

Court News

is published by the United States Bankruptcy Court for the Central District of California as an informational service for the practitioners and public of our Court.

VINCENT P. ZURZOLO
Chief Judge

MICHAEL ROTBERG
Acting Clerk of Court

Suggestions and
comments are always
welcome.

Please call (213) 894-0996
or email us at [Cristina_](mailto:Cristina_Bautista@cacb.uscourts.gov)
[Bautista@cacb.uscourts.gov](mailto:Cristina_Bautista@cacb.uscourts.gov).

COURT CLOSED
Friday, January 1
New Year's Day

Monday, January 18
Martin Luther King Jr.
Day

Monday, February 15
Presidents' Day



This Issue

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New Clerk of Court Appointed

After a thorough search and vetting process by judges, Kathy Campbell will begin her service as the Clerk of Court for the United States Bankruptcy Court - Central District of California on February 1. Chief Deputy of Operations Michael Rotberg has been serving as Acting Clerk of Court since September.

Ms. Campbell worked at the Court for

many years and served as Chief Deputy of Administration until 2006, when she left to work for the City of Santa Paula. Ms. Campbell was chosen from a very talented pool of applicants, and Chief Judge Vincent Zurzolo said, "We feel confident that Ms. Campbell will do an excellent job of leading our Clerk's staff as it faces new and continued challenges."

Judges Encourage Pro Bono Participation

The Bankruptcy Judges of the Central District of California would like to extend an open invitation, strongly urging bankruptcy attorneys to volunteer for pro bono opportunities.

Over the past year, bankruptcy filings in the Central District have risen to over 100,000, the highest in the nation. Pro Se filers make up 25% of all filings. The overwhelming volume has put a strain on organizations that assist low-income people in bankruptcy.

Volunteer opportunities can range from a few hours at a clinic to full representation in a Chapter 7 case or adversary proceeding. While most pro bono opportunities are for

debtor assistance, low-income creditor assistance is also needed.

Contact information for local groups seeking volunteers and the opportunities available are posted on the Court's website under the "Don't Have an Attorney?" section. These programs are structured so that creditor or business attorneys may volunteer without conflicts or concerns about becoming a debt relief agency.

For information on volunteering opportunities and Chief Judge Vincent P. Zurzolo's complete letter to the Bankruptcy Bar, see the Court's website at www.cacb.uscourts.gov under the "Don't Have an Attorney?" section.

For more information,
visit our web site at www.cacb.uscourts.gov.

Changes to Time Computation Rules Effective December 1, 2009

The U.S. Supreme Court approved amendments to the time period calculations in the Federal Rules of Bankruptcy Procedure, which became effective December 1, 2009.

The time-computation amendments to the Federal Rules of Bankruptcy Procedure include changes to 12 rules that have resulted in a reduction by one day (from 15 to 14 days) of the time to take action. Schedules, statements and other documents that were required to be filed within a 15-day deadline prior to December 1 are now subject to a 14-day deadline.

The Court has revised the Local Bankruptcy Rules Forms and Court Forms that are affected by the new national computation standards. These forms became effective December 1, and the revised Local Bankruptcy Rules become effective January 4, 2010.

For more information on the revised rules and forms, please see Public Notice 09-027 on the Court's website. All new and revised forms are available on the Court's website under Petition Forms, Local Bankruptcy Rules Forms, and Court Forms or for a fee at the Intake area in all five divisions. See proposed revisions to the Local Bankruptcy Rules at www.cacb.uscourts.gov/Forms/Rules/GeneralOrders.

A comprehensive list of the new time-computation amendments and other proposed rules can be found at www.uscourts.gov/rules. Additional material explaining the amended rules and their operation in appellant, bankruptcy, and district court proceedings can be found at www.uscourts.gov/rules/presentations.html.

Court Participates in Next Generation CM/ECF Architecture Study

The Administrative Office of the U.S. Courts and representatives from MITRE Corporation, a not-for-profit federally funded research and development center, visited the United States Bankruptcy Court on December 1. The team met with management, operations and IT staff to analyze the Court's software architecture and develop a next generation system that would more effectively meet the Court's needs.

Court staff heavily emphasized to the team the performance issues that burden large courts. Issues identified to the AO include the need to improve report-running, scalability, accountability, and better ways to work with local programs and the Court's large Pro Se demographic.

The MITRE Architecture Study Team in turn proposed several ideas to incorporate into the next generation software, including establishing a data-mart offsite, an archive system for CM/ECF, and utilizing two databases for distinct user and research functions without interfering with overall efficiency.

MITRE Corporation will present two design proposals to the AO in January 2010. The Court will remain heavily involved in the next generation team stakeholder meetings in order to review progress and ensure the Court's needs are met.

New and Revised Forms Effective December 1

In December, the Judicial Conference of the United States approved a new Official Bankruptcy Form B27 (Reaffirmation Agreement Cover Sheet), and amended Official Bankruptcy Form B1D (Exhibit D). The new Reaffirmation Agreement Cover Sheet will be used when calendaring and issuing notices for reaffirmation hearings. The revised Exhibit D reflects the updated time computation standards requiring credit counseling certificates and debt repayment plans to be submitted within 14 days (and not 15 days) of petition filing. The Court has required the use of the new and amended forms as of December 1, 2009.

The new and revised forms are available on the Court's website at www.cacb.uscourts.gov under "Court Forms" and "Petition Forms."

Court Manual Revised to Include New Zip Code Classifications

The Court Manual was revised with changes effective January 4, 2010. Revisions include an updated Appendix B that now includes changes to existing zip codes and communities served by the San Fernando Valley Division. Public Notice 09-019 was issued October 8, detailing the affected zip codes.

The updated Court Manual is available on the Court's web site, www.cacb.uscourts.gov, under Forms/Rules/General Orders. A red-line version is also available online for your reference. Questions on these changes may be directed to the ECF Help Desk at (213) 894-2365 or via email at ECF_support@cacb.uscourts.gov.

Los Angeles Help Desk In New Location

The Los Angeles Division bankruptcy self-help desk has relocated to the first floor of the Federal Building at 300 N. Los Angeles St. It was previously on the 9th floor of the Roybal Building.

The LA bankruptcy self-help desk is open on Mondays and Wednesdays from 10 AM to 1 PM.

For more information, see the Court website at www.cacb.uscourts.gov under "Don't Have an Attorney?".

CM/ECF Tips

Request for Courtesy

Notification: The Court has created a "Courtesy NEF" party in CM/ECF. Attorneys are reminded that when filing a Request for Courtesy Notification, search for "Courtesy NEF" and do not add any address information to the party. Additionally, please check the "attorney association box" to associate yourself to the case. Following these steps ensures that you are properly notified of case activity.

Opening an Adversary

Complaint: When filing an adversary complaint, always add yourself (the attorney filing the document) as the attorney for the plaintiff. This will ensure that proper legal representation for the plaintiff is recorded and ensure all parties are properly notified of case activity. Never add an attorney for the defendant – the Court will enter information for the defendant's legal representation when an answer to the complaint is filed.

Filing Statistics

Central District of California - Percent Increase in Filings

January - December 2009* to January - December 2008

67% ↑

2009: 82,855
2008: 49,493

Chapter 7

38% ↑

2009: 1,113
2008: 804

Chapter 11

52% ↑

2009: 23,668
2008: 15,610

Chapter 13

63% ↑

2009: 107,636
2008: 65,909

Total

National - Percent Increase in Filings

12 Mo. Period Ending December 30, 2009 to Same Period Ending December 30, 2008

45% ↑

2009: 989,227
2008: 679,982

Chapter 7

68% ↑

2009: 14,745
2008: 8,799

Chapter 11

13% ↑

2009: 398,210
2008: 353,828

Chapter 13

35% ↑

2009: 1,402,816
2008: 1,042,993

Total

*Based on estimated filing data for December 2009.

Top 20 Cases of Interest Filed in the Last 24 Months

The Walking Company

ND-09-15138-RR, Chapter 11, Filed 12/7/09. Assets over \$100 million and Liabilities between \$1-100 million. Order directing joint administration of related cases ND-09-15137-RR (Big Dog USA, Inc) and ND-09-15139-RR (The Walking Company Holdings, Inc.) entered 12/16/09.

Downey Regional Medical Center-Hospital Inc

LA-09-34714-BB, Chapter 11, Filed 9/14/09. Assets over \$100 million and Liabilities between \$1-100 million. Ombudsman report filed on 12/14/09 for the period of 10/15/09 through 12/14/09.

IM Stopping Power GmbH

SV-09-21491-MT, Chapter 15, Filed 9/1/09. Assets between \$50,000-100,000 and Liabilities between \$1-100 million. Involuntary summons and notice hearing held 12/7/09.

Lenny Kyle Dykstra

SV-09-18409-GM, Chapter 7, Filed 7/7/09. Assets between \$0-50,000 and Liabilities between \$1-100 million. Case converted to Chapter 7 on 11/20/09. 341 Meeting was scheduled for 12/21/09.

PPA Holdings, LLC

SA-09-16353-ES (LEAD of 22), Chapter 11, Filed 6/26/2009. Assets unknown and Liabilities over \$100 million. Order on stipulation between debtors and official committee of unsecured creditors concerned insider compensation entered 12/21/09.

Z Gallerie

LA-09-18400-VZ, Chapter 11, Filed 4/10/2009. Assets and Liabilities between \$1-100 million. Status report regarding omnibus claims motions filed on 12/10/09. Hearing was scheduled for 12/14/09.

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

SV-09-13964-GM, SV-09-13965-GM, Chapter 11, Filed 4/7/2009. Assets and Liabilities between \$1-100 million. Chapter 11 plan and disclosure statement filed 11/03/09. Order granting extension of debtor's exclusivity period to obtain acceptance of the plan entered on 11/25/09.

Fleetwood Enterprises, Inc.

RS-09-14254-MJ (LEAD of 43), Chapter 11, Filed 3/10/2009. Assets and Liabilities over \$100 million. Hearing set for 1/6/10 on debtor's motion to extend exclusivity period for filing Chapter 11 plan and solicit acceptances to 4/5/10 and 6/6/10, respectively.

Bethany Holdings Austin Apartments, LLC

SA-09-11873-RK (LEAD of 15), Chapter 11, Filed 3/4/2009. Assets and Liabilities between \$1-100 million. Objection to amended Chapter 11 plan filed by creditor InStar Services Group, LP on 12/23/09.

Right Start Acquisition Company

SV-09-11132-MT (LEAD of 2), Chapter 11, Filed 2/3/2009. Assets and Liabilities between \$1-100 million. Order granting motion for an order of contempt for willful violation of the automatic stay and denying demand by ARCO General for Retraxit by Attorneys for the Unsecured Creditors' Committee signed 12/01/09.

StarRibs North, LP

SA-08-17182-TA (LEAD of 15), Chapter 11, Filed 11/6/2008. Assets and Liabilities between \$1-100 million. Motion to set last day to file proofs of claim and approval of form of notice filed by debtor on 12/22/09.

Palmdale Hills Property, LLC

SA-08-17206-ES (LEAD of 25), Chapter 11, Filed 11/6/2008. Assets and Liabilities over \$100 million. Amended professional fee statement filed by Chapter 11 trustee on 12/23/09.

Karykeion Inc.

SV-08-17254-MT, Chapter 11, Filed 9/22/2008. Assets and Liabilities at \$1-100 million. Order denying debtor's motion to employ USA Financial Group signed 11/6/09. Order entered granting stipulation to extend proofs of claim deadline to 3/31/10.

Century City Doctors Hospital, LLC

LA-08-23318-SB, Chapter 7, Filed 08/22/2008. Assets and Liabilities between \$1-100 million. Motion for order filed on 12/4/09 extending the time within which to resume or reject any and all executory contracts and/or unexpired leases of intangibles. Hearing set for 1/5/10.

Woodside Group, LLC

RS-08-20682-PC (LEAD of 188), Chapter 11, Filed 8/20/2008. Assets and Liabilities unknown. Order approving stipulation for relief from automatic stay for Perrault Corporation, Inc. to enforce its mechanics lien in state court entered 12/23/09.

IndyMac Bancorp, Inc.

LA-08-21752-BB, Chapter 7, Filed 07/31/2008. Assets between \$1-100 million and Liabilities over \$100 million. Hearing set for 1/7/10 for application of Jeffer, Mangels, Butler and Marmaro LLP for allowance of interim fees and expenses.

Shoe Pavilion, Inc.

SV-08-14939-MT (LEAD of 2), Chapter 11, Filed 7/15/2008. Assets and Liabilities at \$1-100 million. Order granting motion to dismiss case entered 11/17/09.

Estate Financial Mortgage Fund, LLC

ND-08-11535-RR, Chapter 11, Filed 07/01/2008. Assets over \$100 million and Liabilities between \$1-100 million. Hearing re: a motion for relief from stay regarding action in an non-bankruptcy forum continued to 1/8/10.

Fremont General Corporation

SA-08-13421-ES, Chapter 11, Filed 6/18/2008. Assets and Liabilities over \$100 million. Application to employ Latham & Watkins LLP as special counsel filed on 12/22/09.

eStyle, Inc.

LA-08-13518-SB, Chapter 11, Filed 3/19/2008. Assets and Liabilities between \$1-100 million. Hearing set for 1/12/10 for fourth amended disclosure statement.

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