

United States Bankruptcy Court
Central District of California

Maureen A. Tighe, Chief Judge



CLOSURE OF ALL COURTHOUSES AMID CORONAVIRUS (COVID-19) SPIKE

On January 7, 2021, Chief Judge Maureen A. Tighe issued [General Order 21-01](#) In Re: COVID-19 Public Emergency – Closure of All Courthouses Through January 29, 2021 in response to the ongoing COVID-19 pandemic and to more closely align with District Court operations in light of the [United States District Court Notice from the Clerk In Re: Extension of Continuity of Operations Plan](#), issued on January 6, 2021, which closes all courthouses of the Central District of California and suspends all in-person Court operations through and including January 29, 2021.

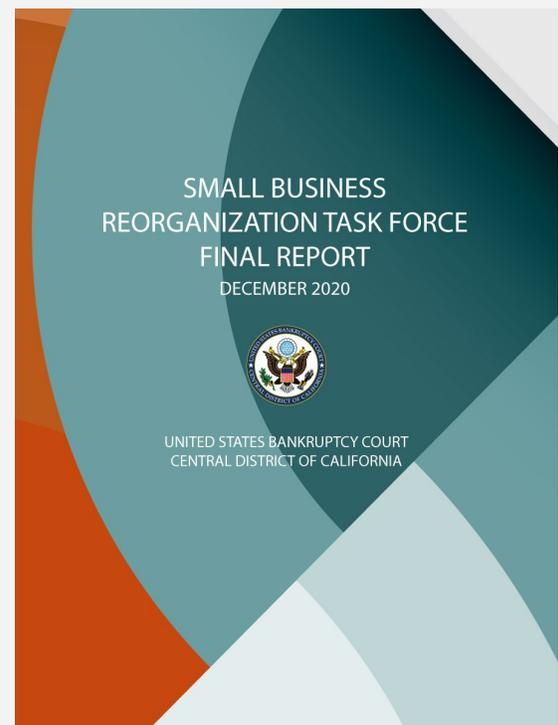
A small team in each division will continue to dedicate a limited portion of time to processing mail and performing any essential duties that cannot be handled remotely. The Court's Call Center (213) 894-2365, [CM/ECF Support Desk](#), and [Live Chat](#) will continue to be available during the Court closures. Please check the [Court's Coronavirus \(COVID-19\) and Court Operations webpage](#) for updated information.

SMALL BUSINESS REORGANIZATION TASK FORCE ISSUES REPORT

On December 22, Chief Bankruptcy Judge Maureen A. Tighe announced the United States Bankruptcy Court for the Central District of California issued its Small Business Reorganization Task Force Final Report.

A group of bankruptcy judges and insolvency professionals has been meeting over the past year to look at ways the United States Bankruptcy Court for the Central District of California can address obstacles for small businesses needing to file a Chapter 11 bankruptcy. The District's Small Business Reorganization Task Force recommendations seek to better implement the Small Business Reorganization Act that went into effect at the beginning of the year.

The report details the size of small business bankruptcy cases in the Court over the last 10 years. Chief Bankruptcy Judge Tighe



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.

Suggestions and comments are always welcome. Please email us at editor@cacb.uscourts.gov.

This issue and back issues of the Court News are available on the Court's website at <http://www.cacb.uscourts.gov/publications>

states that “small businesses in financial distress have the Court’s attention – we will use these recommendations to better address the increasing need for bankruptcy relief as a result of the COVID-19 pandemic.”

The report contains information about an outreach program intended to educate businesses in the community considering filing bankruptcy and contains advice for judges and practitioners on how to keep costs down in small business cases. The report also has recommendations for new local rules and forms intended to make cases under the Small Business Reorganization Act move more smoothly. These proposals have already been submitted for approval to the Court and should go into effect next year.

Chief Bankruptcy Judge Tighe described the goal of the Small Business Reorganization Act as obtaining the best return for both debtors and creditors without running up expensive litigation costs. As she explained, “while we can’t find funds where there are none, we can be as effective as possible in marshalling the resources left in a financially distressed business. We have a wide variety of talented insolvency professionals in our community, and we know they are ready to help as many small businesses as possible survive this pandemic.”

The report is posted on the bankruptcy court’s website and can be downloaded [here](#).

COURT PUBLISHES 2019 ANNUAL REPORT

The Court marks each year with the publication of its annual report, which records the year’s achievements and challenges. Published by the Court in December, the 2019 Annual Report details the Court’s ongoing efforts to improve service and extend access to justice through technological innovation, participation in national and regional initiatives, and community outreach.



While the delayed report completion was a result of the Court’s shifting of resources in response to the COVID-19 pandemic, the 2019 Annual Report is readily available via pdf as [posted on the Court’s website](#) and hard copies by request from Clerk of Court Kathleen J. Campbell at (213) 894-6244.

CHANGES TO MISCELLANEOUS FEE SCHEDULE EFFECTIVE DECEMBER 1, 2020

The Judicial Conference of the United States approved adjustments to the miscellaneous fee schedule for bankruptcy courts. The changes became effective December 1, 2020. The Court posted the updated fees in its [Abbreviated Fee Schedule on the Court’s web site](#) and in [Court Manual](#) Section 1.1.

GET READY FOR NEXTGEN CM/ECF!

The Federal Judiciary is transitioning its Case Management/Electronic Case Files (CM/ECF) system to a Next Generation of CM/ECF (NextGen). NextGen provides a new logon module (Central Sign-on) that allows electronic filers to access PACER and any NextGen court in which they are allowed to

file. The United States Bankruptcy Court for the Central District of California, is scheduled to transition to NextGen on April 26, 2021. From that date forward, ECF account holders must use PACER's Central Sign-on feature to logon to CM/ECF. To activate Central Sign-on, e-filers must have an upgraded individual PACER account.



For individuals that have a PACER account, it is highly recommended to check and verify whether an upgrade on your existing account will be needed. Please do so before the April 26 NextGen transition date by clicking [here](#). **NextGen does not allow e-filers to share a PACER account.** If you do not have an account and would like one, click [here](#). Law firms and other organizations that want group billing for individual accounts, click [here](#). Attorney training and further information will be provided as the Court gets closer to the NextGen transition date.

HOLIDAY CLOSURES

Monday, January 18—Birthday of Martin Luther King, Jr.

Monday, February 15—President's Day

To view the 2021 Federal Holiday Public Notice on the Court's website click [here](#).

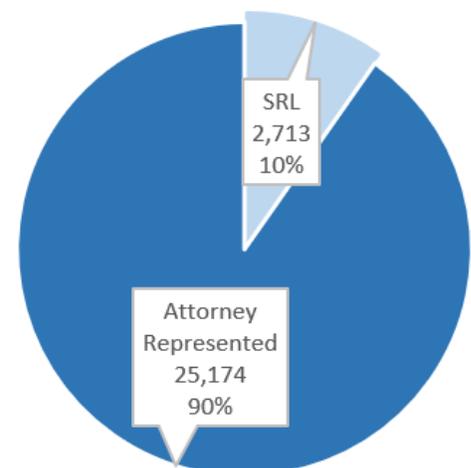
BANKRUPTCY STATISTICS

The data below represents filings year to date thru December 31, 2020. Statistics based on internal filings data.

Divisional Filings YTD	Ch 7	Ch 11	Ch 13	Total	% change from previous YTD
Los Angeles	9810	149	1721	11680	-25.99%
Northern	1393	22	206	1621	-27.11%
Riverside	7328	34	1102	8464	-27.07%
San Fernando Valley	2027	77	325	2429	-28.03%
Santa Ana	3253	77	359	3689	-28.87%
Total	23811	359	3713	27883	-26.96%

Business Filings	Ch 7	Ch 11	Ch 13	Total
2020 YTD	1010	272	55	1337
2019 YTD	1212	265	109	1586

Central District of CA - Filings YTD



The interactive Statistics Dashboard is a feature on the Court's website that provides up-to-date filing and closing data for chapter 7, 11, and 13 cases, as well as adversary proceedings. Users can view data sorted by division or from the entire Central District, or they can choose to view only pro se (SRL) or business cases. The Statistics Dashboard also displays year-by-year and month-by-month comparisons; another option compares each month of the current year to the corresponding month of the prior year. Access the "Interactive Statistics" through the link: <https://ecf.cacb.uscourts.gov/ecfstatsdash/ecfstatsdash-new.html>

TOP 10 CASES OF INTEREST*

Debtor	Case Number	Chapter	Filed	Assets	Liabilities
Banner Mattress Inc.	RS-19-13381-SC	11	04/22/19	\$1 - \$10 million	\$1 - \$10 million
Eagan Avenatti, LLP	SA-19-13560-SC	7	09/13/19	\$0 - \$50K	\$500K - \$1 million
Glostation USA, Inc.	SV-20-11435-SV	11	08/13/20	\$1 - \$10 million	\$10 - \$50 million
Hawkeye Entertainment, LLC	SV-19-12102-MT	11	08/21/19	\$1 - \$10 million	\$1 - \$10 million
HVI Cat Canyon, Inc.	ND-19-11573-MB	11	07/25/19	\$100K - \$500K	\$500K - \$1 million
Yueting Jia	LA-19-24804-VZ	11	10/14/19	\$500m - \$1 billion	\$1 - \$10 billion
Queen City Rehabs & Renovations, LLC	SV-20-12110-MB	11	11/27/20	\$1 - \$10 million	\$1 - \$10 million
Ruby's Diner, Inc. a California Corp	SA-18-13311-SC	11	09/05/18	\$1 - \$10 million	\$1 - \$10 million
Verity Health Systems of CA, Inc.	LA-18-20151-ER	11	08/31/18	\$500K - \$1 million	\$100 - \$500 million
Zacky & Sons Poultry, LLC	LA-18-23361-RK	11	11/13/18	\$50 - \$100 million	\$50 - \$100 million

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

BANKRUPTCY FRAUD PROSECUTIONS

The following information has been provided by the Office of the United States Trustee:

USA vs. Alan F. Broidy

- On August 10, 2020 disbarred attorney Alan F. Broidy pleaded guilty to one count of interstate transportation of stolen property in violation of 18 U.S.C. Sections 2314 and 2(b). The information arose from Mr. Broidy's representation of a Chapter 11 corporate debtor. In that Chapter 11 proceeding the debtor-in-possession was directed to take proceeds of \$2,469,925.95 earned from the sale of estate assets and deliver that money to Mr. Broidy's client trust account, which would be held in trust and distributed according to the terms of a stipulation. Instead of distributing the funds as was stipulated to, Mr. Broidy converted \$512,525.90 of the funds for his own personal use. \$75,000 of those funds were transferred to an account in New York, New York in payment of a debt owed by Mr. Broidy. On December 8, 2020 Mr. Broidy was sentenced to eight months of home detention, followed by eight months in a Federal Prison, and three years of supervised release. Mr. Broidy was ordered to self-surrender on or before August 2, 2021 and to pay \$75,000 in restitution. For more information see [USAO press release](#).

USA vs. Carolyn Marie Jones (Diamond Decisions)

- In 2015 the CEO of Chapter 11 debtor Diamond Decisions pleaded guilty to bank and bankruptcy fraud. The bankruptcy fraud related to her embezzlement of \$120,000 from DIP accounts. She was sentenced to 79 months in federal prison and ordered to pay \$15 million in restitution. On September 22, 2020, shortly after she served her 79-month sentence, she was ordered back to prison for 20 additional months for violating the terms of her supervised release. Ms. Jones admitted that while still in custody and then immediately after being placed on supervised release she obtained a \$13,000 "investment" "through a myriad of lies, false pretenses and material omissions." For more information see [USAO press release](#).