

United States Bankruptcy Court
Central District of California

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



JUDGE MARK HOULE PROFILED IN DAILY JOURNAL

On October 27, the Daily Journal published a profile of Judge Mark Houle. The article, by Sunidhi Sridhar, describes Judge Houle's rise to the bench, practical approach to bankruptcy law, and use of tentative rulings.

The profile briefly follows Judge Houle's path to judgeship, including clerking for four judges within the Central District of California and spending 14-years in private practice. Judge Houle also served in the Air Force and the Massachusetts Air National Guard. "Certainly, being appointed a judge is the cherry on the sundae," Houle notes. "I love what I do."

Judge Houle hopes to maintain a professional courtroom that does not put form over function, acknowledging that he is more lenient when it comes to enforcing local rules. "If I were to strictly enforce every rule that is out there, I would bring my proceedings to a halt," Houle notes. Golden Goodrich LLP partner David M. Goodrich commented "Throughout California, the pulse of the bankruptcy courts varies from heart failure to flatlining. Judge Houle's courtroom seems like the pulse of a well-conditioned athlete -- a healthy heartbeat that is not in danger of heart failure for too little or too much excitement."

The article notes that Judge Houle issues tentative rulings as it provides attorneys a chance to refine their argument before a hearing and provides an opportunity for lawyers to inform him about any gaps in his decision before a potential appeal. Judge Houle does not issue preliminary rulings when a situation is fluid or a case might settle. "Posting a tentative may kill the chances of a settlement," Houle notes.

David B. Golubchik, a partner at Levene Neale Bender Yoo & Golubchik LLP, mentioned Houle's rulings are not based on emotion and tend to be more predictable as he focuses on the law. "It's a good thing because you know what you're getting from him no matter which side of the case you're on," the attorney commented.



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>

THE CENTRAL GUIDE INFORMATION SESSION ONLINE

In December 2021, the Court announced the release of The Central Guide, a new digital tool to replace the Court Manual. The Central Guide allows users to look up a specific Local Bankruptcy Rule (“LBR”) and links to forms and instructions that match that LBR. Pertinent information found on the websites of the U.S. Trustee, U.S. District Court, Bankruptcy Appellate Panel, and Ninth Circuit Court of Appeals is also linked to The Central Guide.

Did you miss a detail from a previous session that you would like to review, or do you want to revisit one of The Central Guide’s new features? A recorded session of The Central Guide Informational Session is now available. Click [here](#) (link is external to the U.S. Bankruptcy Court, Central District of California) to view the recorded session.

NINTH CIRCUIT CIVICS CONTEST ON BROWN V. BOARD OF EDUCATION ANNOUNCED

The Ninth Circuit has announced the theme of its annual civics contest for high school students. In 2024, contestants will consider “70 Years Later – The Legacy of Brown v. Board of Education”. Brown v. Board of Education is widely accepted as one of the most momentous Supreme Court decisions, but views differ regarding what impact it has had on the law and our society. Essay and video submissions will address this topic, discussing what impact they think Brown has had and why.



Individual students may submit an essay or a video, and teams of up to three students may collaborate on a video. A student may participate in both the essay and video competitions but may submit only one essay and be involved in producing only one video.

To enter the local contest, high school students must reside in one of the following counties: Los Angeles, Orange, Riverside, San Bernardino, San Luis Obispo, Santa Barbara or Ventura. Winners of the local contest will also receive cash prizes of \$1,000 for 1st place, \$750 for 2nd place, and \$500 for 3rd place. The 1st-place winners of the local contest and a parent/guardian will be invited to the 2024 Ninth Circuit Judicial Conference. Entries for the District-wide contest will be accepted beginning January 8, 2024. The deadline for all entries will be March 8, 2024. Contest rules and entry instructions are available at www.ca9.uscourts.gov/civicscontest.

HOLIDAY CLOSURES

Monday, January 1 - New Year’s Day

Monday, January 15 - Birthday of Martin Luther King, Jr.

Monday, February 19 - Washington’s Birthday (Observed)

BANKRUPTCY FRAUD PROSECUTIONS

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

USA v. Handel

On November 14, 2023, former chapter 11 debtor-in-possession Mark Handel was sentenced to 41 months in federal prison and ordered to forfeit \$3,545,712 and to pay the IRS \$1,618,836 in outstanding tax liabilities. Handel pleaded guilty in February 2023 to one count of making a false statement in bankruptcy and one count of subscribing to a false tax return. Handel failed to disclose nearly \$2.3 million in income in his bankruptcy case and failed to report almost \$6.9 million in income on his tax returns. Handel concealed his income from his creditors by depositing and diverting multi-millions of dollars in earned income into an entity named DTMM (“Don’t Touch My Money”) purportedly owned by his wife. Handel filed for chapter 11 protection in 2015. On motion of the U.S. Trustee, the case was dismissed in 2021. [Press Release](#)

People of the State of California v. Robert Sedlar

Robert Sedlar, the former president of Grand View Financial, LLC, was sentenced on November 17, 2023, to 25 years and 4 months in state prison. Sedlar had previously been found guilty of 100 felony counts relating to the operation of a mortgage fraud rescue scheme which operated throughout California. Restitution is pending.

Sedlar and his co-conspirators falsely promised financially distressed homeowners, including elderly individuals, that if they paid fees and transferred title of their homes to Grand View Financial, the company would eliminate the mortgage liens and return the properties to the homeowners. Instead, Sedlar and his co-defendants filed false court documents, false bankruptcy cases, and false documents with the county recorders’ offices that stalled the foreclosures but did not eliminate the liens, all the while collecting fees from the victims. All of the victims lost their homes because of the scheme, resulting in a combined loss of more than \$7 million.

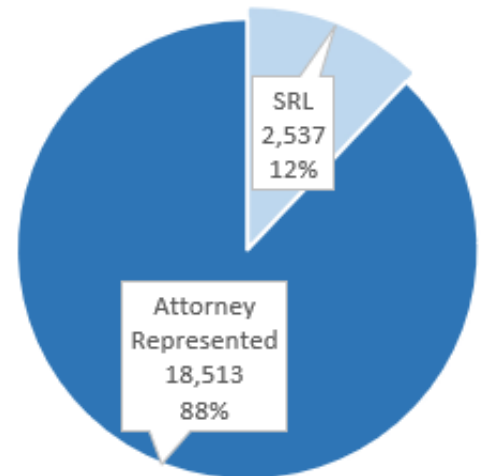
In 2017 Grand View Financial attempted to legitimize their criminal business plan and filed for Chapter 11 bankruptcy protection. Grandview filed 6 adversaries against various lenders. Each adversary was settled with a dismissal, an order of quiet title, the release of lis-pendens on real property purportedly owned by Grandview, and/or a cancellation of any documents recorded by Grandview purporting to transfer real property to themselves or an affiliated entity. The Chapter 11 proceeding was dismissed with a 180-day bar against refile. Sedlar’s co-conspirators entered guilty pleas before trial. Co-defendant Gan is currently serving a six-year sentence at a state prison and has been ordered to pay \$154,930.59 in restitution. Co-defendant Rogers is currently serving a ten-year sentence in North Kern State prison and has been ordered to pay \$154,930.59 in restitution. [Press Release](#)

BANKRUPTCY STATISTICS

The data below represents filings year to date thru December 31, 2023. Statistics based on internal filings data.

Divisional Filings YTD	Ch 7	Ch 11	Ch 13	Total	% change from previous YTD
Los Angeles	7,021	170	1,672	8,863	20.91%
Northern	1,064	19	167	1,250	16.82%
Riverside	5,083	41	1,081	6,205	23.36%
San Fernando Valley	1,526	62	315	1,903	21.44%
Santa Ana	2,351	55	418	2,824	23.31%
Total	17,045	347	3,653	21,045	21.74%

Central District of CA - Filings YTD



Business Filings	Ch 7	Ch 11	Ch 13	Total
2023 YTD	999	314	63	1,376
2022 YTD	745	186	61	992

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	7	12/20/22	\$50 - \$100 million	\$100 - \$500 million
Beverly Community Hospital Asso.	LA-23-12359-SK	11	04/19/23	\$1 - \$10 million	\$100 - \$500 million
Chinecherem Eze LLC	SV-22-10954-MB	11	08/16/22	\$1 - \$10 million	\$1 - \$10 million
Elite Investment Management Group	LA-23-15752-NB	11	09/05/23	\$10 - \$50 million	\$10 - \$50 million
Ittella International LLC	LA-23-14154-SK	11	07/02/23	\$10 - \$50 million	\$10 - \$50 million
The Litigation Practice Group P.C.	SA-23-10571-SC	11	03/20/23	\$1 - \$10 million	\$10 - \$50 million
Arian Mowlavi	SA-23-10296-ES	11	02/21/22	\$1 - \$10 million	\$100 - \$500 million
TRX Holdco, LLC	SA-22-10948-SC	7	06/08/22	\$10 - \$50 million	\$10 - \$50 million
Windsor Terrace Healthcare, LLC	SV-23-11200-VK	11	08/23/23	\$1 - \$10 million	\$1 - \$10 million

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