his chambers in the Los Angeles Division. He succeeded Judge Arthur M. Greenwald who retired on May 31, 2005. In 2006, Judge Albert will relocate his chambers to the Santa Ana Division.

New Bankruptcy Judges Appointed

Ninth Circuit Chief Judge Mary M. Schroeder announced the appointments of Los Angeles attorneys Richard M. Neiter and Victoria S. Kaufman as bankruptcy judges for the Central District of California. On February 18, 2006, Mr. Neiter will succeed Judge Robert W. Alberts who is retiring, and on May 2, 2006, Ms. Kaufman will succeed Judge James N. Barr who is also retiring. Both new judges will maintain chambers in the Los Angeles Division.

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Judge Vincent P. Zurzolo Selected to Become Chief Bankruptcy Judge in 2007

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In December 2005, Judge Vincent P. Zurzolo was nominated by the judges of the Bankruptcy Court and selected by the District Court as the next Chief Bankruptcy Judge for the United States Bankruptcy Court, Central District of California. His four year term will commence on January 1, 2007.

Judge Arthur M. Greenwald Retires

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On May 31, 2005, Judge Arthur M. Greenwald retired after 17 years on the bankruptcy bench. Judge Greenwald presided over several high profile cases during his judicial service, including Easyriders, Inc., Henry Mayo Newhall Memorial Hospital, International Society for Krishna Consciousness of California, Inc., and Sizzler Restaurants International. On June 6, 2005, the Los Angeles Bankruptcy Forum honored Judge Greenwald for his government service that spanned 47 years, including 24 years as an Assistant U.S. Attorney in the tax division. Speakers included Circuit Judge Harry Pregerson, Chief Bankruptcy Judge Barry Russell, Judge Bluebond, and Judge Ryan.

Central District Bankruptcy Judges Honored

- **Judge Samuel L. Bufford** was named "Jurist of the Year" by the Central District Consumer Bankruptcy Attorneys' Association. Judge Bufford was honored at the association's Second Annual Awards Dinner held on November 22, 2005.
- **Judge Geraldine Mund** was awarded the "Editor's Prize 2005" during a dinner at the National Conference of Bankruptcy Judges held November 2-5, 2005 in San Antonio, Texas. Judge Mund won the award for her article entitled, "A Look Behind the Ruling: The Supreme Court and the Unconstitutionality of the Bankruptcy Act of 1978," published in the American Bankruptcy Law Journal, Volume 78, Issue 4, 2004.
- **Judge Kathleen Thompson** was named "Judge of the Year" by the San Fernando Valley Bar Association. Judge Thompson was honored by the bar association at their Annual Judges' Night dinner on February 16, 2006.

Article by Judge Ahart Published Regarding Judicial Powers

During 2005, *The American Bankruptcy Law Journal* (Volume 79, Issue 1 2005) published an article by Judge Alan M. Ahart titled "The Limited Scope of Implied Powers of a Bankruptcy Judge: A Statutory Court of Bankruptcy, Not a Court of Equity."

Court Hosts Foreign Judges

The Court continued its tradition of sharing information about U.S. bankruptcy law and practice with judges and court staff from foreign countries. In November 2005, the Court hosted a delegation of Russian judges who were provided with a tour of the Court, met with judges and senior management from the Clerk's Office, and attended hearings held by various judges. In December 2005, a study tour comprised of judges and court staff from Serbia were provided with an overview of team-based courtroom services and a demonstration of advanced court automation by Clerk's Office senior staff. The study tour also attended court proceedings and visited the office of a local panel trustee, who reviewed trustee procedures and the use of automation in administering cases. As in past years, Judge Bufford coordinated the visits of these foreign delegations.

Bankruptcy Mediation Program Continues Expanding Services as It Enters Second Decade

The Bankruptcy Mediation Program for the Central District of California celebrated its tenth anniversary in 2005. For the past decade, the Program has provided the Court and the public with effective and reliable assistance in resolving disputes without the time and expense associated with litigation. As it enters its second decade, the robust Mediation Program continues to be the largest bankruptcy court mediation program in the nation.

The number of matters assigned to the Program continues to remain steady as in past years. As of December 31, 2005, a total of 3,345 matters had been assigned to the Program since its inception, of which 3,105 had been concluded. Of the concluded matters, 1,953 settled, for a 63% settlement rate. There are 200 mediators currently authorized by the Court to serve on the panel.

The Program arranged for the Straus Institute for Dispute Resolution of Pepperdine University School of Law to conduct two advanced mediation training programs for experienced mediators, which received extremely favorable feedback from the attendees. The Program is planning to establish a *pro se* program that will provide for volunteer attorneys to represent *pro se* litigants at mediation conferences, at no cost to the litigants. It will be similar in structure to the Debtor Assistance Project, in which volunteer attorneys assist debtors at reaffirmation hearings and in non-dischargeability litigation.

With the intention of having the most effective Mediation Program possible, feedback is obtained from participants. In 2005, 80% of respondents indicated that they would use the Program again.

Court Holds Seventh Annual Mediator Awards

In November 2005, both the Bankruptcy Court and the District Court for the Central District of California hosted the seventh annual joint luncheon to honor the Bankruptcy Court's mediators and the District Court's settlement officers for their service in 2004-2005. More than 100 guests attended the event, including Hon. Margaret M. Morrow, Judge of the United States District Court and Chair, Civil Justice Report Act and Alternative Dispute Resolution Committee; Hon. Barry Russell, Chief Judge of the United States Bankruptcy Court and Mediation Program Administrator; Bankruptcy Judges Alan M. Ahart, Samuel L. Bufford, and Erithe A. Smith; and many District Court and Magistrate Judges.

Chief Judge Russell recognized the outstanding achievements of a number of the Court's mediators for their service on the panel in 2005, including Franklin Adams, Lee Jay Berman, Stephen Biersmith, Christopher Blank, William Burd, Vincent Coscino, Brian Fittipaldi, Bernard Frimond, Dennis McGoldrick, Richard Neiter (appointed as a bankruptcy judge in 2006), Michael Lubic, Judith Runyon, Brian Sheppard, and Michael Sment.

Pro Bono Programs Provided in All Five Divisions

The Court continued to work with local bar associations to provide free bankruptcy legal services to qualifying low-income debtors. During the spring and summer months of 2005, these services were in strong demand as *pro se* debtors sought legal advice in advance of the effective date of the *Bankruptcy Abuse Prevention and Consumer Protection Act of 2005*. *Pro bono* services are especially important in the Central District of California, as the percent and number of *pro se* filers have always been relatively high compared to other bankruptcy courts.

Los Angeles/San Fernando Valley Divisions

The Debtor Assistance Project (DAP) works closely with a number of other legal clinics in the communities served by the Los Angeles and San Fernando Valley divisions to provide free and low-cost legal services to qualifying debtors. The DAP is a program of the Public Counsel Law Center, the largest *pro bono* law office in the nation. Founded in 1970, Public Counsel is the public interest law firm of the Los Angeles County Bar Association and the Beverly Hills Bar Association, as well as the Southern California affiliate of the Lawyer's Committee for Civil Rights Under Law.

The DAP received a record high volume of calls from the public in the spring and summer of 2005 in response to the new bankruptcy law. In total, the DAP assisted over 1,100 debtors with bankruptcy services in 2005. Of this number, 954 individuals were screened through the DAP's telephone hotline and provided with an array of free services ranging from counseling and advice to referrals. An additional 100 *pro se* debtors received free legal counseling from volunteer attorneys at their reaffirmation agreement hearings in the Los Angeles and San Fernando Valley divisions. Also during the year, through the DAP, volunteer attorneys assisted 92 debtors with chapter 7 petitions, and 24 debtors in non-dischargeability adversary proceedings. About 80 additional individuals received free bankruptcy counseling at community drop-in clinics.

The Debtor Assistance Project developed new educational materials to help the public with various aspects of the new bankruptcy law, such as credit counseling, fee waivers, and 341(a) meetings. The DAP recruited and trained over 25 new *pro bono* attorneys during the year, increasing the roster to approximately 150 volunteers. The DAP coordinated a special Continuing Legal Education Program in June 2005 to address the new bankruptcy law that was attended by over 40 volunteers.

Riverside Division

The Riverside Division's *pro bono* program has been operated by the Public Service Law Corporation since 2001, offering assistance to *pro se* debtors in non-dischargeability adversary proceedings.

Santa Ana Division

In 2005, the Orange County Bankruptcy *Pro Bono* program, which is co-sponsored by the Orange County Bar Association, the Orange County Bankruptcy Forum, and the Public Law Center, continued to provide much-needed legal assistance to low-income residents. Twice a month, walk-in clinics were held at the Santa Ana Division for debtors to consult with *pro bono* attorneys on chapter 7 issues. In addition, a clinic to counsel *pro se* debtors on reaffirmation agreements was held once a month at the Division. In total, over 30 volunteer attorneys spent more than 95 hours serving over 190 clients.

Northern Division

Support and participation in the Northern Division's *pro bono* program continued to include seven local attorneys. These attorneys rotate attendance to provide free legal advice to *pro se* debtors at reaffirmation agreement hearings held once a month.

High Profile Cases Filed During 2005

The Court is significantly impacted by the filing of high profile cases as they are more complex, require more time for hearings, and generate a large volume of pleadings, claims, and public interest. In 2005, high profile cases filed in the district included:

- Jill Kelly Productions, Inc. (SV05-15389KT) filed a chapter 11 case on August 8, 2005, in the San Fernando Valley Division listing \$1-10 million in assets and \$1-10 million in liabilities.
- Sierra Nevada Public Financing (LA05-27696BR) filed a chapter 9 case on August 3, 2005 in the Los Angeles Division listing \$1-10 million in assets and \$10-50 million in liabilities.
- Burstein Technologies, Inc. (LA05-23985EC) filed a chapter 11 case on June 16, 2005 in the Los Angeles Division listing over \$100 million in assets and \$10-50 million in liabilities.
- Trigem Texas, Inc. (SA05-14047JB), and Trigem America Corp. (SA05-13972JB), filed chapter 11 cases in June 2005 in the Santa Ana Division each listing over \$100 million in assets and over \$100 million in liabilities.
- Tradex LTD (LA05-20537RN) filed an ancillary proceeding under Section 304 in the Los Angeles Division listing over \$100 million in assets and over \$100 million in liabilities.
- Watts Health Foundation, dba UHP Healthcare (LA05-22627TD) filed a chapter 11 case on May 31, 2005 listing \$55 million in assets and \$45 million in liabilities.
- GSM Wireless, Inc. (SA05-13514JR) filed a chapter 11 case on May 19, 2005 listing \$10-50 million in assets and \$10-50 million in liabilities.
- Queen's Seaport Development, Inc. (LA05-15175VZ) filed a chapter 11 case on March 15, 2005 listing \$47 million in assets and \$29 million in liabilities.
- Rancho Las Flores Development, Inc. (RS05-12224MG) filed a chapter 11 case on March 11, 2005 listing \$11 million in assets and \$8 million in liabilities.
- Brett Livingston Strong (SV05-10137KT) filed a chapter 11 case on January 11, 2005 listing \$184 million in assets and \$21 million in liabilities. The case converted to chapter 7 on October 20, 2005.
- Persistence Capital, LLC (SV05-16450KT) filed a chapter 11 case on September 13, 2005 listing \$85 million in assets and \$29 million in liabilities.
- 10000 Millenium Plaza LLC (SV05-50021GM) filed a chapter 11 case on October 26, 2005 listing \$307 thousand in assets and \$30 million in liabilities.

Court Accommodates Debtors During Pre-BAPCPA Filing Surge

Following the passage of the *Bankruptcy Abuse Prevention and Consumer Protection Act of 2005* (BAPCPA) in April 2005, the number of debtors seeking bankruptcy protection in the district began to increase until filings surged to unprecedented levels in the weeks prior to October 17, 2005, the effective date of the new law. In September 2005, filings increased by 125% over the number in September 2004. However, in the first 16 days of October, a total of 28,583 petitions were filed, representing nearly one-half the volume of all petitions filed for the entire year of 2004. Overall, about 38,800 petitions were filed in the six weeks prior to the effective date of BAPCPA. On Friday, October 14, 2005, a total of 8,943 petitions were filed in the district in what is believed to be a national record for petition filings received in one day.

To accommodate this filing surge the Court mobilized its resources through a coordinated effort at all five of its divisions. Operations staff teamed up with chambers and administrative staff to accept filings and manage the long lines at all divisions. Lines of people waiting to file bankruptcy at the Los Angeles Division peaked at about 500 people.

With over 8,300 petitions filed by debtors without legal representation in the first 16 days of October, many petitions were filed in person by those unfamiliar with the requirements for filing bankruptcy. Court staff stepped up to this challenge by offering to review petitions as people waited in line, to ensure filers had the minimum paperwork required to file a petition as well as an acceptable form of payment. One judge heard installment fee applications in the Intake area at the Los Angeles Division. The Federal Protective Service and U.S. Marshals deployed additional staff to ensure order. Judges and managers purchased meals, snacks and drinks for the hard working staff who worked throughout the weekend and as late as 11:00 p.m., many behind the scene processing the petitions and payments while organizing the growing stacks of paperwork. On Sunday, October 16, the last day to file under the old law, the Los Angeles Division opened to accept emergency and drop-off petitions for all divisions within the district.

After the filing rush, yet transparent to the public, operations, chambers, and administrative staff continued to process what had become a huge backlog of petitions. Schedules, other petition-related documents, as well as subsequent pleadings and claims filed intensified the pressing demand on Court staff through January 2006.

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Court Completes Largest CM Conversion in Nation

The Court completed the conversion of its aging DOS-based case management system to the nationally-supported Case Management system (CM) over the Labor Day weekend of September 2 through 6, 2005. This effort required the largest conversion of data and images in the history of CM. The Court became one of the first courts in the nation to use the newer Linux operating system for CM, eliminating the need to migrate along with the other CM courts from Solaris to this platform.

Data Conversion

About 900,000 of the 1.4 million cases electronically stored in NIBS, the case management system previously used by the Court, were converted to CM. The remaining cases, those closed at least five years with no activity since closing, remained in the NIBS archived system, and are accessible via webPACER.

Stress Tests

Beginning in May 2005, the Court performed five stress tests, each with as many as 100-150 users performing repetitive CM functions. The tests simulated normal operations and were used to determine how the system would respond to the relatively heavy usage in this district. As a result of the stress tests, the Court identified and corrected problems with the system and the data lines prior to the actual conversion, thereby improving the system's performance. Bankruptcy courts that assisted in these stress tests included the districts of Arizona, Florida Middle, Illinois Northern, and Washington Western.

Conversion of Integrated Systems

As part of the conversion to CM, the Court also converted its integrated systems to CM-compatible applications. Two financial systems, the Interim Deposit Fund (IDF) and the Los Angeles Financial System (LAFS), were replaced with WinFinSys; the Intake Cashiering System (ICS) was replaced with Cash Register (CR/ECF); and Electronic Case Management (ECM), the Court's imaging system, was replaced with the Refined Imaging and OCR system (RIO). Also, the Court upgraded its calendaring and order generating system *CIAO!* (Calendar Information and Orders), to a CM-compatible version of *CIAO!*, and integrated *eFile*, the Court's electronic filing system, into CM.

Court Implements BAPCPA-Compatible CM Version 2.7

Following the Court's successful conversion to CM version 2.6 in early September 2005, the Court converted to the BAPCPA-compatible CM version 2.7 at the end of October 2005 after the onslaught of filings prior to October 17, 2005 were entered into the system. This upgrade required the creation of over 200 docket codes, programming, and the development and revision of forms, notices and flags. As approved by the Board of Judges, deficiency notices issued to debtors filing incomplete petitions were modified to reflect new deficiencies under BAPCPA. Once the overwhelming number of pre-BAPCPA cases had been entered into CM 2.6, the upgrade to CM 2.7 was accomplished during the last weekend in October 2005.

Court Commences ECF Pilot

In its first use of ECF, the electronic filing module of the nationally supported CM/ECF, the Court piloted the electronic filing of documents through ECF in December 2005. During this successful pilot, three panel trustees filed *341(a) Trustee Worksheets* and *No Asset Reports* through ECF. The program was expanded to all panel trustees throughout the district in January 2006. ECF adds to the electronic filing capability currently available through *eFile*, the Court's locally-developed electronic filing program.

CIAO! Upgraded and Made Available to Other Courts

The Court increased awareness and interest in *CIAO!* (Calendar Information and Orders), its CM/ECF-compatible automated calendaring and order generation system, by providing information and demonstrations to bankruptcy and district courts throughout the nation in 2005. Also during the year, the *Edwin L. Nelson Local Initiatives Program* again acknowledged *CIAO!* with a second award. Developed by the Court, *CIAO!* is a Windows-based calendaring and order generation system that automatically: updates the calendar when a motion is electronically filed; prepares orders; enters orders on the docket; generates images of the orders for the online case file; and serves the order through the Bankruptcy Noticing Center (BNC).



***CIAO!* Gaining National Momentum**

During 2005, the Clerk's Office promoted *CIAO!* throughout the judiciary. In addition to demonstrations by the *CIAO!* team, the Clerk's Office also demonstrated *CIAO!* remotely by conference call in tandem with an Internet connection to a computer at the demonstration site. The application, which has been well received, is gaining interest in both bankruptcy and district courts. Two bankruptcy courts have already installed *CIAO!* and are testing it locally, while thirteen others have expressed interest. A number of district courts are also interested in a district court-specific version of *CIAO!*

***CIAO!* Upgraded to BAPCPA Standards**

The BAPCPA-compatible version of *CIAO!*, version 3.3.1, was rolled out to all users on October 31, 2005. *CIAO!* 3.3.1 included the new chapter 15 case type, and updated mandatory form orders to reflect the Court's new and revised BAPCPA-versions of its Relief From Stay motions and orders. Prior to this upgrade, *CIAO!* 3.3.0 was implemented on September 19, 2005, re-introducing two features that had been available in the pre-CM version of *CIAO!* – real time processing, and the ability to view dockets and related images. *CIAO!* 3.3.0 also enabled the preview of *CIAO!* calendars before printing.

Clerk's Office Awarded Two IT Grants by Administrative Office

The Clerk's Office was awarded two IT Grants through the *Edwin L. Nelson Local Initiatives Program*, which is dedicated to encouraging and promoting the development, maintenance, and sharing of local court IT initiatives. These grants acknowledge the value of and provide support for the development of two applications, web*CIAO!* and RIM (Receipting Integration Module). web*CIAO!* is the next release of *CIAO!* and will feature enhanced functionality, ease of use and closer integration with CM/ECF. web*CIAO!* will be accessible via a menu option in CM/ECF or any web browser. RIM is an application designed to integrate CM, the nationally supported Case Management system with CR/ECF, the Court's new cashing system and RIO, the Court's new imaging system. By integrating these three systems, redundant data entry is eliminated and the risk of error is reduced. The Clerk's Office will use this funding to acquire the services of contract programmers who will assist with the development of these applications.

Clerk's Office Manages Unprecedented Surge in Filing Activity Related to Pre-BAPCPA Cases

Following the rush of pre-BAPCPA case filings in the months leading up to October 17, 2005, the large volume of subsequent pleadings and claims filed in these cases severely impacted the Clerk's Office. District-wide filings of these documents increased to as many as 6,800 *per day* through January 2006. To manage this unusually high volume, the Clerk's Office created a special task force at each division, hired 17 temporary staff, and focused Clerk's Office priorities on the most time-sensitive documents. In addition, a large number of staff from the Administration side of the Clerk's Office received training and provided assistance.

The entry of orders has always been a top priority of the Clerk's Office. By the end of 2005, thanks to the herculean efforts of staff, all of the schedules, trustee documents, and several other types of pleadings filed with the Court were less than one week old. By mid-January, the backlog of pleadings and claims that had reached 44,500 in late November had been brought down to under 2,000, even as a large volume of pleadings and claims continued to be filed.

In addition to docketing and imaging the high volume of pleadings and claims, the Clerk's Office also concentrated on entering discharges and dismissals, and closing cases. In the month of December, 2005, the Clerk's Office closed nearly 10,000 cases.

Court Improves Case Processing/Exceeds National Median

The Court closely monitors the *Bankruptcy Program Indicators*, a quarterly report published by the Administrative Office that includes case processing performance measures for all 90 bankruptcy court districts. For the quarter ending September 30, 2005, (the most recently available report) the Court improved in 9 of the 16 performance measures over the same period of 2004, and exceeded the national median in 12 of these 16 performance measures. Overall, the Court ranked twelfth of all 90 bankruptcy courts, and fifth of large courts with 20,000 or more annual filings.

Court Completes Second Successful College-Level Intern Program

PHOTOS NOT AVAILABLE FOR PUBLIC VIEWING

Back Row: Kevin Blair, Jonathan Gibbs,
Eugene Grinberg, James Baca
Front Row: Jean Wang, Paul Flores,
Nicole Simmons
Not Pictured: Jimmy Xu

Eight interns joined the Court during the summer of 2005 as part of the Court's second college-level *Summer Intern Program*. This year, most of the interns were employed during the same 8-week period, from June through August. They were physically located in the same area to enable them to work in a team environment. Interns were assigned mentors that met with them at least once a week to provide support and direction on the various projects assigned to them. Interns contributed significantly to the Court by completing a number of projects such as: developing the testing, training, and exercise program for the Continuity of Operations Plan (COOP); developing a Code of Conduct training session; revising property management policies and procedures; projecting the impact of the means test upon chapter 7 filings in the district; and other significant projects. Upon conclusion of the program, one intern became a permanent Court employee, while two others were granted extended internships. The Court plans to continue its college-level intern program in the future as it not only benefits the Court, but provides students from our community with practical work experience and knowledge of the judiciary.

Clerk's Office Staff Downsized by 42% Over Last Five Years

On April 17, 2005, the Court's Clerk's Office separated 26 employees due to a reduced operating budget. In addition to this, another seven Clerk's Office staff voluntarily separated under a Buy-Out plan authorized by the Administrative Office. This was the fourth staffing reduction since 2001, resulting in a downsizing of the Clerk's Office staff from 420 employees in May 2000 to 245 employees in May 2005, a reduction of 42% over the last five years.

In order to help these displaced employees with their transition, the Court partnered with the City of Los Angeles and the State of California's Employment Development Department to open a temporary Career Transition Center on March 23, 2005. The Center provided career transition assistance and unemployment benefits information, as well as other resources.

Court Hires Temporary Staff to Help Manage Historic Surge in Filings

Following the unprecedented surge in bankruptcy filings prior to the implementation of the *Bankruptcy Abuse and Consumer Protection Act of 2005* (BAPCPA), the Court hired temporary staff to help manage the record volume of pre-BAPCPA petition filings, as well as the upward spiraling number of subsequent pleadings and claims filed in these cases. Fourteen temporary staff were hired by the Clerk's Office using emergency supplemental funds from the Administrative Office. Seven previously displaced staff from the Clerk's Office were among those hired.

Telework Program Launched

The Clerk's Office launched its Telework Program in February 2005, in accordance with Pub.L. 108-199, which requires federal agencies to establish a formal telework policy. Telework provides Court employees with additional flexibility to better manage their work and personal obligations, while helping local communities through reduced traffic and air pollution. Telework will also assist the Court in addressing future budget and space limitations. The program was first piloted with judicial assistants, law clerks, and selected administrative and operations positions. Initial evaluation of the pilot took place during the third quarter of 2005 and results were used to make enhancements before opening it up to other positions.

Staff Completes Extensive Training Program Prior to Conversion to CM

During the week of April 25, 2005, each division in the Central District held kick-off events to usher in the major transition to CM/ECF, the nationally-supported case management system. Jon D. Ceretto, Executive Officer/Clerk, provided opening remarks. Speakers celebrated the arrival of this new era at the Court, while putting this transition into context by providing an overview of how prior technologies impacted case processing.

In the following months, up through the conversion on September 6, 2005, staff were provided with over 2,000 hours of CM and CM-related training district-wide. Depending upon their job function, staff were trained in various CM modules involving the different aspects of case processing. Staff were also trained, as appropriate, in the CM-compatible version of CIAO! (version 3.2), the Court's locally developed calendaring and order generating system; RIO, scanning software that creates and manages electronic images; Cash Register (CR), the application replacing the Court's cashiering system (ICS); WinFinSys, an application used to process daily revenue information and disbursements which replaced LAFS and IDF; and CM/PACER, the replacement for webPACER.

Historic District-Wide Training Seminar Held

The Court held a historic Fall Education Seminar for all district staff (both Clerk's Office and Judicial) on September 23, 2005, at the Globe Theater in Universal City. This marked the first time district staff from all five divisions assembled in the same location at the same time. The goal of the event was to educate Court employees through a program developed by the Clerk's Office on the *Bankruptcy Abuse Prevention and Consumer Protection Act of 2005*, to review a new draft of the Court's Long Range Plan, and to commend Clerk's Office staff for their successful conversion to CM. Judge Zurzolo presented a draft of the Court's *Long Range Plan*, as well as its history and background, and requested feedback from staff on the new draft that was later reviewed by the Long Range Plan Committee. Court employees also enjoyed an interactive lecture on non-defensive communication techniques by Sharon Ellison of *Ellison Communication Consultants*.

Additionally, Mr. Ceretto commended all Court staff for their dedication, professionalism, and accomplishments throughout the year. Chief Judge Russell conveyed an acknowledgment from all the judges on the recent CM conversion efforts by the Clerk's Office. He then presented the Clerk's Office with a silver-plated computer mouse engraved with "With Appreciation to the Entire Clerk's Office Staff from the Judges," which Mr. Ceretto accepted on behalf of the staff.

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CA(C) and CA(N) Hold Joint CM/ECF Training Sessions for Attorneys

In a joint effort between the bankruptcy courts for the Central District of California and the Northern District of California, trainers from both districts provided attorneys with CM/ECF training at the Los Angeles Division. The training was held May 12 and 13, 2006, in the Central District to accommodate local attorneys practicing in the California Northern Bankruptcy Court. In addition to aiding the Northern District in completing its training program, this joint effort also provided the Court with an external pool of certified CM/ECF users and a blueprint for the Court's CM/ECF training program when that electronic filing system is implemented in the future.

Phase One of Supervisors Development Program Completed

Court managers and supervisors continued their participation in the judiciary's Supervisor's Development Program, a three-year program offered by the Federal Judicial Center designed to help managers and supervisors develop the necessary skills to successfully perform their job. Phase One, which included the following topics: *Making an Effective Transition*, *Building Trust and Credibility*, *Clarifying Expectations*, and *Managing in a Systematic Way*, was completed by May 2005. Participants are given one year to complete phase two, which consists of a self-study program comprised of several learning modules and assessments. The expected completion date for phase two of the program is mid-2006.

District-wide Computer Security Training Held

To help maintain the security of systems serving the Court, the Court conducted Computer Security Training in April 2005 throughout the district in compliance with the Administrative Office's annual training requirements. The session provided employees with information essential to maintaining the security of the Court's data and systems, including acceptable Internet and e-mail usage, computer and network security issues, viruses and malware, e-mail scams, and general best practices.

Management Staff Receive COOP Training

The Clerk's Office held an initial Continuity of Operations Plan (COOP) training session during the summer of 2005 for management staff and COOP activation team members (the first responders in a COOP scenario). The COOP is an essential part of the Court's emergency preparedness measures, as it covers how operations will be maintained following an emergency. It details the three severity levels that can categorize a disruption and establishes alternate facilities to be used to continue Court operations in the event an emergency disables one or more of its divisions. One critical tool detailed in the COOP is the Relocation Team(s). These are teams of employees, covering all departments of the Court, that will be deployed in the event of a COOP scenario to operate at an alternate location. In addition, the COOP documents the essential functions of the Court, alternate communications plans, automated data back-up procedures, and succession planning.

Attendees at the training session discussed large scale exercises designed to test the COOP's responsiveness and were given an overview of the general structure of the COOP. Also, all divisions were provided with emergency AM/FM/Shortwave radios capable of being run without batteries.

Financial Audit Concludes Court in Full Compliance

After completing its August and September 2005 audit of the Court's financial related activities, Kearney & Company issued a "no findings" audit report. For the 39 month period reviewed (April 2002 - June 2005), Kearney & Company reported that the Court's financial statements were presented fairly in all material respects and were in conformity with the *Guide to Judiciary Policies and Procedures*. Further, there were no material weaknesses in internal control over financial reporting and the Court was in compliance with laws and regulations. The scope of the audit included an evaluation of the Clerk's Office management controls, collections and deposits, fund control, procurement, check and voucher processing activities pertaining to appropriated funds and travel, phone cards, government travel cards, Public Access to Court Electronic Records System (PACER), and time and attendance administration.

Judge Tighe Relocates to San Fernando Valley Division

Upon the retirement of Judge Arthur M. Greenwald in the San Fernando Valley Division, Judge Maureen A. Tighe relocated her chambers from the Los Angeles Division to the chambers formerly occupied by Judge Greenwald. Following Judge Tighe's relocation, newly appointed Judge Theodor C. Albert moved into the Los Angeles Division chambers formerly occupied by Judge Tighe.

Shelter-in-Place Procedures Developed

In conjunction with the U.S. Marshals Service, the Clerk's Office developed Shelter-in-Place (SIP) procedures for all divisions of the Court. Shelter-in-Place procedures enable the Court to handle emergency situations (e.g., airborne contaminant, sniper, or civil unrest) that prevent occupants from safely leaving a courthouse. During the fall of 2005, the Court worked with the building security committees at each division to develop SIP emergency response plans. SIP drills were conducted to test SIP procedures and familiarize staff with the concept of temporarily relocating to "safe areas" within each division.

Upgraded Phone Equipment Provides Substantial Savings

The Court installed a telephone switch and upgraded telephone hand sets in the Los Angeles Division in June 2005. Selected by the General Services Administration (GSA), SBC Communications performed the installation of the telephone switch and trained staff in use of the new telephone hand sets. This new telephone system enables the Court to self-manage telephone and voice mail systems, including adding, changing or deleting telephone extensions when necessary. More significantly, the new system reduced telephone operating expenses by an estimated annual savings of \$200 thousand (about 50%).

Release of Office Space to Provide Recurring Savings

In August 2005, the Office Services Department began a relocation from the basement of the 300 N. Los Angeles Street Federal Building to an area previously occupied by a portion of the Records Section on the first floor of the same building. Office space in the Records Section became available as the expanded reliance on imaged case files resulted in a substantial reduction in the space required to store traditional paper case files. Slightly more than 16,000 square feet of space previously occupied by the Office Services Department will be released upon the completion of this move, providing recurring savings for the judiciary.

Executive Officer/Clerk Serves on PICO Committee

Mr. Jon D. Ceretto, Executive Officer/Clerk, continued to be an active member of the Public Outreach Committee (PICO) for the Ninth Circuit. Established in 2000, the Committee promotes public understanding about the federal courts through outreach to the community and media. The Committee is comprised of a mix of circuit, district, and bankruptcy judges, along with clerks of court, attorneys, and media relations professionals.

Court Staff Contribute to the 2005-2006 Combined Federal Campaign Program



Eighty-eight Court employees contributed \$28,509 through the 2005-2006 Combined Federal Campaign (CFC) to a variety of qualifying non-profit organizations that provide health and human service benefits throughout the world. The Court kicked off the 2005-2006 campaign with programs at each division held to build awareness of CFC and encourage support for it. CFC is the only authorized charitable campaign in the federal government workplace.

San Fernando Valley Donates Books to School Destroyed by Hurricane Katrina

Following the Hurricane Katrina disaster, the San Fernando Valley Division, in conjunction with a local elementary school, adopted the North Bay Elementary School in St. Louis, Mississippi. Since Katrina destroyed the school's library, the San Fernando Valley Division collected several large boxes of children's books that were shipped to the Mississippi school to help in this coordinated effort to rebuild and replenish their library.

Riverside Division Contributes to Mental Health Program

For the second consecutive year, the Riverside Division participated in the effort by the Riverside County Department of Mental Health to raise donations through its "Snowflake" program during December 2005. The Division raised enough money to fund 36 gifts that were purchased for under-privileged children from the ages of 4 to 18 years of age. A snowflake with the child's name and gift wish was attached to the unwrapped gift identifying that it came from employees of the Court.

Northern Division Holds Eighth Annual "Daffodil Days"

Once again, as in the past seven years, the Northern Division welcomed Spring with the American Cancer Society's "Daffodil Days" fund-raising event. "Daffodil Days" supports the American Cancer Society's life-saving patient services, educational programs, and Nobel Prize winning researchers.

Riverside Division Provides Back-to-School Supplies

In August 2005, employees at the Riverside Division collected a large bin of new back-to-school supplies for the parent support/children's services program of the Riverside County Department of Mental Health. Supplies provided to the program included items such as backpacks, notebooks, pens, calculators, paper, and crayons.

C O U R T

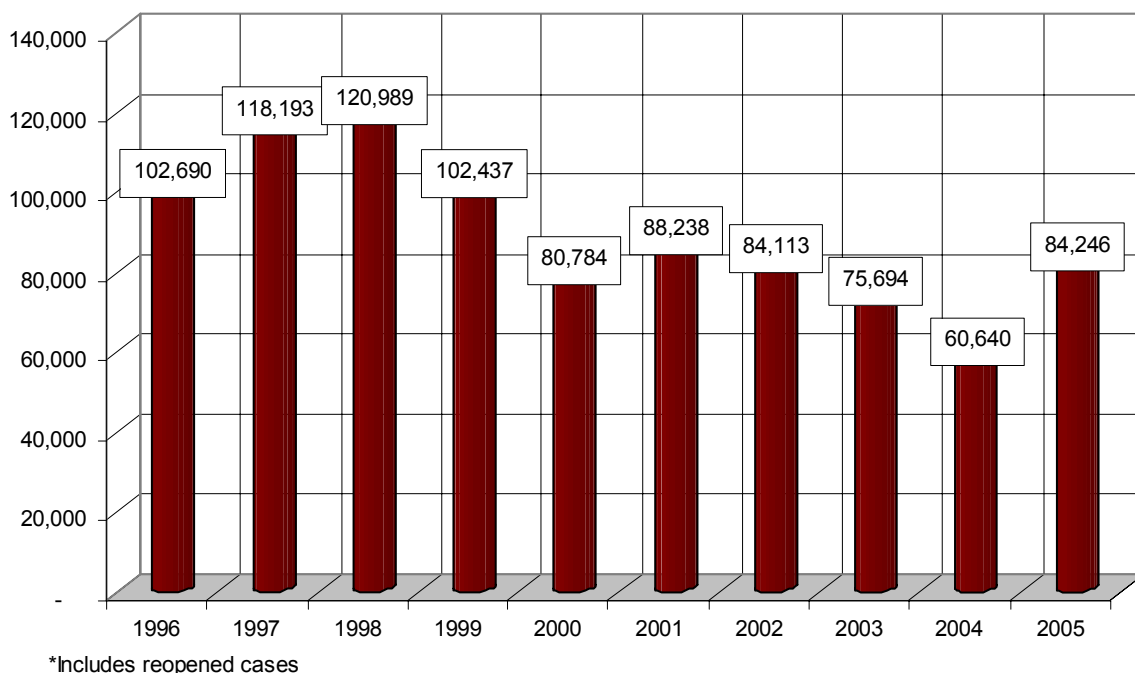
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Record Surge in Pre-BAPCPA Petitions Results in 39% Filing Increase for 2005

Reversing a three year decline in bankruptcy filings, 84,246 bankruptcy cases were filed in the Central District of California during 2005, a 39% increase over the 60,640 cases filed in 2004. Although year-to-date petition filings were only up 3% for the year through August 2005, pre-BAPCPA petition filings reached historic levels beginning in September 2005. A total of 10,353 cases were filed in September 2005, an increase of 125% over September 2004. This surge in the volume of pre-BAPCPA petition filings, however, paled in comparison to the first 16 days of October 2005, when an unprecedented 28,586 filings were received - the equivalent of 47% of all petitions filed in the district for the entire year of 2004. On Friday, October 14, 2005, a total of 8,943 petitions were received throughout the district in what is believed to be a national record.

Figure 1
United States Bankruptcy Court - Central District of California
Bankruptcy Cases Filed: 1996-2005*



Number of Motions for Relief From the Automatic Stay Decreases For Third Consecutive Year

A total of 7,008 Motions for Relief From the Automatic Stay were filed at the Court throughout 2005, a 22% decrease from the 8,954 motions filed in 2004. This decline occurred despite the 39% increase in bankruptcy filings during 2005, and represents the third consecutive year filings of this type of motion have declined. Several factors for this continued downturn can be attributed to: the drop in debtors filing multiple bankruptcy cases for the primary purpose of obtaining an automatic stay (rather than receiving an order of discharge); Los Angeles County Sheriff's Department enforcement of C.C.P. 715.050 which enables an eviction to proceed despite a bankruptcy filing; and the continued prompt dismissal of incomplete petitions by the Clerk's Office, obviating the need to file a Motion for Relief From the Automatic Stay.

Pro Se Debtors Comprise 27% of Bankruptcy Filings

The percentage of *pro se* debtors (i.e., individuals without attorney representation) filing bankruptcy cases in the district was at 27% in 2005, up from 26% in 2004. From 1995 through 2005, a total of 31% of all chapter 7 and chapter 13 petitions were filed by *pro se* debtors. The percent of *pro se* debtors filing bankruptcy on or after the effective date of BAPCPA on October 17, 2005, increased to 38% throughout the remainder of 2005. In response to the relatively high volume of *pro se* debtors in the district, the Court coordinates numerous *pro bono* programs with the local bar associations to provide free legal support (see *Pro Bono Support Provided in All Five Divisions*, page 21).

Table 2 United States Bankruptcy Court - Central District of California Estimated Percentage of Pro Se Filings District-Wide: 1995 - 2005			
Year	Chapter 7	Chapter 13	Total
1995	36%	35%	36%
1996	35%	38%	36%
1997	37%	37%	37%
1998	32%	32%	32%
1999	33%	29%	31%
2000	27%	19%	24%
2001	29%	24%	28%
2002	28%	22%	27%
2003	27%	22%	26%
2004	26%	22%	26%
2005	28%	19%	27%
Average	32%	30%	31%

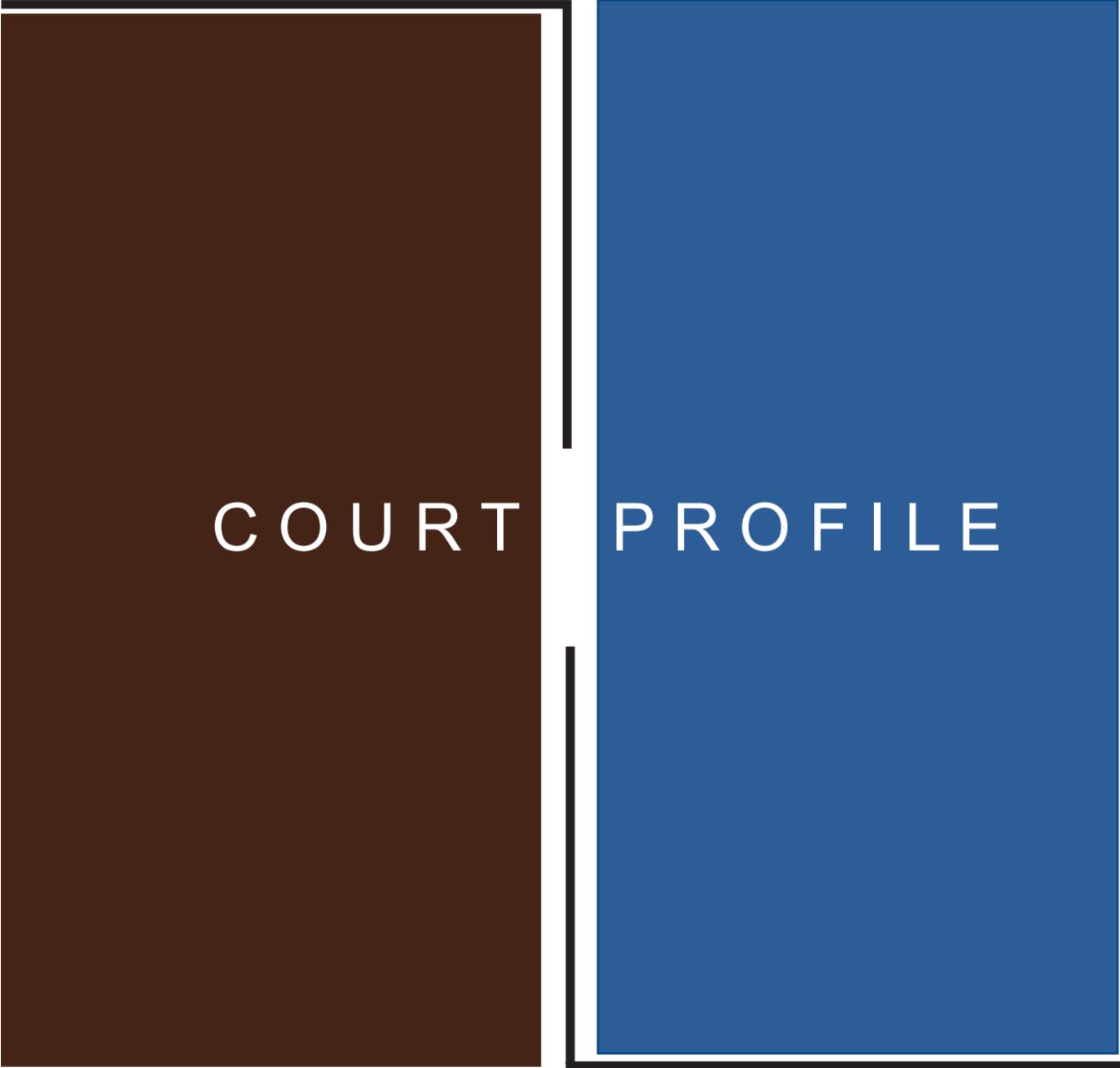
Number of eFiled Petitions Up 212%

A total of 33,031 bankruptcy petitions were electronically filed in the district during 2005 through *eFile*, the Court's locally developed electronic filing system. This volume represents a 212% increase over the 10,604 bankruptcy petitions electronically filed in 2004. Also, *eFiled* petitions comprised 40% of all chapters 7 and 13 petitions filed in 2005, up from the 18% of all chapter 7 and 13 petitions filed in 2004. The *eFile* module for accepting petitions was unavailable once BAPCPA took effect on October 17, 2005. The number of Complaints and Motions for Relief From Stay filed through *eFile* declined in 2005 due to overall declines in these filings and the unavailability of these *eFile* modules at the end of 2005.

In 2005, the overall number of documents filed through *eFile* increased by 129% over the prior year and is attributed to two factors. As of June 1, 2005, the Second Amended General Order 02-01 required attorneys to use *eFile* in most circumstances. Also, overall volume of petition filings was up by record numbers in 2005 as debtors rushed to file their cases prior to the effective date of BAPCPA.

Table 3 United States Bankruptcy Court - Central District of California eFile Statistics: 2004-2005*				
Type of eFile Document	Number of Documents eFiled		eFile Documents as a Percent of Filings	
	2005	2004	2005	2004
Chapter 7 and Chapter 13 Petitions	33,031	10,604	40%	18%
Complaints	1,316	2,318	35%	49%
Relief From Stay Motions	2,978	3,675	46%	43%
Total Documents eFiled	37,325	16,324		

* *eFile* was unavailable after October 16, 2005.



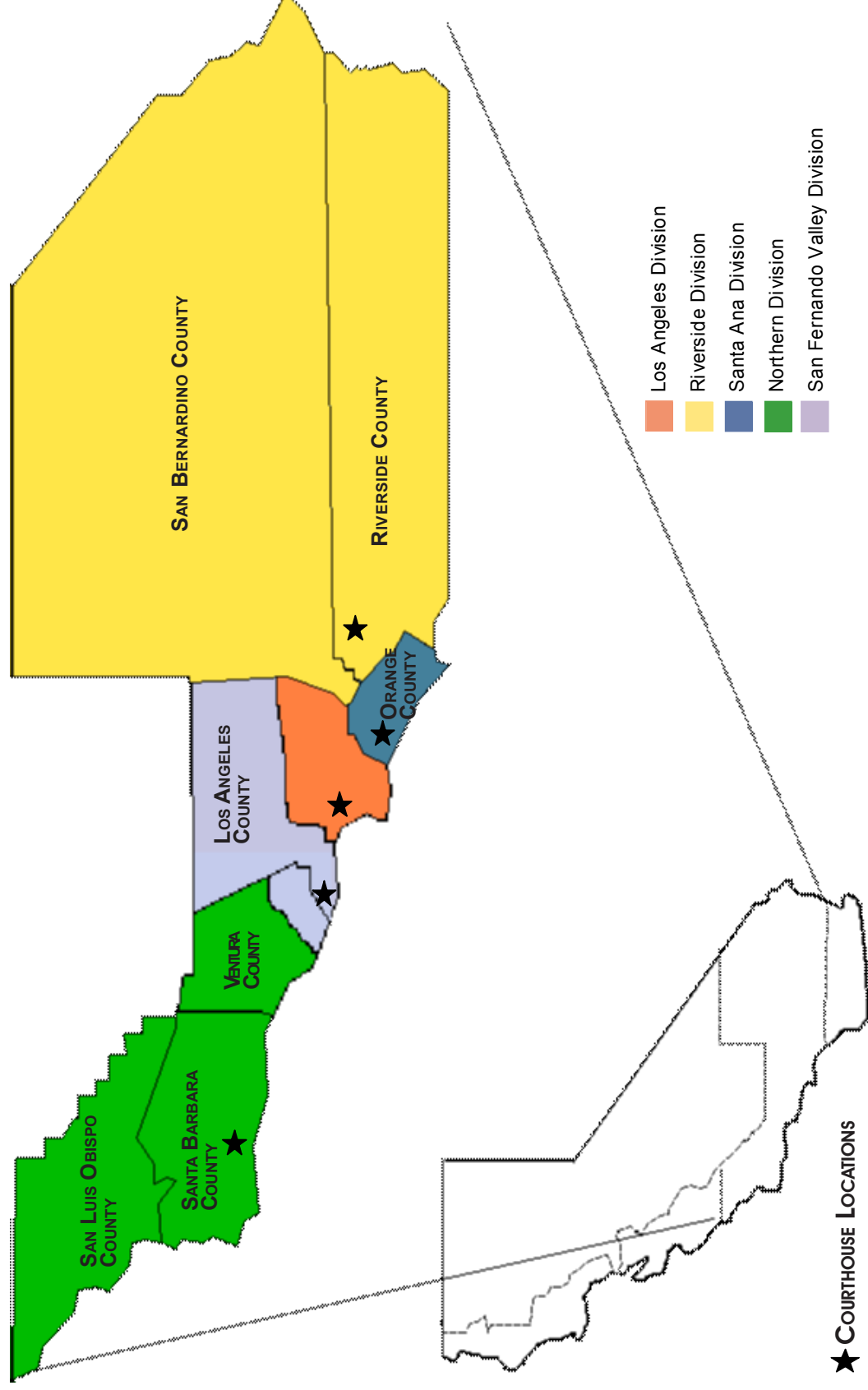
COURT PROFILE

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The Central District of California is the largest bankruptcy court in the United States. Presently, the district holds court in Los Angeles, Riverside, Santa Ana, Santa Barbara, and the San Fernando Valley.

The Central District of California covers approximately 40,000 square miles and stretches from the Central Coast area of the state eastward to the Nevada and Arizona borders. The Court has jurisdiction in the seven-county region comprised of Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara, Ventura, and San Luis Obispo Counties.

The Central District is part of the Ninth Circuit, which encompasses the federal courts of nine states (Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, and Washington), the Territory of Guam, and the Commonwealth of the Northern Mariana Islands. The Ninth Circuit is the largest of the 12 federal circuits in size, population, number of federal judges, and volume of litigation. It includes 15 federal district courts, 13 bankruptcy courts, a court of appeals, and a bankruptcy appellate panel.



A Brief History of the Bankruptcy Court in California

The first system of federal courts west of the Rocky Mountains was created with the establishment of the Ninth Circuit in 1848. Some other milestones are listed below.

- 1850 The State of California was admitted to the Union.
- 1850 The Southern and Northern Districts of California were created.
- 1898 The Bankruptcy Act of 1898 gave district courts exclusive jurisdiction over bankruptcies.
- 1900 Congress divides Southern District of California into two divisions: Northern Division, meeting in Fresno, and the Southern Division, meeting in Los Angeles and comprised of the counties of San Luis Obispo, Santa Barbara, Ventura, San Bernardino, Los Angeles, Riverside, Orange, Imperial, and San Diego.
- 1929 Congress adds a third division to Southern District. The designation of Los Angeles was changed from Southern to Central Division, and the San Diego court is designated the new Southern Division of the Southern District.
- 1957 A divisional bankruptcy office was opened in San Bernardino.
- 1959 A divisional bankruptcy office was opened in Santa Ana.
- 1966 California was divided into four judicial districts: the Central Division in Los Angeles becomes the Central District; the Southern Division in San Diego becomes the Southern District; the Northern Division in Fresno become the Eastern District; and the Northern District remains in San Francisco.
- 1978 The Bankruptcy Reform Act of 1978 passed by Congress.
- 1984 The Bankruptcy Amendments and Federal Judgeship Act becomes law.
- 1986 Bankruptcy Judges, United States Trustees, and Family Farmer Act passed.
- 1992 Congress passes act establishing three divisions in the Central District of California.
- 1992 A divisional bankruptcy office was opened in Santa Barbara.
- 1992 The Los Angeles Division begins moving into the newly constructed Roybal Federal Building and Courthouse.
- 1994 Bankruptcy Reform Act of 1994 enacted.
- 1996 A divisional bankruptcy office was opened in the San Fernando Valley.
- 1997 The San Bernardino Division becomes the Riverside Division by relocating to a new courthouse in that city.
- 1999 The Santa Ana Division relocates to the new Ronald Reagan Federal Building and United States Courthouse.
- 2002 Court launches *eFile*, its new electronic filing system, and begins pilot program accepting electronically submitted Motions for Relief from the Automatic Stay.
- 2003 *eFile* system is expanded to accept Motions for Relief from the Automatic Stay for all judges, complaints, and chapter 7 petitions. Court's *CIAO!* system, which is integrated with *eFile*, is implemented district-wide.
- 2004 Chapter 13 *eFile*, National Version of *CIAO!*
- 2005 Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 enacted. Conversion from NIBS to CM.

With a population of 18.6 million people, the Central District represents over 50% of California's population of 36.8 million people. Based on projections by the Demographic Research Unit of the California Department of Finance, the Central District of California is home to four of the five most populous counties in California (Los Angeles, Orange, San Bernardino and Riverside) and two of the five most populous counties in the United States (Los Angeles and Orange).

The following table details changes in population for the Central District of California from 1995 to 2005 compared to the number of bankruptcy cases filed for the same period.

Table 4
United States Bankruptcy Court - Central District of California
Change in Population and Bankruptcy Filings: 1995 vs. 2005

COUNTY	POPULATION*			BANKRUPTCY FILINGS		
	1995	2005	% Chg	1995	2005	% Chg
Los Angeles	9,103,900	10,226,506	12%	50,958	55,354	9%
Ventura	702,800	813,052	16%			
Santa Barbara	382,400	419,260	10%			
San Luis Obispo	229,200	260,727	14%			
Orange	2,590,100	3,056,856	18%	13,367	12,043	-10%
Riverside	1,365,500	1,877,000	37%	18,504	16,849	-9%
San Bernardino	1,573,900	1,946,202	24%			
District Total	15,947,800	18,599,603	17%	82,829	84,246	2%

* Source

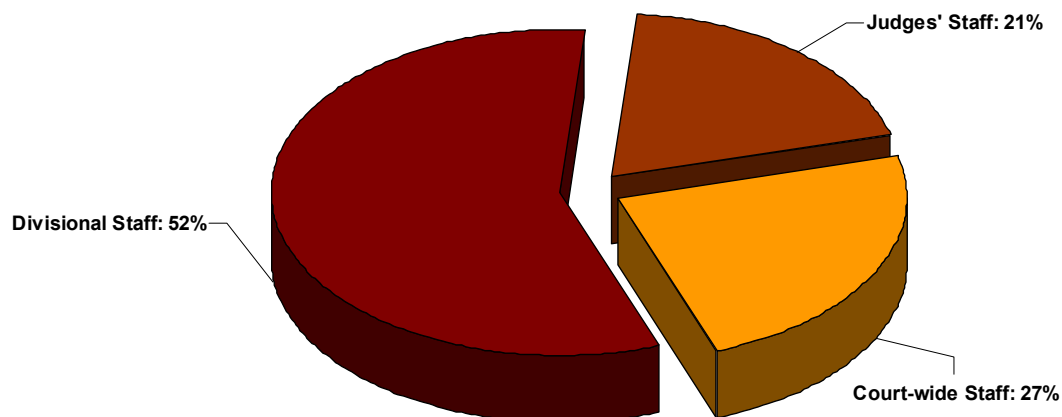
State of California, Department of Finance, *E-1 Table: State/County Population Estimates, with Annual Percent Change, January 1, 2004 and 2005.*

A total of 321 employees (including judges, judges' staff, and Clerk's Office) were on the payroll of the Bankruptcy Court in the Central District of California as of December 31, 2005.

The following chart displays the allocation of Central District personnel. The majority of staff work in Clerk's Office operations (52%). Operations includes the staff of Case Initiation, Courtroom Services, and Analysis & Information. Another 24% of the Court's personnel consists of administrative staff, which includes the Executive Office, Human Resources, Financial Services, Information Technology, Administrative Services, and Office Services. *eFile* Operations comprises 3% of all employees in the district. The judges' staffs, including law clerks and judicial assistants, comprise 21% of the total.

The majority of employees work in Los Angeles (58%), followed by Riverside (16%), Santa Ana (12%), the San Fernando Valley (11%), and the Northern Division (3%).

Figure 2
United States Bankruptcy Court - Central District of California
Bankruptcy Court Personnel
(December 31, 2005)



In 1994, the Judicial Conference and the Administrative Office of the United States Courts (A.O.) decentralized budget management in order to provide court units with greater autonomy in long-range planning, improved cost-control, and flexibility in meeting local needs. Budget decentralization has proven to be a cost-effective, successful program, unique in the federal budget environment.

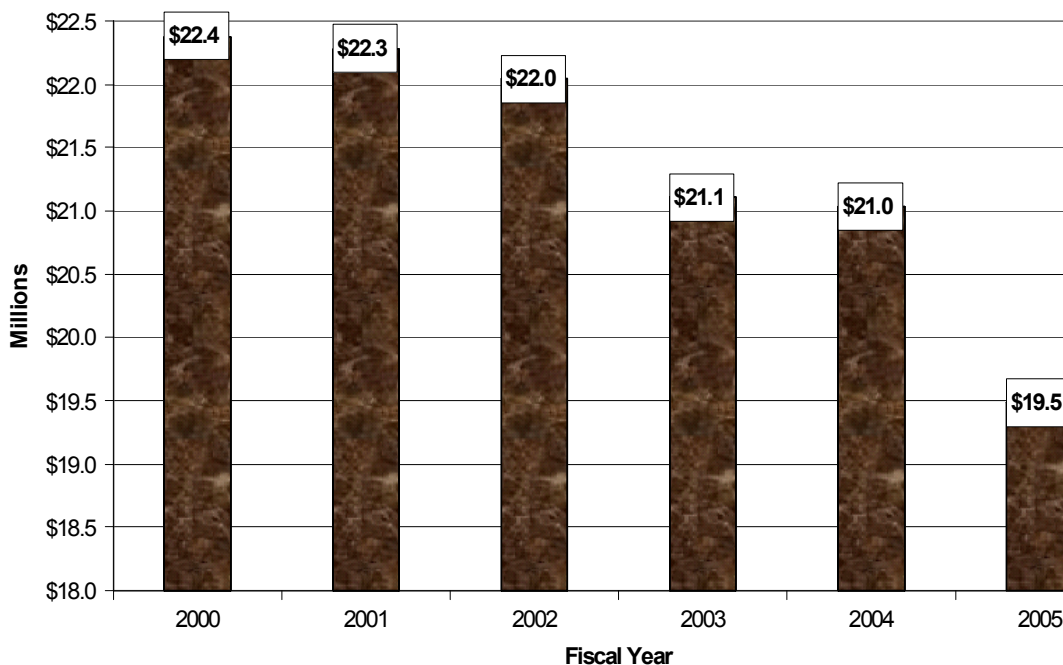
In accordance with the budget decentralization policy, the Bankruptcy Court for the Central District of California adopted the Appropriated Funds Financial Management and Budget Organization Plan. This plan defines the roles and responsibilities for the receipt, budgeting, and disbursement of funds provided to the Court by the United States Congress, via the Judicial Conference and the A.O.

Each year, the A.O. provides the Court with budget allotments for salaries, operating expenses, and automation. These budget allotments are determined by formulas based on variables such as the number of bankruptcy filings, current authorized judgeships, judicial staffing, and Clerk's Office staffing levels.

At the start of each fiscal year, the Court develops a spending plan to implement its operating objectives within the confines of the budget allotments. Throughout the year, the Court continually monitors expenditures, which may necessitate the reevaluation and reprioritization of scheduled projects.

From fiscal year 2000 (October 1, 1999 through September 30, 2000) through fiscal year 2005 (October 1, 2004 through September 30, 2005), the Court has received successively declining budget allotments. For that range, there has been a 13% decrease in allotments provided to the Court.

Figure 3
United States Bankruptcy Court - Central District of California
Budget Allotments
FY 2000-2005



The Bankruptcy Court for the Central District of California occupies approximately 469,281 square feet in both leased and government owned space. The chart and table below delineate the square footage of space for each division and the percentage of space district-wide used for courtrooms, judges' chambers, office space, conference and training rooms, and miscellaneous space (which includes restrooms, hallways, and storage space).

Figure 4
Square Footage By Division
United States Bankruptcy Court - Central District of California (2005)

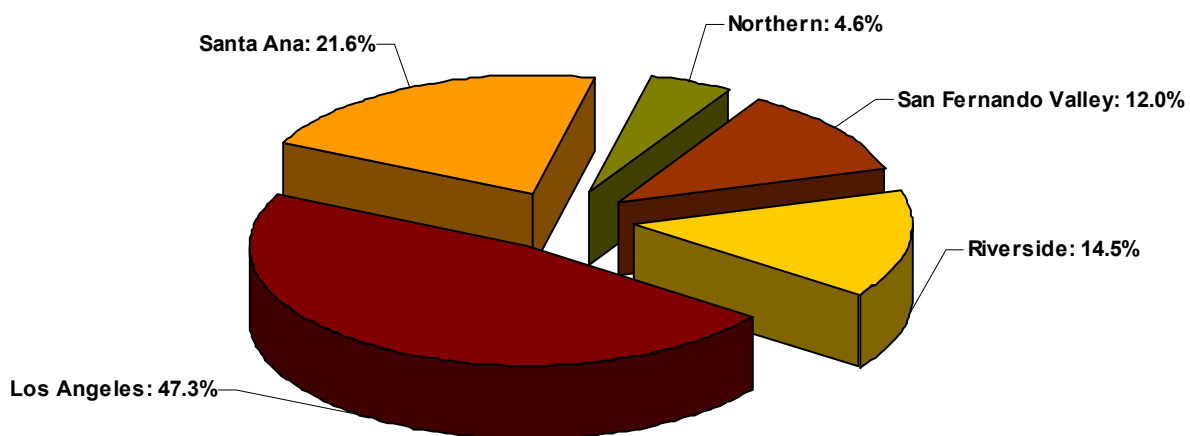


Table 5
United States Bankruptcy Court - Central District of California
Facilities Breakdown: 2005

Usage	Usable Sq. Ft.	Percent
Conference/Training:	24,407	5.2%
Miscellaneous:	26,280	5.6%
Judges' Chambers:	54,432	11.6%
Courtrooms:	53,498	11.4%
Office:	310,664	66.2%
Total:	469,281	100%

Board of Judges

The Board of Judges consists of all of the bankruptcy judges in the Central District. The purpose of the Board of Judges is outlined in the *Court Governance Plan* and includes establishing overall administrative policies for the Court.

Chief Judge

**PHOTOS NOT
AVAILABLE FOR
PUBLIC
VIEWING**

The Chief Judge plays a strategic leadership role in Court management and stewardship by defining goals, ensuring the Court is administered effectively and efficiently, and setting management principles and standards of the Court. The Chief Judge serves a four-year term, and has many diverse duties that include:

- Serving as chief presiding officer of the Court.
- Delegating responsibility and maintaining oversight of financial management, personnel, procurement, space and facilities, property management, and property disposal.
- Chairing the Executive Committee and Board of Judges.
- Keeping all judges fully informed in a timely manner of matters of Court-wide interest.
- Serving as spokesperson for the Court.
- Monitoring the case management system, identifying problems, and initiating change.
- Creating judicial committees.

Chief Judge Barry Russell

Executive Officer/Clerk of Court

The Clerk of the Bankruptcy Court is appointed by the bankruptcy judges in the Central District and serves an indefinite term. The Clerk has many diverse duties that include:

- Directing all aspects of the Clerk's Office, including the development of policies and procedures.
- Formulating and executing the Court's budget.
- Providing case administration support.
- Managing space, facilities, automation, and other resources of the Court.
- Recruiting, hiring, and managing Clerk's Office personnel.
- Advising the Board of Judges and the Chief Judge on administrative and policy matters.
- Acting as the Clerk's Office liaison with civic, community, and professional organizations.

**PHOTOS NOT
AVAILABLE FOR
PUBLIC
VIEWING**

**Jon D. Ceretto
Executive Officer/Clerk**

A P P E N D I C E S

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The United States Bankruptcy Court for the Central District of California made public its first Long Range Plan in April 1994. This Long Range Plan was amended in March 1998, and again in 2001. The Court has successfully addressed most of the issues and objectives identified over the past eleven years in these different versions of the Long Range Plan.

Facing a new set of challenges, including dramatic reductions in funding, the Court commenced development of a new Long Range Plan during 2005. Drawing upon its predecessors in many respects, this new Plan confirms the Court's commitment to many aspirational values expressed in the first Long Range Plan's Leadership and Ethics and Standards of Conduct sections and does not plan to address them anew. Instead, the Court will specifically focus on its strategic needs in the areas of Case Management, Community Outreach, Facilities and Security, Human Resources, and Information Management. This restructuring reflects a desire to streamline the planning process so that it addresses the changes in the operations of the Court that have been taken, and will continue to take place in the future. The new Long Range Plan is scheduled to be completed in 2006.

The current version of the Long Range Plan, along with accomplishments fulfilling each aspect of it, are included in the following pages. The Long Range Plan is organized into six key planning areas:

- Leadership (LD) - page 50
- Ethics and Standards of Conduct (ES) - page 52
- Case Management (CM) - page 53
- Community Relations (CR) - page 59
- Human Resources (HR) - page 62
- Space and Facilities (SF) - page 71

Issue: Leadership (LD)

Goal Number: LD1

Description: Develop leadership skills throughout the Court.

Accomplishments: Significant efforts have been made to enhance leadership skills throughout the Court. Leadership Training Completed: Federal Court Leadership Program, Adaptive Manager, Peer Coaching, Teamwork Essentials, Applied Supervision, Deputy Clerk Leadership Training, Performance Management, Zenger-Miller program, Front Line Leadership, CLEAR (Continuing Leadership Education and Realistic) Training, Leadership 2000, Essence of Leadership, Supervising in the Courts, Staff Mentor Program, Peer Coaching, Working Together, Supervisor Development Program and other training.

Tuition Reimbursement Program 1997-2003.

Clerk's Office Retreat Leadership Topics: Analysis of Performance Management Systems; Administering Performance Appraisals, Planning Our Performance Management System; Coping with Change; Hire the Right Person-Effective Interviewing; Exceptional Leaders in Exceptional Organizations (Dr. Arthur Lange); Competency-Based Performance Management; staffing adjustment planning; and other topics. Other examples of leadership development: appointing project leaders (i.e., *eFile* Quality Assurance, *CIAO!*, Digital Recording, CM/ECF), Acting Operations Managers, and Acting Supervisors.

Classifications: Maintenance

Goal Number: LD2

Description: Increase effectiveness of the Court's communication and working relationships with other federal courts, agencies, and Congress.

Accomplishments: Online case files, Judicial Workload Equalization Program (JWEP), Visiting Judge program, U.S. Trustee Liaison Committee, Fraud Task Force, IRS participation in Court's Electronic Bankruptcy Noticing (EBN) program, FAS4T training, participation in various U.S. Agency for International Development programs (Romania, Serbia, China, Mexico, Russia), Methods Analysis Program (MAP), and other projects/programs where Clerk's Office staff participate with and provide support to other agencies and bankruptcy courts.

Free CM/ECF PACER access provided to certain law enforcement agencies. Worked with U.S. Trustee's Office to create program to randomly assign trustees to chapter 7 cases. Representation on the district Court's Bankruptcy Committee and other District Court Committees, biweekly meetings with the other court unit executives, membership on Circuit and Conference Committees, designated liaisons for the House and Senate, and joint meetings of the District and Bankruptcy Court executive committees. Clerk's appointment to PICO Committee.

Annual Reports provided to our district's Senators and Representatives. Judge Lisa Hill Fenning's written communications to the U.S. House of Representatives regarding the Private Trustee Reform Act of 1997.

Meetings of Judge Geraldine Mund with Senators Dianne Feinstein and Barbara Boxer. Various presentations to Ninth Circuit Committees. Visits to other courts regarding CM/ECF implementation. Clerk participated as panelist on FJTN program broadcast. Participate in inter-agency Building Security Committees.

Court makes its *C/AO!* calendaring and order generation system software available to other courts. Court participates in CM/ECF Large Court committee.

Classification: Maintenance

Goal Number: LD3

Description: Improve communication and relations with state courts and legislative branches.

Accomplishments: Free CM/ECF PACER access provided to certain law enforcement agencies. Bankruptcy Fraud Task Force with state courts. Article 9 training. Judge Robin Riblet represents bankruptcy courts on California State-Federal Judicial Council workgroup.

Classifications: Maintenance

Goal Number: LD4

Description: Initiate and formalize cooperative efforts with professional organizations and groups.

Accomplishments: *Pro bono* programs at all divisions coordinated with local bar associations. Chief Judge, judges, Executive Officer, and senior staff attend meetings and provide bankruptcy-related reports. Bankruptcy Forums. Bankruptcy Fraud Task Force. Bench/bar committees formed guidelines for complex chapter 11 cases, modified Relief From Stay forms, and reviewed BAPCPA. Judges' participation in local bar associations and other outside professional organizations. Provide free CM/ECF PACER access to law professors for research. Instructional hearings held for students at law schools. Publication of *Court News*, the Court's web-based newsletter.

Classification: Maintenance

Issue: Ethics and Standards of Conduct

Goal Number: ES1

Description: Provide an impartial Court environment to all users.

Accomplishments: Utilizing equipment to enable speech-impaired individuals to participate in hearings; handicapped access to facilities. Interpreter policy formulated. Ninth Circuit gender bias program. Judges' training at March 2000 BOJ meeting with Dr. Gordon Zimmerman entitled "Communication Strategies in Bankruptcy Court." *Pro bono* programs provide support to *pro se* debtors.

Classification: Maintenance

Goal Number: ES2

Description: Foster a workplace free of bias.

Accomplishments: EEO/EDR Plan became effective in January 1999, with all staff provided with copies of the plan for their Personnel Handbooks and trained in its provisions. Grievance Procedure/EDR Plan training presented to management staff. Annual EEO report, diversity training, sexual harassment training. Amended EEO/EDR Plan in November 2002. Incorporated amended plan into Personnel Handbook 11/27/02.

Classification: Maintenance

Goal Number: ES3

Description: Foster a courtroom environment free of bias.

Accomplishments: Interpreter policy, Judges' training - Dr. Gordon Zimmerman. *Pro bono* Programs in all divisions.

Classification: Obsolete

Goal Number: ES4

Description: Foster civility within the Court environment.

Accomplishments: Clerk's Office staff attended FJC training designed to improve communication skills with co-workers and others. Judges' training at March 2000 BOJ meeting with Dr. Gordon Zimmerman entitled "Communication Strategies in Bankruptcy Court." Interpersonal skills training conducted in October 2003 for Clerk's Office staff. Law school presentations by judges and Clerk's Office staff.

Classification: High Priority

Issue: Case Management (CM)

Goal Number: ES4 sub-goal

Description: Create civility guidelines for Court that addresses interactions between judges and public, staff and public, judges and staff, and judges and judges. Furthermore, create a Court civility training program for attorneys, judges, and staff.

Accomplishments:

Classification: High Priority

Goal Number: CM1A

Description: Institute ongoing communication among judges, judicial staff, and Clerk's Office regarding expectations, progress, and case processing performance.

Accomplishments: There is much communication occurring regarding expectations, progress, and performance through monthly, quarterly, and annual reports. Also, there is friendly "competition" between the divisions with operations related performance measures in the areas of data entry quality for new petitions, timeliness of docketing, timeliness and quality of document imaging, and closing of bankruptcy cases and adversary proceedings with monthly feedback provided to staff on performance. Examples of communication include operations related performance measures reporting, Bankruptcy Program Indicators, newsletter articles re: performance, quality measures posted on the Court's web site, intranet access to *Full Court Press*; feedback to staff at various meetings (i.e., Employee of the Month Ceremonies, divisional Employee of the Month/Quarter, Annual Awards Ceremonies, "Clerk's Currency," and Special Recognition Ceremonies). Provide each judge with monthly reports regarding the case aging statistics for his/her cases. Periodic judge/team meetings. Divisional judge meetings with Operations staff.

Classification: Maintenance

Goal Number: CM1B

Description: Develop and implement district-wide quality control program to monitor and evaluate case management functions.

Accomplishments: QC/ICS - Case Initiation review (100%), transcript review, docketing review by Team Leaders, appeal review, re-open policy, dismissal policy, report on cases closed prior to expiration of ten-day appeal period and adversary proceeding QC/ICS program.

Classification: Maintenance

Goal Number: CM1C

Description: Develop and implement a fully automated and integrated bankruptcy fiscal system.

Accomplishments: FAS4T (Financial Accounting System for Tomorrow), ICS (Intake Cashiering System), LAFS (Los Angeles Financial System), WinFinSys, and Cash Register (CR).

Classification: Completed

Goal Number: CM2A

Description: Expand and enhance automated docketing.

Accomplishments: *eFile*, *CIAO!*, Auto Closing of Discharged Cases, Auto Closing of Dismissed Case, Cmatrix Automated Docketing and Noticing of 341(a) Meetings, automated docketing of notices and certificates of mailing, ICS to NIBS interface, docket-driven events, automated candidate list of dismissals, Closing-to-Image program.

Classification: Completed

Goal Number: CM2B

Description: Determine the feasibility of, and develop an approach for, creating a “paperless” Court through the use of an electronic case filing system.

Accomplishments: *eFile*. Online case files, (expanded to include all documents in chapter 7 and chapter 13 cases), posting of most current version of documents (e.g., Docket Code Dictionary, Telephone Directory, forms, various publications) on Court’s web site. Implementation of Internet BNC, *CIAO!*

Classification: Completed

Goal Number: CM2C

Description: Develop and implement “file anywhere, anytime” policy.

Accomplishments: Drop box, use of Citrix server to allow connection to Los Angeles ICS from Santa Ana during DNC. (Concept superseded by *eFile*.)

Classification: Obsolete

Goal Number: CM2D

Description: Develop and implement “Windows-based” case management system.

Accomplishments: Court converted to CM/ECF in 2005. *CIAO!*

Classification: Maintenance

Goal Number: CM2E

Description: Convert to one uniform case management system for the entire district.

Accomplishments: *eFile*. All divisions used same integrated versions of NIBS/ICS/*CIAO!*/VRMS converted to CM/CF in 2005.

Classification: Completed

Goal Number: CM2F

Description: Review and evaluate performance of all case processing functions: opening, docketing, noticing, filing, calendaring, handling correspondence, conforming copies, recording proceedings, retrieval of and routing files to judges, and closing.

Accomplishments: Bankruptcy Program Indicators (national), Case Aging Reports, operations related performance measures in the areas of data entry quality for new petitions, timeliness of docketing, timeliness and quality of document imaging, and closing of bankruptcy cases and adversary proceedings, Methods Analysis Program (MAP), transcript review, docketing review, etc. Judicial Practices Task Force.

Classification: Maintenance

Goal Number: CM2G

Description: Eliminate or reduce redundancies and delay points in the processing of cases.

Accomplishments: *eFile*, auto closing of discharged cases, auto closing of dismissed cases, Cmatrix, automated docketing and noticing of 341(a) meetings, automated docketing of notices and certificates of mailing, ICS to NIBS interface, Closing-to-Image, docket-driven events, JOGS (Phase II), *CIAO!*.

Classification: Maintenance

Goal Number: CM3A

Description: Implement court-wide, uniform self-calendaring system.

Accomplishments: Self-Calendaring systems implemented by all judges. Judges have taken steps to standardize self-calendaring.

Classification: Long-Term

Goal Number: CM3B

Description: Develop uniform system for early publication of tentative rulings.

Accomplishments: *CIAO!* enables tentative rulings.

Classification: Completed

Goal Number: CM4A

Description: Implement video conferencing pilot project in at least four divisional offices within the district.

Accomplishments: All divisions equipped with video hearing technology.

Classification: Completed

Goal Number: CM4B

Description: Implement an electronic files system within the Court to make documents available online to all interested parties.

Accomplishments: Online case files available in all divisions. All chapter 7 and chapter 13 documents online.

Classification: Completed

Goal Number: CM4C

Description: Review and determine the feasibility and desirability of accepting filings by fax.

Accomplishments: Superseded by *eFile*.

Classification: Obsolete

Goal Number: CM4D

Description: Develop and implement an automated system to provide case information.

Accomplishments: *webPACER*, Voice Case Information System (VCIS), online case files, Court's web site (for high profile cases).

Classification: Maintenance

Goal Number: CM4E

Description: Develop and implement an automated system to provide calendar information and self-scheduling capability.

Accomplishments: Court calendar automated through Court Calendar Program (CCP) in all divisions, with data available through *webPACER* and lobby kiosks. CCP replaced by *CIAO!*. Self-scheduling for all judges also available via call management systems and the Court's web site.

Classification: Completed

Goal Number: CM4F

Description: Develop an online universal forms catalog.

Accomplishments: Court's web site provides staff and the public with all petition packages, Local Bankruptcy Rules Forms, and other forms (many in fillable format).

Classification: Completed

Goal Number: CM4G

Description: Develop a cross-referenced topical index system for Court committee and Board of Judges discussions and actions to track issues, decisions, and implementation.

Accomplishments: Automated system developed to enable text search of minutes for all judicial committee meetings.

Classification: Long-Term

Goal Number: CM5A

Description: Revise, simplify, and renumber the *Local Bankruptcy Rules*. Coordinate with the District, Circuit, and Local Advisory Committee on Bankruptcy Rules projects regarding local rule organizational structure.

Accomplishments: Revision of *Local Bankruptcy Rules* completed, including the modification of the numbering system to conform to the national rules.

Classification: Completed

Goal Number: CM6A

Description: Create guidelines for complex chapter 11 case management.

Accomplishments: Procedures for handling all chapter 11 cases developed and approved by the Board of Judges (General Order 02-02).

Classification: Completed

Goal Number: CM6B

Description: Eliminate wasteful and inefficient judicial variances without inappropriately interfering with a judge's judicial responsibilities.

Accomplishments: Judicial Practices Task Force sought input from bar regarding judicial practices and studied impact of judicial practices on Clerk's Office. Judicial Variance Subcommittees. Voluntary judicial performance surveys.

Classification: High Priority

Goal Number: CM6C

Description: In the next 12 to 24 months, the Court will implement the automation priorities in the following order: (1) A.O. - directed Lotus Notes e-mail conversion; (2) electronic filing;(3) upgrade the DCN to the new A.O. standards (frame-relay and gigabit speed); (4) new desktop operating system; and (5) develop and implement a new calendaring program.

Accomplishments: (1) Developed plan and training program for Court's migration to Lotus Notes 5 from cc:Mail. Since then, the Court has migrated to Lotus Notes 6. (2) Phase I of the *eFile* system developed for the electronic filing of Relief From Stay motions, Phase II of pilot program (adversary filings) implemented in 12/02, Phases I and II opened to all registered attorneys in early 2003. Phase III (chapter 7 filings) opened to all registered attorneys in December 2003. Phase IV (chapter 13 filings) opened to all registered attorneys in September 2004. (3) Gigabyte upgrade completed; frame relay conversion completed. (4) Pilot testing of Windows 2000 and Windows XP completed, with selection for Windows XP as operating system. (5) *CIAO!* implemented district-wide in 2003; *CIAO!* v3.0 (for CM) completed.

Classification: Completed

Issue: Community Relations (CR)

Goal Number: CR1A

Description: Establish relationship with minority and culturally diverse bar organizations.

Accomplishments: Judges created Diversity Outreach Task Force in 2003.

Classification: Long-Term

Goal Number: CR1B

Description: Make frequently-used informational documents available in multiple languages.

Accomplishments: Separate pamphlets of general bankruptcy information for chapters 7, 11, and 13 available in Spanish on the Court's web site and at divisions. Selected information about reaffirmation agreements and the Debtor Assistance Project in Spanish.

Classification: Maintenance

Goal Number: CR1C

Description: Determine information needs of community via surveys, focus groups, and interviews.

Accomplishments: Customer Service Survey available on the Court's web site and at each division. Judicial Variance Survey.

Classification: Long-Term

Goal Number: CR1C sub-goal

Description: Use the focus group process in the areas of chapter 7 and 13 cases to achieve CR1C.

Accomplishments: Sub-goal. Bar/bench lunches, brown bag lunches open to the community. Other forums held.

Classification: Maintenance

Goal Number: CR1D

Description: Make translation services available, as feasible.

Accomplishments: Translation services currently available within AO guidelines and a list of qualified interpreters (language and sign) are available through the J-Net. Bilingual staff provide support as needed in Clerk's Office. CA(C) Bankruptcy Court Interpreter policy (April 2001).

Classification: Completed

Goal Number: CR2A

Description: Initiate periodic, outside input on Court operations.

Accomplishments: Methods Analysis Program (MAP), Customer Service Survey available on the Court's web site and at each division. Judicial Performance Survey. Input from *eFile* pilot attorneys, U.S. Trustee, and panel trustees.

Classification: Maintenance

Goal Number: CR3A

Description: Conduct evaluation of public education needs concerning bankruptcy-related issues and recommended solutions.

Accomplishments: Educational materials available to the public on the Court's web site. Customer Service Survey available on the Court's web site and at each division. U.S. Trustee educational program for high school students on the use of credit. Judges formed a Student Credit Education Task Force to provide basic financial training to high school students.

Classification: Maintenance

Goal Number: CR3B

Description: Establish regular communication with and provide appropriate bankruptcy-related educational materials and programs to community groups and educational institutions.

Accomplishments: Judges and Clerk's Office staff speak at many functions. Petition packages. *Pro bono* programs in all divisions. Mediation Program materials available on Court's web site. Required Education for Debtors (RED) pilot program for chapter 13 debtors. Clerk member of Ninth Circuit PICO Committee. Judges lecture at law schools. Judges formed a Student Credit Education Task Force to provide basic financial training to high school students.

Classification: Completed

Goal Number: CR3C

Description: Explore opportunities and make available Court representatives to participate in the education of the public concerning issues related to bankruptcy.

Accomplishments: Judges and Clerk's Office staff speak at many functions. *Pro bono* programs in all divisions. Public Information areas provide the public with a video presentation on the bankruptcy process, printed information and forms, as well as *pro bono* referrals. Required Education for Debtors (RED) pilot program for chapter 13 debtors. Judges lecture at law schools.

Classification: Maintenance

Goal Number: CR3D

Description: Initiate and maintain a regular liaison with local members of Congress.

Accomplishments: Creation of Legislation Liaison Committee.

Classification: Maintenance

Goal Number: CR4A

Description: Create and staff an ombudsperson position in each division to assist the public with legal or procedural questions that the Clerk and his staff are prohibited from answering.

Accomplishments: *Pro bono* programs in all divisions.

Classification: Obsolete

Goal Number: CR4B

Description: Establish a *pro bono* program at each divisional office location.

Accomplishments: *Pro bono* programs established in all divisions.

Classification: Completed

Issue: Human Resources (HR)

Goal Number: HR1A

Description: Establish accurate, specific, uniform, and comprehensive job descriptions and recruitment bulletins.

Accomplishments: Job descriptions/titles standardized district-wide. Recruitment expanded to the Court's web site. Recruitment bulletins redesigned to correctly identify required knowledge, skills, and abilities for each position. Development of court competencies.

Classification: Completed

Goal Number: HR1B

Description: Develop training programs to instill problem-solving orientation.

Accomplishments: Team-based training. Ongoing training, including Federal Judicial Television Network training broadcasts, Zenger-Miller programs, etc. Encompassed by HR1E and HR1F. Exchange of best practices among supervisors of different divisions.

Classification: Completed

Goal Number: HR1C

Description: Develop and implement an online training system covering all automated system applications used by the Court.

Accomplishments: Online manuals: NIBS Docket Code Dictionary, Citrix Users Manual, Attorney Admissions Database Instructions, Lotus Notes. *eFile* procedures for registration, and filing Relief from Stay motions, petitions, and complaints.

Classification: Maintenance

Goal Number: HR1D

Description: Create a training program for all staff using the Code of Conduct.

Accomplishments: Clerk's Office provided a Code of Conduct section for its *Personnel Policies and Information Handbook* in 1996. All Clerk's Office staff were provided with an overview upon its introduction.

Classification: Maintenance

Goal Number: HR1E

Description: Develop in-house training programs to prepare staff for broader technical, analytical, and managerial responsibilities, including compliance with government contracting laws.

Accomplishments: Classes provided to staff: Adaptive Manager, Working, FAS4T, Train the Trainer, Presentation and Development Techniques, Leadership 2000, Hire the Right Person, Applied Supervision, writing and grammar classes, Quattro Pro, WordPerfect, PowerPoint, etc.

Classification: Maintenance

Goal Number: HR1F

Description: Continue the development of training programs to further develop employee job skills.

Accomplishments: Classes provided to staff: writing and grammar classes, software training (QuattroPro, WordPerfect, PowerPoint, etc.), customer service, video production, CA(C) operations software (ICS, NIBS, CCP, VRMS, *CIAO!*, *eFile*, etc.) and others. Library (list posted on Court's web site) made available to staff consisting of books, audio and video tapes, and DVDs on subjects ranging from communication and management skills to bankruptcy.

Classification: Maintenance

Goal Number: HR1G

Description: Increase training and development of leadership skills at all levels.

Accomplishments: Classes provided to staff: Applied Supervision, Performance Management, Presentation Skills, grammar and writing classes. Cross-training, certification program, staff details, etc. Encourage participation in FJC's Federal Court Leadership Program. All Supervisors commenced an FJC sponsored Supervisors Development Program in 2004.

Classification: Maintenance

Goal Number: HR1H

Description: Increase training to develop written communication skills at all levels.

Accomplishments: Writing and grammar classes provided by outside vendor. Detail staff to assess and develop skills (e.g., drafting *Fiscal Manual*).

Classification: Maintenance

Goal Number: HR1I

Description: Train staff to recognize and effectively deal with cultural diversity.

Accomplishments: EDR training provided for management staff.

Classification: Maintenance

Goal Number: HR1J

Description: Train staff on providing helpful and courteous service.

Accomplishments: Clerk's Office developed and introduced customer service training program "The Public: How to Deal with Them," and A.O.-sponsored "Deputy Clerks Making a Difference" program, and "Dealing with Difficult People."

Classification: Maintenance

Goal Number: HR1K

Description: Provide increased staff education about importance and role of bankruptcy system in general economy and legal system and tying that education to importance of job performance for real-life concerns of users.

Accomplishments: "Lunch and Learn" programs, "Deputy Clerks Making a Difference," "Introduction to Bankruptcy," and extern and law clerk training.

Classification: Maintenance

Goal Number: HR2A

Description: Improve the performance evaluation process. (Replaced by new goal #HR6B.)

Accomplishments: Performance Evaluation (PE) form simplified, management staff received training in improving staff performance through enhanced written evaluations, "Administering Performance Appraisals" training provided, and implementation of Abra (personnel automation) enables management to track performance evaluation due dates to ensure timeliness. Clerk's Office also performs statistical analysis of summary PE ratings for all staff at each division. Automated PE form for Operations positions.

Classification: Completed

Goal Number: HR2B

Description: Establish performance standards. (Replaced by New Goal #HR6B.)

Accomplishments: Within Grade Increase certifications have been combined with the annual Performance Evaluations process, eliminating redundancies and discrepancies in assessing job performance. Synchronized with step increases; track mean/median by division. Performance Management Retreat held for team leaders, supervisors, and managers included classes in analysis of performance management, administering performance appraisals, and planning the Court's performance management system. A Performance Standards Committee reviewed performance standards from other courts and other related material and also drafted performance standards for a number of positions. Implemented competency-based human resources management system for Operations positions.

Classification: Completed

Goal Number: HR2C

Description: Develop procedures manual for each position as training tool to encourage uniformity and facilitate establishing performance standards.

Accomplishments: Intake Manual(s), certification training, comprehensive docketing procedures, established uniform district-wide policies for use of the Order to Comply (ORCO), Case Commencement Deficiency Notice (CCDN), Case Initiation Action Notice (CIAN), and Rejection Notice. *CIAO!* and *eFile* manuals. Video Hearing System Users Manual. Updated ICS and Fiscal Manuals. Procedures for file folder label generalizing software.

Classification: Maintenance

Goal Number: HR2D

Description: Establish consistent performance expectations and measurements for all positions. (Replaced by New Goal #HR6B.)

Accomplishments: District-wide Operations job descriptions were revised and specific skill sets were delineated for each classification. Training outlines identifying expected performance at each level have been created. Certification program developed and implemented. Performance Management Retreat held for management that included classes in analysis of performance management, administering performance appraisals, and planning the Court's performance management system. A Performance Standards Committee was formed that has reviewed performance standards from other courts and other related material and has drafted performance standards for many positions. Worked with OPM to establish court competencies for each Clerk's Office position in Court. Revised standards for Operations positions.

Classification: Completed

Goal Number: HR2E

Description: Establish job performance self-evaluation as part of performance review process. (Replaced by New Goal #HR6B.)

Accomplishments: Staff do self-evaluation and submit to supervisor, who considers self-rating before actual evaluation is prepared and discussed with employee. Discrepancies between self and actual ratings are key discussion points during administration of PE.

Classification: Maintenance

Goal Number: HR2F

Description: Monitor and support the transition to automation.

Accomplishments: Measurement of performance on time-to-docket, time-to-image quality, QC/ICS, and adversary proceeding QC/ICS. Enhancements are tested and piloted, with employees' experiences and feedback considered before implementation.

Classification: Completed

Goal Number: HR2G

Description: Develop and implement a program to enhance employee job satisfaction.

Accomplishments: Annual awards ceremonies. Employee of the Month (district-wide), and various Employee of the Month/Quarter programs in divisions. Cross training of new skills, Certification Program, EAP presented "Coping with Change" in all divisions. "Clerk's Currency Program" and Special Recognition ceremonies.

Classification: Maintenance

Goal Number: HR3A

Description: Create employee feedback mechanisms. (Replaced by New Goal #HR6B.)

Accomplishments: Team-based management structure. Statistics and feedback on: QC/ICS, adversary QC/ICS, docketing quality, case closing, time-to-docket, and imaging speed. PE process/discussions.

Classification: Completed

Goal Number: HR3B

Description: Clarify role definition for chambers and courtroom staff, including Courtroom Deputies, Judicial Assistants, Law Clerks, Electronic Court Recording Operators, and Relief Courtroom Deputies.

Accomplishments: Created new positions of Case Initiation Clerk and Courtroom Services Clerk. New positions reflect new skill sets, new promotional opportunities, cross training opportunities, etc.

Classification: Completed

Goal Number: HR3C

Description: Develop and implement employee orientation program for Clerk's Office and Chambers staff.

Accomplishments: Law clerk/extern training for new law clerks/externs. Full-day orientation for Clerk's Office staff including Personnel Handbook, half-day orientation for judicial staff.

Classification: Completed

Goal Number: HR3D

Description: Improve upward and downward communication among divisions and between divisional offices.

Accomplishments: E-mail, regular senior staff meetings, annual seminars for Team Leaders and above, participants rotated. District-wide training. *Full Court Press*. Joint efforts: NIBS Procedures manual ICS/NIBS Committee, etc. Group Training: Abra, VRMS, FAS4T, leadership, *CIAOI*, Privacy Policy, *eFile*, file folder label generating software. Clerk's Office Quarterly Reports, *Court News*. District-wide Fall Education Seminar of 2005.

Classification: Maintenance

Goal Number: HR4A

Description: Provide multilingual service capability (e.g., bilingual staff).

Accomplishments: Translation services currently available within A.O. guidelines and a list of qualified interpreters (language and sign) are available through the J-Net. Bilingual Clerk's Office staff assist public as needed.

Classification: Maintenance

Goal Number: HR4B

Description: Improve human resources programs that ensure parity between the employee force and the labor force.

Accomplishments: Employment Dispute Resolution Plan implemented, commuter benefits, child care, cafeteria plan, flexible spending plan, medical spending accounts, long-term care, retirement services, open season information, COLAs, Family Medical Leave, locality pay differential, tuition reimbursement program, etc. TSP and TSP "Catch-up" provision. Telework implemented for select positions.

Classification: Maintenance

Goal Number: HR5A

Description: Compare current personnel practices to personnel practices of other organizations and identify possible improvements in each practice.

Accomplishments: Benefits: HR staff members attend Ninth Circuit Annual HR Conferences with A.O.'s Personnel Office and other federal judiciary HR professionals. Compare personnel practices in the areas of recruitment, benefits administration, personnel manual layouts, etc. HR also attended Judiciary Benefits Conferences in 1999 and 2000 to discuss personnel issues and network with other HR professionals. As a result of the conferences: Identified a need to create a Benefits Specialist position to handle the growing area of benefits administration in order to provide more effective service to Court staff. Filled the position in March of 2000. Utilized knowledge gained at conferences to assist in implementing reductions in work force in December 2000 and December 2002, which became especially useful in areas of saved grade/saved pay and severance regulations. Able to effectively develop and present training seminars to staff on various benefits programs. As a result of training received, HR's ability to counsel staff on benefits programs, especially in retirement planning area, was enhanced. Based upon A.O. information received at seminars, initiated an ongoing internal HR project to ensure that all staff are classified in correct retirement system. Attended Federal Benefits Conference sponsored by OPM in June 2002.

Classification: Maintenance

Goal Number: HR6A

Description: Create training and staff development programs to address the identified needs of all staff.

Accomplishments: Entered into inter-agency agreement with OPM to identify needs and training programs for all staff. Staff Development Department developed draft needs assessment with OPM. OPM agreement for ITD restructuring. OPM agreement for competencies for administrative positions. Interpersonal Skills Training for Operations staff.

Classification: Long-Term

Goal Number: HR6B

Description: Redesign employee performance evaluation process to incorporate performance standards and measurement, convey performance expectations, and provide employee feedback mechanisms.

Accomplishments: Staff Development Department worked with OPM to create and implement competency-based human resources management system.

Classification: Long-Term

Goal Number: HR6C

Description: Conduct a needs assessment to identify training and development needs as they are reflected in the Mission Statement, duties and goals of the area of assignment and/or in the performance review process. Incorporate a competency gap analysis into the assessment process.

Accomplishments: Drafted needs assessment for all Operations positions. Currently working on completing needs assessment for administrative staff. Competency gap analysis initiated and will be completed at the conclusion of the needs assessment rollout.

Classification: High Priority

Goal Number: HR6D

Description: Develop and implement a method for evaluating training and development to ensure application of skills learned.

Accomplishments: Researched methods to evaluate training and development of staff.

Classification: High Priority

Goal Number: HR6E

Description: Develop and implement a program for succession planning to ensure the availability of a highly qualified work force to cover vacancies experienced through retirement, promotion, and other attrition.

Accomplishments: Competency-based human resources system implemented, which will ensure effective succession planning. All Supervisors enrolled in FJC's Supervisor Development Program.

Classification: Long-Term

Goal Number: HR6F

Description: Create individual development plans for Clerk's Office staff which specify the training and development activities the employee was involved in during that previous rating period, the impact those activities had on the individual's performance, and the educational activities which would enhance performance during the next rating period.

Accomplishments: Draft individual development plans completed as part of OPM inter-agency agreement. OPM agreement for ITD restructuring. OPM agreement for competencies for administrative positions.

Classification: Long-Term

Goal Number: HR6G

Description: Enhance HR and employee communication through implementation of programs to provide "Employee Self-Service."

Accomplishments: Implemented Abra ESS district-wide providing all Clerk's Office and judicial staff with access to HR information from desktop.

Classification: High Priority

Goal Number: HR6H

Description: Revise Personnel Policies and Information Handbook and make available on web site.

Accomplishments: The Personnel Policies and Information Handbook has been posted to the Court's web site.

Classification: Completed

Goal Number: HR6I

Description: Develop mechanism to automate recording of time and attendance, ensuring that all audit guidelines are followed.

Accomplishments: Deployed Abra ESS to all desktops PC's to facilitate automated method of recording time and attendance.

Classification: Long-Term

Goal Number: HR6J

Description: Develop a management training program regarding the *Personnel Policies and Information Handbook* to ensure Court-established guidelines are followed.

Accomplishments:

Classification: Long-Term

Goal Number: HR6K

Description: Provide a comprehensive training program to employees regarding all Federal employee benefits.

Accomplishments: Created position of Benefits Specialist. Specialist developed and conducted training in all divisions on following subjects: CSRS, FERS, and TSP.

Classification: Maintenance

Goal Number: HR6L

Description: Develop a supervisory training/orientation program on HR policies and procedures including time and attendance, performance evaluation, and jury service.

Accomplishments: Supervisory Development Program.

Classification: Long-Term

Goal Number: HR6M

Description: Establish an employee development component as part of the recruitment process to provide career counseling to employees applying for positions where they are minimally qualified, but not competitive.

Accomplishments: Staff Development Department worked with OPM to create court competencies.

Classification: Long-Term

Goal Number: HR6N

Description: Develop a program for judges and their staffs to foster appreciation and understanding of the duties, responsibilities, and contributions that deputy clerks make to the Court.

Accomplishments: Establishment of judge teams in Operations and regular meetings including judge.

Classification: Long-Term

Issue: Space and Facilities (SF)

Goal Number: SF1A

Description: Establish automated information systems in Court lobbies for tentative rulings and Court calendar information.

Accomplishments: Kiosks in lobbies display judicial calendars.

Classification: Completed

Goal Number: SF1B

Description: Establish *pro bono* lawyer consultation rooms in Court intake offices.

Accomplishments: Facilities provided at Clerk's Offices for reaffirmation counseling (*pro bono*).

Classification: Completed

Goal Number: SF1C

Description: Factor technology needs of public users into the development of facilities (for example, space for portable terminals, copiers).

Accomplishments: Electric outlets in public carrels. Free on-site CM/ECF PACER access; multiple terminals. Print-on-Demand. Policy on use of personal photocopiers.

Classification: Completed

Goal Number: SF2A

Description: Advocate revision of A.O. Design Guides and GSA Standards and Guidelines regarding employee break rooms and restrooms, size of courtrooms, public space areas for high volume courts, *pro bono* lawyer consultation facilities, and handicapped access (including hearing and visually impaired).

Accomplishments: At the national level, the December 1997 revision of the *U.S. Courts Design Guide* addressed some of these issues including employee break rooms, restrooms, and handicapped access.

Classification: Completed

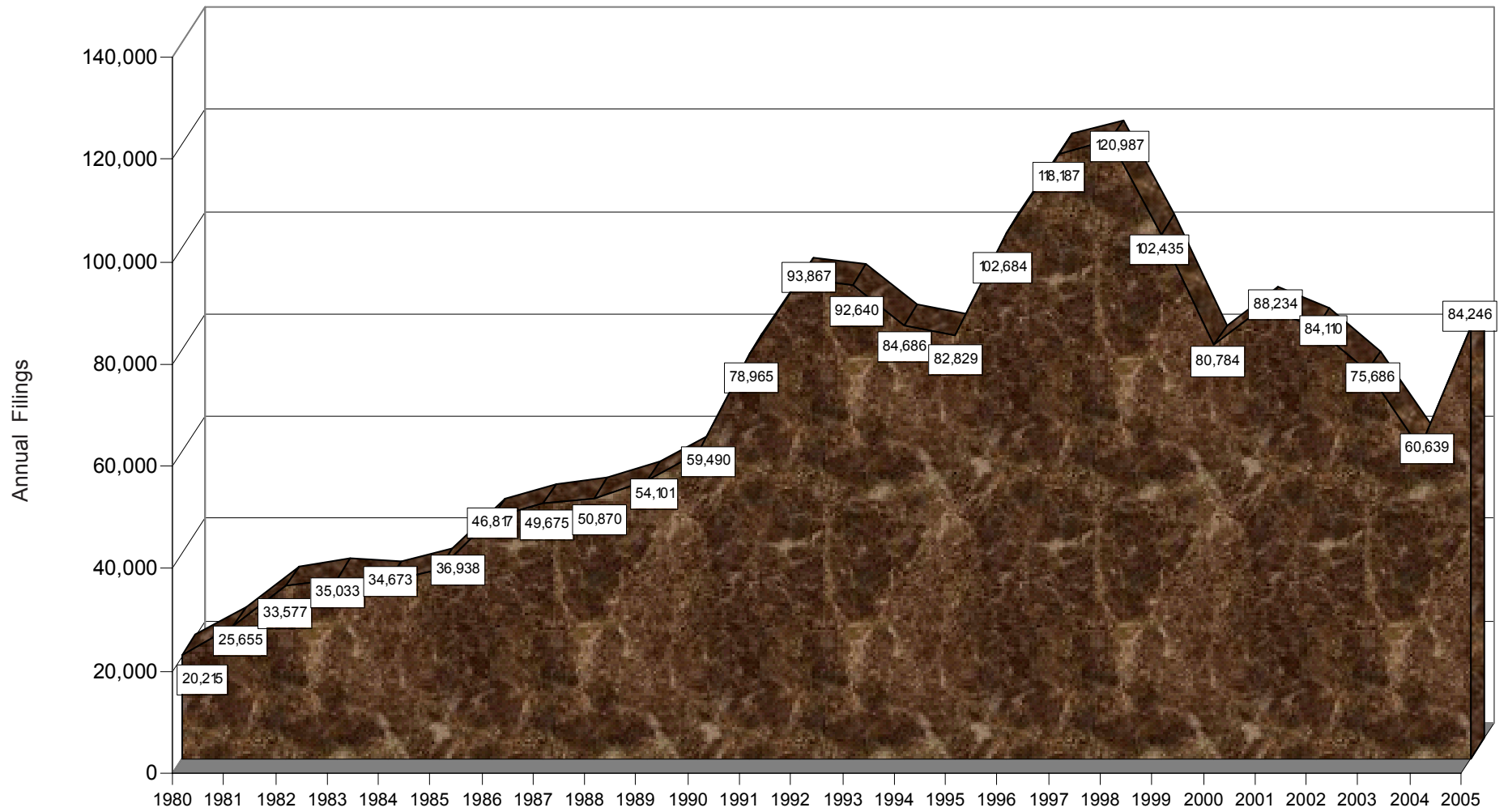
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LIST OF EXHIBITS

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Exhibit 1
United States Bankruptcy Court - Central District of California
Annual Bankruptcy Filings: 1980-2005



*includes reopened cases

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Exhibit 2

United States Bankruptcy Court - Central District of California

Bankruptcy Filings and Percentage Change: 1980-2005*

CENTRAL DISTRICT OF CALIFORNIA								
Year	Ch 7	% Chg	Ch 11	% Chg	Ch 13	% Chg	Total	% Chg
1980	17,935	N/A	317	N/A	1,963	N/A	20,215	N/A
1981	19,145	6.7%	787	148.3%	5,723	191.5%	25,655	26.9%
1982	21,027	9.8%	2022	156.9%	10,528	84.0%	33,577	30.9%
1983	21,831	3.8%	2128	5.2%	11,074	5.2%	35,033	4.3%
1984	22,669	3.8%	2003	-5.9%	10,001	-9.7%	34,673	-1.0%
1985	25,983	14.6%	1937	-3.3%	9,018	-9.8%	36,938	6.5%
1986	34,286	32.0%	2079	7.3%	10,452	15.9%	46,817	26.7%
1987	38,097	11.1%	1675	-19.4%	9,903	-5.3%	49,675	6.1%
1988	39,962	4.9%	1360	-18.8%	9,548	-3.6%	50,870	2.4%
1989	41,869	4.8%	1394	2.5%	10,838	13.5%	54,101	6.4%
1990	47,663	13.8%	1482	6.3%	10,345	-4.5%	59,490	10.0%
1991	64,338	35.0%	2272	53.3%	12,355	19.4%	78,965	32.7%
1992	76,842	19.4%	2542	11.9%	14,483	17.2%	93,867	18.9%
1993	74,864	-2.6%	2423	-4.7%	15,353	6.0%	92,640	-1.3%
1994	65,933	-11.9%	2057	-15.1%	16,696	8.7%	84,686	-8.6%
1995	66,276	0.5%	1449	-29.6%	15,104	-9.5%	82,829	-2.2%
1996	83,366	25.8%	1065	-26.5%	18,253	20.8%	102,684	24.0%
1997	96,277	15.5%	911	-14.5%	20,999	15.0%	118,187	15.1%
1998	99,461	3.3%	622	-31.7%	20,904	-0.5%	120,987	2.4%
1999	82,623	-16.9%	472	-24.1%	19,340	-7.5%	102,435	-15.3%
2000	64,183	-22.3%	573	21.4%	16,028	-17.1%	80,784	-21.1%
2001	73,179	14.0%	573	0.0%	14,482	-9.6%	88,234	9.2%
2002	69,940	-4.4%	484	-15.5%	13,686	-5.5%	84,110	-4.7%
2003	65,227	-6.7%	371	-23.3%	10,088	-26.3%	75,686	-10.0%
2004	54,892	-15.8%	302	-18.6%	5,445	-46.0%	60,639	-19.9%
2005	79,948	45.6%	268	-11.3%	4,029	-26.0%	84,245	38.9%
LOS ANGELES DIVISION								
Year	Ch 7	% Chg	Ch 11	% Chg	Ch 13	% Chg	Total	% Chg
1980	12,430	N/A	202	N/A	1,041	N/A	13,673	N/A
1981	13,055	5.0%	508	151%	4,162	299.8%	17,725	29.6%
1982	13,868	6.2%	1291	154%	7,655	83.9%	22,814	28.7%
1983	14,825	6.9%	1361	5%	8,074	5.5%	24,260	6.3%
1984	15,950	7.6%	1309	-4%	7,484	-7.3%	24,743	2.0%
1985	18,051	13.2%	1263	-4%	6,473	-13.5%	25,787	4.2%
1986	23,206	28.6%	1423	13%	7,169	10.8%	31,798	23.3%
1987	25,599	10.3%	1125	-21%	6,392	-10.8%	33,116	4.1%
1988	26,365	3.0%	886	-21%	5,746	-10.1%	32,997	-0.4%
1989	28,017	6.3%	870	-2%	5,423	-5.6%	34,310	4.0%
1990	32,306	15.3%	1008	16%	5,718	5.4%	39,032	13.8%
1991	42,894	32.8%	1586	57%	7,107	24.3%	51,587	32.2%
1992	47,853	11.6%	1768	11%	8,678	22.1%	58,299	13.0%
1993	44,065	-7.9%	1694	-4%	9,286	7.0%	55,045	-5.6%
1994	27,701	-37.1%	1190	-30%	9,189	-1.0%	38,080	-30.8%
1995	26,661	-3.8%	700	-41%	7,485	-18.5%	34,846	-8.5%
1996	34,165	28.1%	518	-26%	8,989	20.1%	43,672	25.3%
1997	39,533	15.7%	498	-4%	10,086	12.2%	50,117	14.8%
1998	42,181	6.7%	343	-31%	10,721	6.3%	53,245	6.2%
1999	36,837	-12.7%	220	-36%	10,668	-0.5%	47,725	-10.4%
2000	28,008	-24.0%	203	-8%	8,306	-22.1%	36,517	-23.5%
2001	32,010	14.3%	296	46%	7,009	-15.6%	39,315	7.7%
2002	30,626	-4.3%	181	-39%	6,252	-10.8%	37,059	-5.7%
2003	28,661	-6.4%	146	-19%	4,380	-29.9%	33,187	-10.4%
2004	24,664	-13.9%	153	5%	2,204	-49.7%	27,021	-18.6%
2005	37,166	50.7%	91	-41%	1,542	-30.0%	38,799	43.6%

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Exhibit 2 (con't)
United States Bankruptcy Court - Central District of California
Bankruptcy Filings and Percentage Change: 1980-2005*

SAN FERNANDO VALLEY DIVISION

(Filings prior to 1994 were included in Los Angeles Division)

Year	Ch 7	% Chg	Ch 11	% Chg	Ch 13	% Chg	Total	% Chg
1994	8,560	N/A	261	N/A	1,859	N/A	10,680	N/A
1995	8,524	-0.4%	239	-8.4%	1,794	-3.5%	10,557	-1.2%
1996	12,470	46.3%	167	-30.1%	2,836	58.1%	15,473	46.6%
1997	14,451	15.9%	131	-21.6%	3,466	22.2%	18,048	16.6%
1998	14,490	0.3%	62	-52.7%	3,531	1.9%	18,083	0.2%
1999	12,005	-17.1%	68	9.7%	3,088	-12.5%	15,161	-16.2%
2000	9,344	-22.2%	101	48.5%	2,284	-26.0%	11,729	-22.6%
2001	10,123	8.3%	76	-24.8%	2,164	-5.3%	12,363	5.4%
2002	9,652	-4.7%	68	-10.5%	2,019	-6.7%	11,739	-5.0%
2003	9,063	-6.1%	52	-23.5%	1,505	-25.5%	10,620	-9.5%
2004	7,440	-17.9%	45	-13.5%	873	-42.0%	8,358	-21.3%
2005	11,083	49.0%	68	51.1%	659	-24.5%	11,810	41.3%

RIVERSIDE DIVISION

Year	Ch 7	% Chg	Ch 11	% Chg	Ch 13	% Chg	Total	% Chg
1980	2,324	N/A	25	N/A	417	N/A	2,766	N/A
1981	2,886	24.2%	91	264.0%	696	66.9%	3,673	32.8%
1982	3,370	16.8%	200	119.8%	1,354	94.5%	4,924	34.1%
1983	3,394	0.7%	202	1.0%	1,540	13.7%	5,136	4.3%
1984	3,255	-4.1%	220	8.9%	1,384	-10.1%	4,859	-5.4%
1985	3,994	22.7%	194	-11.8%	1,363	-1.5%	5,551	14.2%
1986	5,622	40.8%	194	0.0%	1,861	36.5%	7,677	38.3%
1987	6,483	15.3%	166	-14.4%	2,091	12.4%	8,740	13.8%
1988	7,403	14.2%	164	-1.2%	2,570	22.9%	10,137	16.0%
1989	7,838	5.9%	162	-1.2%	3,428	33.4%	11,428	12.7%
1990	8,017	2.3%	164	1.2%	2,908	-15.2%	11,089	-3.0%
1991	11,494	43.4%	229	39.6%	3,255	11.9%	14,978	35.1%
1992	14,715	28.0%	237	3.5%	3,613	11.0%	18,565	23.9%
1993	15,080	2.5%	213	-10.1%	3,737	3.4%	19,030	2.5%
1994	13,846	-8.2%	189	-11.3%	3,128	-16.3%	17,163	-9.8%
1995	15,015	8.4%	146	-22.8%	3,343	6.9%	18,504	7.8%
1996	18,484	23.1%	116	-20.5%	3,841	14.9%	22,441	21.3%
1997**	18,616	0.7%	77	-33.6%	4,093	6.6%	22,786	1.5%
1998**	21,761	16.9%	65	-15.6%	4,062	-0.8%	25,888	13.6%
1999	18,110	-16.8%	48	-26.2%	3,658	-9.9%	21,816	-15.7%
2000	14,933	-17.5%	93	93.8%	3,951	8.0%	18,977	-13.0%
2001	17,540	17.5%	46	-50.5%	4,080	3.3%	21,666	14.2%
2002	17,026	-2.9%	67	45.7%	4,185	2.6%	21,278	-1.8%
2003	15,445	-9.3%	64	-4.5%	3,266	-22.0%	18,775	-11.8%
2004	12,306	-20.3%	31	-51.6%	1,751	-46.4%	14,088	-25.0%
2005	15,623	27.0%	40	29.0%	1,185	-32.3%	16,848	19.6%

*Does not include Chapter 9 or Chapter 12 filings.

**In March 1997, 12 zip codes were reassigned from the Riverside Division to the Santa Ana Division.
In April 1998, those 12 zip codes were returned to the Riverside Division.

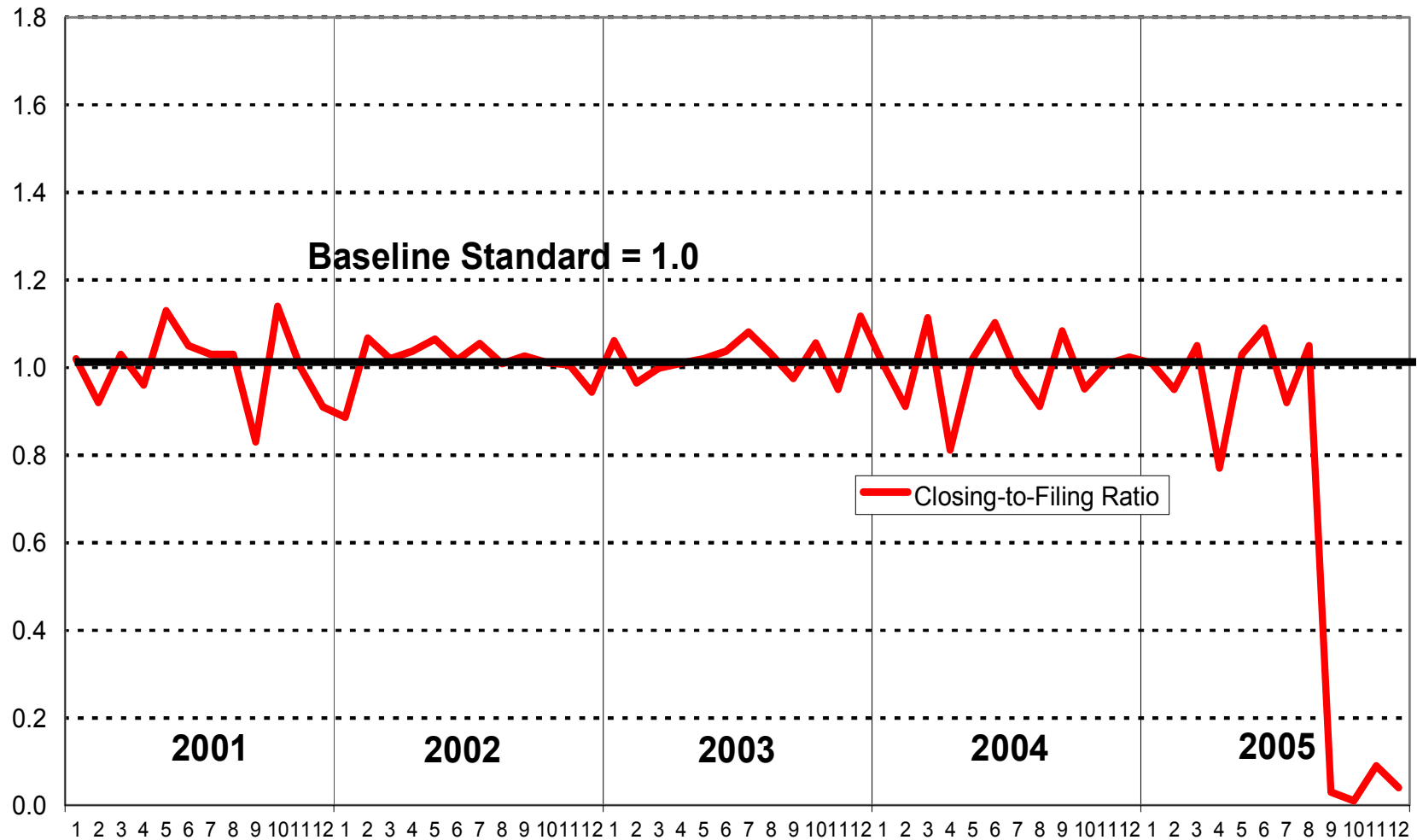
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Exhibit 2 (con't)
United States Bankruptcy Court - Central District of California
Bankruptcy Filings and Percentage Change: 1980-2005*

SANTA ANA DIVISION								
Year	Ch 7	% Chg	Ch 11	% Chg	Ch 13	% Chg	Total	% Chg
1980	3,181	N/A	90	N/A	505	N/A	3,776	N/A
1981	3,204	0.70%	188	108.90%	865	71.30%	4,257	12.70%
1982	3,789	18.30%	531	182.40%	1,519	75.60%	5,839	37.20%
1983	3,612	-4.70%	565	6.40%	1,460	-3.90%	5,637	-3.50%
1984	3,464	-4.10%	474	-16.10%	1,133	-22.40%	5,071	-10.00%
1985	3,938	13.70%	480	1.30%	1,182	4.30%	5,600	10.40%
1986	5,458	38.60%	462	-3.80%	1,422	20.30%	7,342	31.10%
1987	6,015	10.20%	384	-16.90%	1,420	-0.10%	7,819	6.50%
1988	6,194	3.00%	310	-19.30%	1,232	-13.20%	7,736	-1.10%
1989	6,014	-2.90%	362	16.80%	1,987	61.30%	8,363	8.10%
1990	7,340	22.00%	310	-14.40%	1,719	-13.50%	9,369	12.00%
1991	9,950	35.60%	457	47.40%	1,993	15.90%	12,400	32.40%
1992	12,095	21.60%	416	-9.00%	1,841	-7.60%	14,352	15.70%
1993	11,933	-1.30%	394	-5.30%	1,764	-4.20%	14,091	-1.80%
1994	10,929	-8.40%	301	-23.60%	1,945	10.30%	13,175	-6.50%
1995	11,149	2.00%	285	-5.30%	1,933	-0.60%	13,367	1.50%
1996	13,361	19.80%	217	-23.90%	2,036	5.30%	15,614	16.80%
1997**	17,839	33.50%	171	-21.20%	2,647	30.00%	20,657	32.30%
1998**	15,548	-12.80%	124	-27.50%	1,936	-26.90%	17,608	-14.80%
1999	11,449	-26.40%	119	-4.00%	1,405	-27.40%	12,973	-26.30%
2000	8,599	-24.90%	150	26.10%	1,094	-22.10%	9,843	-24.10%
2001	9,736	13.20%	118	-21.30%	899	-17.80%	10,753	9.20%
2002	9,092	-6.60%	141	19.50%	924	2.80%	10,157	-5.50%
2003	8,780	-3.40%	77	-45.40%	714	-22.70%	9,571	-5.80%
2004	7,434	-15.30%	53	-31.20%	443	-38.00%	7,930	-17.10%
2005	11,505	54.80%	58	9.40%	480	8.40%	12,043	51.90%
NORTHERN DIVISION								
(Filings prior to 1992 were included in Los Angeles Division)								
Year	Ch 7	% Chg	Ch 11	% Chg	Ch 13	% Chg	Total	% Chg
1992	2,179	N/A	121	N/A	351	N/A	2,651	N/A
1993	3,786	73.70%	122	0.80%	566	61.30%	4,474	68.80%
1994	4,897	29.30%	116	-4.90%	575	1.60%	5,588	24.90%
1995	4,927	0.60%	79	-31.90%	549	-4.50%	5,555	-0.60%
1996	4,886	-0.80%	47	-40.50%	551	0.40%	5,484	-1.30%
1997	5,838	19.50%	34	-27.70%	707	28.30%	6,579	20.00%
1998	5,481	-6.10%	28	-17.60%	654	-7.50%	6,163	-6.30%
1999	4,222	-23.00%	17	-39.30%	521	-20.30%	4,760	-22.80%
2000	3,299	-21.90%	26	52.90%	393	-24.60%	3,718	-21.90%
2001	3,770	14.30%	37	42.30%	330	-16.00%	4,137	11.30%
2002	3,544	-6.00%	27	-27.00%	306	-7.30%	3,877	-6.30%
2003	3,278	-7.50%	32	18.50%	223	-27.10%	3,533	-8.90%
2004	3,048	-7.00%	20	-37.50%	174	-22.00%	3,242	-8.20%
2005	4,571	50.00%	11	-45.00%	163	-6.30%	4,745	46.40%

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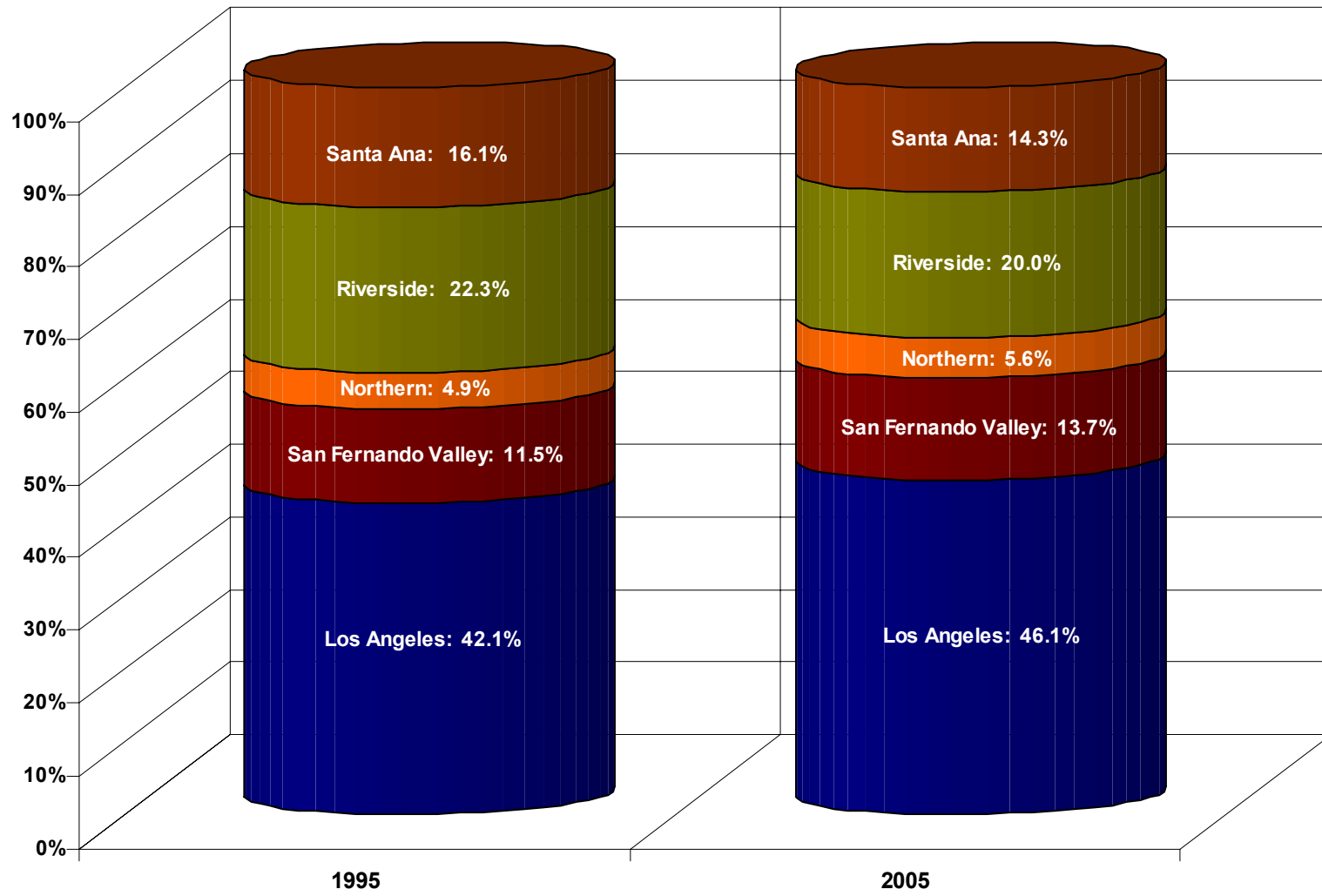
Exhibit 3
United States Bankruptcy Court - Central District of California
Monthly Closing Performance - Case Filings: 2001-2005 (Adj. for 4 Month Closing Lag)



Note: The significant drop in the closing-to-filing ratio during the last 4 months of 2005 reflects the one-time record surge in pre-BAPCPA (new law) filings prior to October 17, 2005

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Exhibit 4
United States Bankruptcy Court - Central District of California
Percent of Bankruptcy Filings by Divisions



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Exhibit 5
CENTRAL DISTRICT OF CALIFORNIA
Comparison of Bankruptcy Filings
2004 vs. 2005

Chapter	2004	2005	% Chg
DISTRICT			
7	54,892	79,948	45.6%
11	302	268	-11.3%
13	5,445	4,029	-26.0%
Total	60,639	84,245	38.9%
LOS ANGELES DIVISION			
7	24,664	37,166	50.7%
11	153	91	-40.5%
13	2,204	1,542	-30.0%
Total	27,021	38,799	43.6%
RIVERSIDE DIVISION			
7	12,306	15,623	27.0%
11	31	40	29.0%
13	1,751	1,185	-32.3%
Total	14,088	16,848	19.6%
SANTA ANA DIVISION			
7	7,434	11,505	54.8%
11	53	58	9.4%
13	443	480	8.4%
Total	7,930	12,043	51.9%
NORTHERN DIVISION			
7	3,048	4,571	50.0%
11	20	11	-45.0%
13	174	163	-6.3%
Total	3,242	4,745	46.4%
SAN FERNANDO VALLEY DIVISION			
7	7,440	11,083	49.0%
11	45	68	51.1%
13	873	659	-24.5%
Total	8,358	11,810	41.3%

Exhibit 6
CENTRAL DISTRICT OF CALIFORNIA
Comparison of Bankruptcy Closings
2004 vs. 2005

Chapter	2004	2005	% Chg
DISTRICT			
7	58,280	45,380	-22.1%
11	336	306	-8.9%
13	10,388	5,352	-48.5%
Total	69,004	51,040	-26.0%
LOS ANGELES DIVISION			
7	26,195	18,563	-29.1%
11	152	101	-33.6%
13	4,439	2,403	-45.9%
Total	30,786	21,067	-31.6%
RIVERSIDE DIVISION			
7	13,188	10,922	-17.2%
11	34	27	-20.6%
13	3,424	1,628	-52.5%
Total	16,646	12,579	-24.4%
SANTA ANA DIVISION			
7	7,865	6,317	-19.7%
11	91	126	38.5%
13	735	290	-60.5%
Total	8,691	6,733	-22.5%
NORTHERN DIVISION			
7	3,100	2,362	-23.8%
11	15	19	26.7%
13	225	150	-33.3%
Total	3,340	2,531	-24.2%
SAN FERNANDO VALLEY DIVISION			
7	7,932	7,216	-9.0%
11	44	33	-25.0%
13	1,565	881	-43.7%
Total	9,541	8,130	-14.8%

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Exhibit 7
United States Bankruptcy Court - Central District of California
Comparison of Adversary Proceedings Filed and Closed: 2001-2005

Year	Filed	%chg	Closed	%chg	Ratio (Closings/Filings)
DISTRICT					
2001	3,996	-13.1%	4,484	-15.0%	1.12
2002	5,776	44.5%	4,821	7.5%	0.83
2003	6,154	6.5%	5,129	6.4%	0.83
2004	4,739	-23.0%	5,670	10.5%	1.20
2005	3,807	-19.7%	3,855	-32.0%	1.01
LOS ANGELES DIVISION					
2001	1,754	-19.6%	2,044	-13.4%	1.17
2002	2,245	28.0%	2,131	4.3%	0.95
2003	1,987	-11.5%	1,957	-8.2%	0.98
2004	1,949	-1.9%	1,860	-5.0%	0.95
2005	1,806	-7.3%	1,496	-19.6%	0.83
RIVERSIDE DIVISION					
2001	618	-11.6%	652	-23.7%	1.06
2002	700	13.3%	607	-6.9%	0.87
2003	1,317	88.1%	821	35.3%	0.62
2004	1,266	-3.9%	1,478	80.0%	1.17
2005	519	-59.0%	745	-49.6%	1.44
SANTA ANA DIVISION					
2001	719	-11.7%	837	-11.1%	1.16
2002	1,222	70.0%	968	15.7%	0.79
2003	2,015	64.9%	1,216	25.6%	0.60
2004	823	-59.2%	1,444	18.8%	1.75
2005	691	-16.0%	987	-31.6%	1.43
NORTHERN DIVISION					
2001	160	-8.0%	151	-41.0%	0.94
2002	304	90.0%	157	4.0%	0.52
2003	332	9.2%	234	49.0%	0.70
2004	162	-51.2%	312	33.3%	1.93
2005	157	-3.1%	145	-53.5%	0.92
SAN FERNANDO VALLEY DIVISION					
2001	745	1.8%	800	-6.3%	1.07
2002	1,305	75.2%	958	19.8%	0.73
2003	503	-61.5%	901	-5.9%	1.79
2004	539	7.2%	576	-36.1%	1.07
2005	634	17.6%	482	-16.3%	0.76

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Exhibit 8

**United States Bankruptcy Court - Central District of California
Pending Bankruptcy Caseload by Division: 2000-2005***

Year	Ch 7	% Chg	Ch 11	% Chg	Ch 13	% Chg	Total*
D I S T R I C T							
2000	24,093	-37.3%	984	-16.5%	18,436	-13.2%	43,517
2001	26,471	9.9%	1,053	7.0%	18,471	0.2%	46,001
2002	25,913	-2.1%	964	-8.5%	16,830	-8.9%	43,707
2003	21,997	-15.1%	889	-7.8%	14,656	-12.9%	37,542
2004	18,710	-14.9%	788	-11.4%	9,680	-34.0%	29,178
2005	53,411	185.5%	699	-11.3%	8,277	-14.5%	62,387
Los Angeles Division							
2000	10,217	-30.4%	311	-28.8%	7,597	-23.4%	18,035
2001	11,337	11.0%	396	27.3%	7,531	-0.9%	19,264
2002	10,696	-5.7%	340	-14.1%	6,829	-9.3%	17,865
2003	8,847	-17.3%	300	-11.8%	6,375	-6.6%	15,522
2004	7,377	-16.6%	289	-3.7%	4,096	-35.7%	11,762
2005	26,026	252.8%	218	-24.6%	3,202	-21.8%	29,446
Riverside Division							
2000	5,638	-16.6%	127	24.5%	4,737	-5.8%	10,504
2001	6,339	12.4%	117	-7.9%	5,288	11.6%	11,747
2002	6,577	3.8%	88	-24.8%	5,113	-3.3%	11,778
2003	5,541	-15.8%	96	9.1%	4,276	-16.4%	9,913
2004	4,694	-15.3%	79	-17.7%	2,581	-39.6%	7,354
2005	9,422	100.7%	86	8.9%	2,114	-18.1%	11,622
Santa Ana Division							
2000	3,653	-22.6%	290	12.4%	2,239	-8.1%	6,183
2001	3,793	3.8%	318	9.7%	1,881	-16.0%	5,993
2002	3,797	0.1%	337	6.0%	1,455	-22.6%	5,590
2003	3,349	-11.8%	314	-6.8%	1,155	-20.6%	4,818
2004	2,907	-13.2%	253	-19.4%	897	-22.3%	4,057
2005	8,110	179.0%	172	-32.0%	1,086	21.1%	9,368
Northern Division							
2000	1,210	-25.6%	57	-9.5%	710	-7.7%	1,978
2001	1,316	8.8%	62	8.8%	643	-9.4%	2,023
2002	1,274	-3.2%	60	-3.2%	512	-20.4%	1,846
2003	1,166	-8.5%	59	-1.7%	389	-24.0%	1,614
2004	1,119	-4.0%	62	5.1%	335	-13.9%	1,516
2005	3,335	198.0%	52	-16.1%	343	2.4%	3,730
San Fernando Valley							
2000	3,465	-21.2%	199	23.6%	3,153	5.4%	6,817
2001	3,686	6.4%	160	-19.6%	3,128	-0.8%	6,974
2002	3,569	-3.2%	139	-13.1%	2,921	-6.6%	6,629
2003	3,094	-13.3%	120	-13.7%	2,461	-15.7%	5,675
2004	2,613	-15.5%	105	-12.5%	1,771	-28.0%	4,489
2005	6,518	149.4%	171	62.9%	1,532	-13.5%	8,221

*Does not include Chapters 9 or 12.

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For additional information regarding this report or the Bankruptcy Court for the Central District of California, you may contact the senior staff of the Clerk's Office.

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