

United States Bankruptcy Court
Central District of California

Theodor C. Albert, Chief Judge
Kathleen J. Campbell, Executive Officer / Clerk of Court



JUDGE BARASH RECEIVES 2022 CARE VOLUNTEER OF THE YEAR AWARD AT ABI CONFERENCE

On the evening of Friday, December 9, during the American Bankruptcy Institute's Winter Leadership Conference at the La Quinta Resort & Club in Palm Springs, California, Judge Barash was recognized as the 2022 Volunteer of the Year by Credit Abuse Resistance Education (CARE). CARE is a national, nonprofit, volunteer-driven organization comprised of professionals in bankruptcy, financial services, and business. CARE volunteers educate young adults and others about the benefits of personal financial management and the consequences of credit abuse, borrowing from their professional experiences and telling true stories about financial distress and the impact it can have on one's life.

For many years, Judge Barash has donated his time and expertise to the CARE Los Angeles Chapter and helped make financial literacy education accessible for students within the Central District of California. During the award presentation, Sharon Kopman, Vice President of Oak Point Partners, described the judge's many contributions:

As a SoCal CARE volunteer, not only does Judge Barash readily and repeatedly volunteer in the classroom, he is also involved in helping SoCal's chapter build out its technology to more efficiently and effectively extend our reach to communities and to train volunteers to meet those needs.

Also, Brad Sharp, President & CEO of Development Specialists, Inc., noted the technological contributions Judge Barash has made to the CARE website:

More than just a volunteer impacting one classroom of students at a time, Judge Barash has volunteered at even a higher level helping the CARE L.A. chapter by coordinating the new LA website and building on the wonderful work that has been done before.

In October, the national CARE organization published a newsletter featuring a Question and Answer article with Judge Barash. Volunteering allows Judge Barash to reach individuals before they end up in his courtroom, Judge Barash explained in the article:

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Although I was entrusted with the responsibility to adjudicate bankruptcy disputes and supervise bankruptcy cases, I had no ability to help people avoid the kind of problems that bring them to bankruptcy court. By participating in CARE, and speaking with young people when our message can have an impact on their developing financial habits, I feel like I am doing something to help prepare them for adulthood and avoid the pitfalls of uninformed credit use.

Visit the CARE organization's website for the complete Q&A article with Judge Barash: <https://care4yourfuture.org/q-a-with-care-2022-volunteer-of-the-year-judge-martin-barash>. To learn more about the Los Angeles Chapter of CARE, or how to get involved, visit <https://www.carelosangeles.org>.

JUDGE KLEIN ADMINISTERS OATH TO NEW CITIZENS AT SOFI STADIUM

On November 13, U.S. Bankruptcy Judge Sandra R. Klein, of the Central District of California, administered the Oath of Allegiance before a Los Angeles Rams game to fifteen new American citizens. The naturalization ceremony, the first at the 70,000-seat SoFi Stadium in Inglewood, California, was timed to coincide with Veterans Day weekend. Nine military service members and six first responders made up the group of new U.S. citizens.



“Those of us who were born in this country very often take the privilege of citizenship for granted,” Judge Klein said. “We did not have to apply for it; we did not have to study for it; and we did not have to take a test to achieve it. I have no doubt that each person naturalized today has a very deep appreciation and understanding of what it is to be a citizen of this great nation.”

Federal courts conduct citizenship ceremonies regularly, which are open to the public and may be attended by hundreds and sometimes thousands of people. Throughout the coronavirus (COVID-19) pandemic, courts and U.S. Citizenship and Immigration Services have conducted many naturalization ceremonies outdoors and have limited the number of citizens at each ceremony to allow for social distancing and to comply with guidelines from federal and local health officials.

“It is such an honor and privilege to administer the Oath of Allegiance during naturalization ceremonies,” Klein said. “Two of my grandparents were naturalized citizens. They loved this country and were so proud to pledge allegiance to our flag. So, having the opportunity to administer the Oath during these ceremonies is extra special for me.”

GENERAL ORDER 22-02, VACATING GENERAL ORDERS THAT ARE OBSOLETE OR SUPERSEDED

On November 1, 2022, Chief Judge Theodor C. Albert issued General Order 22-02, Vacating General Orders That Are Obsolete or Superseded. Please refer to General Order 22-02 for a complete listing of General Orders that have been vacated. General Orders 20-08, 20-10, 21-05, and 21-06 remain in effect until further notice by the Court.

CHANGE TO MANDATORY ELECTRONIC BANKRUPTCY NOTICING THRESHOLD

Effective December 1, 2022, the Director of the Administrative Office (AO) lowered the threshold at which certain high-volume paper notice recipients must receive electronic bankruptcy notices. The Director is authorized under Federal Rule of Bankruptcy Procedure 9036(b)(2)(B) to designate paper notice recipients that must receive electronic notices, and this designation may be adjusted annually.

Given that the transition to mandatory electronic noticing was seamless this past year, the AO Director made the decision to lower the threshold from 100 to 50 notices per month to encourage additional, large entities to receive the less expensive, electronic notices. The Bankruptcy Clerks Advisory Group supported the AO's analysis that a 50-notice-per-month threshold would not cause undue burden on those larger paper notice recipients.

HOLIDAY CLOSURES

Monday, January 2 - New Year's Day (Observed)

Monday, January 16 - Birthday of Martin Luther King, Jr.

Monday, February 20 - Washington's Birthday

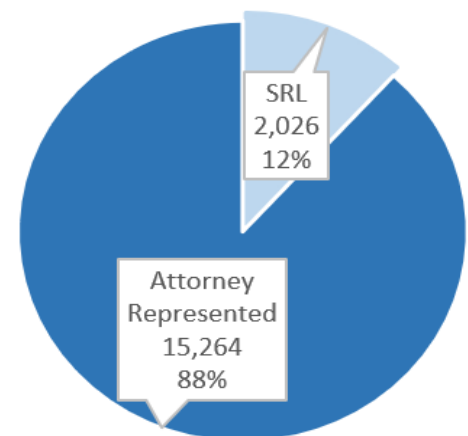
BANKRUPTCY STATISTICS

The data below represents filings year to date thru December 31, 2022. Statistics based on internal filings data.

| Divisional Filings YTD | Ch 7 | Ch 11 | Ch 13 | Total | % change from previous YTD |
|------------------------|-------|-------|-------|-------|----------------------------|
| Los Angeles | 5886 | 123 | 1321 | 7330 | -25.50% |
| Northern | 909 | 12 | 149 | 1070 | -19.10% |
| Riverside | 4170 | 21 | 839 | 5030 | -24.70% |
| San Fernando Valley | 1241 | 33 | 293 | 1567 | -28.00% |
| Santa Ana | 1910 | 46 | 334 | 2290 | -26.30% |
| Total | 14116 | 235 | 2936 | 17287 | -25.20% |

| Business Filings | Ch 7 | Ch 11 | Ch 13 | Total |
|------------------|------|-------|-------|-------|
| 2022 YTD | 745 | 186 | 61 | 992 |
| 2021 YTD | 885 | 260 | 33 | 1148 |

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>

TOP 10 CASES OF INTEREST*

| Debtor | Case Number | Chapter | Filed | Assets | Liabilities |
|-----------------------------|----------------|---------|----------|-----------------------|-----------------------|
| AfterShock Comics, LLC | SV-22-11456-MB | 11 | 12/19/22 | \$10 - \$50 million | \$10 - \$50 million |
| Better Nutritionals, LLC. | RS-22-14723-MH | 11 | 12/20/22 | \$50 - \$100 million | \$100 - \$500 million |
| Elite Aerospace Group, Inc. | SA-21-12231-TA | 11 | 09/13/21 | \$10 - \$50 million | \$10 - \$50 million |
| Thomas Vincent Girardi | LA 20-21020-BR | 7 | 12/18/20 | \$50 - \$100 million | \$50 - \$100 million |
| Glenroy Coachella, LLC | LA-21-11188-BB | 11 | 02/15/21 | \$50 - \$100 million | \$10 - \$50 million |
| Alex A. Khadavi | LA-21-14449-BB | 11 | 05/27/21 | \$50 - \$100 million | \$50 - \$100 million |
| Arian Mowlavi | SA-23-10296-ES | 11 | 02/21/22 | \$1 - \$10 million | \$100 - \$500 million |
| Plamex Investment, LLC | SA-21-10958-ES | 11 | 04/14/21 | \$100 - \$500 million | \$100 - \$500 million |
| PS On Tap, LLC | SV-21-10757-MB | 11 | 04/28/21 | \$1 - \$10 million | \$10 - \$50 million |
| TRX Holdco, LLC | SA-22-10948-SC | 11 | 06/08/22 | \$10 - \$50 million | \$10 - \$50 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 v. Avenatti

On December 5, 2022 Michael Avenatti was sentenced to 14 years in federal prison for stealing approximately \$7.6M from his client trust account, funds that were owed to four individuals, one of whom was a paraplegic. In concert with the theft of the \$7.6M, Avenatti corruptly obstructed and impeded the IRS's efforts to collect more than \$3.2M in unpaid payroll taxes, including monies that had been withheld from employees' paychecks. Prosecutors argued that from 2011 through 2017, Avenatti's law firm failed to file corporate tax returns or pay taxes, even though the firm received substantial income. On March 1, 2017, an involuntary chapter 11 petition was filed against Avenatti's law firm in the Florida Middle District. On May 18, 2017, the proceeding was transferred to the Santa Ana Division, which is where the debtor's primary business assets were held. On March 22, 2019, Avenatti was indicted on 36 counts, including four counts of false testimony under oath in bankruptcy, based on false monthly operating reports filed in the chapter 11 proceeding. On June 16, 2022, Avenatti pleaded guilty to four counts of wire fraud and one count of endeavoring to obstruct the administration of the Internal Revenue code. The fourteen-year sentence will be served consecutively with sentences totaling five years previously imposed in the Southern District of New York regarding Avenatti's Nike extortion sentence and his fraud and aggravated identity theft sentence in connection with Avenatti's representation of Stephanie Gregory Clifford, also known as Stormy Daniels. [Press Release](#)