ISSUE



## UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA

## **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

KATHLEEN J. CAMPBELL Executive Officer/Clerk of Court

Suggestions and comments are always welcome.

Please call (213) 894-3901 or email us at Vanita\_ Subherwal@cacb.uscourts.gov.

### Important Updates

#### Court Website:

- Optional Court Forms
  - \* F1002-1.2.MOTION
  - \* F1002-1.2.ORDER

Electronic Systems:

- CM/ECF
  - \* Reduced Paper Module
  - \* BNC



## This Issue

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# CM/ECF's Reduced Paper Module to Launch in July

The U.S. Bankruptcy Court – Central District of California will implement the new Reduced Paper Module (RPM) in CM/ECF on July 19, 2010. The new module will not affect the use of CM/ECF, as the Court's electronic systems will continue to operate normally during its implementation.

Currently, ECF users receive two notices when a notice or order is entered on the docket, an electronic Notice of Electronic Filing (NEF) from the Court and a paper notice from the Bankruptcy Noticing Center. With RPM, ECF filers will now only receive a NEF; paper notices will no longer be mailed out.

The only exception to this change is the notice of

the first meeting of creditors (section 341(a) Meeting Notice). The Bankruptcy Noticing Center will continue to mail a paper notice regarding the 341(a) Meeting to provide the debtor's confidential full social security number.

ECF users are strongly encouraged to maintain their current contact information with the Court. If a discrepancy is identified, please contact the ECF Help Desk immediately at ECF\_Support@cacb.uscourts. gov.

For additional information on the Reduced Paper Module, please refer to Public Notice 10-008 or contact the ECF Help Desk at (213) 894-2365.

# Bankruptcy Noticing Center Returned Mail Enhancement

Effective July 12, 2010, the Bankruptcy Noticing Center will bypass the printing and mailing of notices to addresses identified by the United States Postal Service (USPS) as undeliverable. This service will eliminate unnecessary postage and print costs as well as the time-consuming follow-up activities required by court personnel.

To determine the validity of each address, the Bankruptcy Noticing Center will cross-reference all incoming case mailing with USPS to determine the validity of each address recipient on the mailing list. A notice may not be mailed out to a recipient when (1) there is an incomplete address, (2) the addressee has moved to a foreign address, (3) the addressee has moved and left no forwarding address, (4) a post office box is closed, or (5) a forwarding order is expired.

The Bankruptcy Noticing Center will continue to mail notices to undeliverable addresses only in the following situations: the address is for a debtor; the address is a creditor's preferred address as registered with the National Creditor Registration Service, pursuant to 11 U.S.C. § 342(f), or with the court, pursuant to 11 U.S.C. § 342(e).

A public notice with a more detailed explanation of the enhancement will be issued prior to the effective date.

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

# New Optional Local Bankruptcy Rules Forms

The following new optional Local Bankruptcy Rules forms are effective immediately:

- F 1002-1.2.MOTION Motion for Protective Order Pursuant to 11 U.S.C. § 107(c) and FRBP 9037 to Restrict Access to Filed Documents Containing Personal Data Identifiers
- F 1002-1.2.ORDER Order on Motion for Protective Order Pursuant to 11 U.S.C § 107(c) and FRBP 9037 to Restrict Access to Filed Documents Containing Personal Data Identifiers

The new forms are available at the Court's website, www.cacb.uscourts.gov, under Forms/ Rules/General Orders > Local Bankruptcy Rules and Forms. They are also available in printed format, for a fee, at the Intake Section of each division.

# 2<sup>nd</sup> Annual Earle Hagen Golf Tournament Raises \$22,000 for the Debtor Assistance Program

The second annual Earle Hagen Memorial Golf Tournament was held on June 11 at the California Country Club in Whittier. The tournament is held in memory of Earle Hagen, who practiced bankruptcy law for over 40 years and is remembered for his exceptional service and representation of consumers, and is sponsored by the Central District Consumer Bankruptcv Attorney Association and the Los Angeles Bankruptcy Forum.



Judge Vincent P. Zurzolo, Alan Sarver, Tom Boczan, and James T. King. (Event photo courtesy of James T. King)

This year, Chief Judge Vincent P. Zurzolo, Judge Robert Kwan, Judge Maureen A. Tighe, and Judge Erithe Smith participated with more than 90 attorneys, trustees, and other members of the legal community. The tournament raised approximately \$22,000, with all the proceeds going to the Public Counsel's Debtor Assistance Program, which provides pro bono resources for debtors without legal representation.



# Annual "Ask the Judges" Night held in Downtown Los Angeles

The Los Angeles Bankruptcy Forum hosted its annual "Ask the Judges" Night dinner event on June 2 at the Omni Hotel in downtown Los Angeles. Judges from throughout the Central District of California, along with more than 145 members of legal community, attended the event.

Judge Sheri Bluebond moderated the panel consisting of Chief Judge Vincent P. Zurzolo, Judge Alan M. Ahart, Judge Catherine E. Bauer, Judge Samuel L. Bufford, Judge Robert N. Kwan, Judge Richard M. Neiter, Judge Deborah J. Saltzman, and Judge Maureen A. Tighe. Each judge answered a wide array of questions, ranging from local bankruptcy rules to procedures and more.

At the conclusion of the event, many of the attendees expressed their appreciation for the opportunity to share opinions and to discuss important questions with the judges.

# Judge Deborah J. Saltzman Presents Chapter 11 First Day Motions Program

On June 3, 2010, Judge Deborah J. Saltzman, along with Mr. Scott C. Clarkson of Clarkson Gore & Marsella APLC, Ms. Leslie A. Cohen of Leslie Cohen Law PC, and Mr. Jason D. Wallach of Gladstone Michel Weisberg Willner & Sloane ALC, gave a presentation to the Los Angeles County Bar Association entitled Chapter 11 Focus: First Day Motions. The event was attended by over 30 individuals.

During the event, Judge Saltzman and her fellow panel speakers touched on numerous Chapter 11 first day motion topics to included types of first-day motions; local procedures; creditor, customer, and employee motions; and recent changes in bankruptcy law. Examples were also handed out to the audience.

For additional information on this event, please contact the Commercial Law and Bankruptcy Section at the Los Angeles County Bar Association.

## **Filing Statistics**

Central District of California - Percent Increase in Filings January - June 2010\* to January - June 2009

42% 1 2010: 53,760 2009: 37,783 Chapter 7 0.5% 2010: 598 2009: 595 Chapter 11 **35%** 2010: 14,596 2009: 10,780 Chapter 13 **40%** 2010: 68,954 2009: 49,158 Total

## CM/ECF Tips

#### How to Obtain Access to CM/ECF

In order to file a petition and/ or subsequent documents via CM/ECF, you must take the following steps to obtain a CM/ ECF log-in and password:

- Register on the Court's website at : www.cacb.uscourts.gov > Electronic Systems & Status > CM/ECF Home Page > Registration and Training.
- 2. View the electronic training modules.
- 3. Complete the quizzes at the end of each module.
- Submit your quiz results and the Certificate of Completion (in.pdf format) to the ECF Support Desk. You can e-mail both items to ECF\_support@cacbuscourts.gov
- After the ECF Support Desk reviews your registration, quiz results, and Certificate of Completion, you will be issued a CM/ ECF Training environment log-in along with a practice assignment to complete.
- Once you have successfully completed the practice assignment, you will be issued a CM/ECF Live log-in and password so that you may begin filing petitions and/or subsequent documents electronically.

National - Percent Increase in Filings 12 Mo. Period Ending March 31, 2010 to Same Period Ending March 31, 2009

**34%** 1 2010: 1,100,032 2009: 819,362 Chapter 7 29% 2010: 15,251 2009: 11,785 Chapter 11

**12%** 2010: 415,966 2009: 370,875 Chapter 13



\*Based on estimated filing data for June 2010.

## Top 20 Cases of Interest Filed in the Last 24 Months\*

#### WestCliff Medical Laboratories, Inc./BioLabs, Inc.

SA-10-16743-TA, SA-10-16746-TA, Chapter 11, Filed 5/19/10. Assets and Liabilities between \$50-\$100 million. 341(a) Meeting scheduled 6/30/10. Case SA-10-16743-TA: Hearing Continued for Motion to Sale of Property under Section 363(B) set for 7/28/10.

#### Ocean Parks Hotels - TOY LLC/Ocean Park Hotels - TOP LLC

SV-10-15358-GM, SV-10-15359-GM, Chapter 11, Filed 5/6/10. Assets and Liabilities between \$10-\$50 million. 341(a) Meeting scheduled 6/8/10. Order Granting Joint Administration with case SV-10-15359-GM - Ocean Park Hotels - TOP LLC signed 6/4/10. Proof of Claims due 7/30/10.

#### Bander Law Firm, LLP

LA-10-15066-AA, Chapter 7, Filed 2/12/10. Assets between \$1-100 million and Liabilities between \$500,001-\$1 million. Hearing for relief from stay motion filed by First Insurance Funding Corp. of California set for 6/30/10.

#### The Walking Company

ND-09-15138-RR, Chapter 11, Filed 12/7/09. Assets over \$100 million and Liabilities between \$1-100 million. Status conference scheduled for 7/29/10.

#### **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. Hearing on Shortened Notice Re: Motion of Debtor for Authority to Enter Insure Premium Finance Agreement set for 7/7/10.

#### 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. Status hearing re: Petition Foreign Proceeding (Chapter 15) set for 10/25/10.

#### Lenny Kyle Dykstra

SV-09-18409-GM, Chapter 7, Filed 7/7/09. Assets between \$0-50,000 and Liabilities between \$1-100 million. Hearing for Motion re: Objection to Claim set for 7/21/10.

#### PPA Holdings, LLC

SA-09-16353-ES (LEAD of 22), Chapter 11, Filed 6/26/2009. Assets and Liabilities over \$100 million. Order granting Chapter 11 Trustee's motion for order authorizing and approving settlment with Orion Pacific Note Investors, LLC signed on 6/17/10.

#### Z Gallerie

LA-09-18400-VZ, Chapter 11, Filed 4/10/2009. Assets and Liabilities between \$1-100 million. Order granting, in part, tenth Omnibus motion of the posteffective date committee for an order disallowing scheduled claims that were statisfied during the reorganized debtor's chapter 11 case signed on 6/10/10.

#### 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. Case SV-09-bk-13964-GM -Hearing set re: Motion for approval of extension of term of post-petition financing on a secured basis set for 6/24/10. Case SV-09-bk-13965-GM -Monthly Operating Report filed on 6/14/10.

#### Fleetwood Enterprises, Inc.

RS-09-14254-MJ (LEAD of 43), Chapter 11, Filed 3/10/2009. Assets and Liabilities over \$100 million. Show cause hearing set for 7/7/10. Status conference hearings re administrative priority claims set for 7/14/10. Fairness hearings set for 8/5/10.

#### 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. Order on First and Final Application for Allowance and Payment of Fees and Reimbursement of Expenses of Mosier & Company, Inc. and Weiland, Golden, Smiley, Wang Ekvall & Strok LLP signed on 5/20/10.

#### **Right Start Acquisition Company**

SV-09-11132-MT (LEAD of 2), Chapter 11, Filed 2/3/2009. Assets and Liabilities between \$1-100 million. Hearing for re: Motion to Disallow claims filed by Committee Official Creditors set for 7/26/10. Show cause hearing to be held on 8/2/10.

#### StarRibs North, LP

SA-08-17182-TA (LEAD of 15), Chapter 11, Filed 11/6/2008. Assets and Liabilities between \$1-100 million. Debtor's Motion for Order Voluntarily Dismissing Certain Chapter 11 Cases filed on 5/18/10. Hearing re: Motion to Disallow Claims filed by StarRibs North, L.P. continued to 6/30/10.

#### Palmdale Hills Property, LLC

SA-08-17206-ES (LEAD of 25), Chapter 11, Filed 11/6/2008. Assets and Liabilities over \$100 million. Hearing for Motion for Reconsideration re: Order denying motion for determining that escrow funds are not property of the estate set for 7/20/10.

#### Karykeion Inc.

SV-08-17254-MT, Chapter 11, Filed 9/22/2008. Assets and Liabilities at \$1-100 million. Hearing re: Motion to Use Cash Collateral set for 06/29/10. Hearing re: Motion to Reconsider set for 7/21/10.

#### Century City Doctors Hospital, LLC

LA-08-23318-SB, Chapter 7, Filed 8/22/2008. Assets and Liabilities between \$1-100 million. Hearing re: Trustee's motion for order extending the time within which to assume or reject executory contracts and/or expired leases of intangibles set for 7/13/10. Hearing re: Motion for Relief from Stay set for 7/13/10.

#### Woodside Group, LLC

RS-08-20682-PC (LEAD of 188), Chapter 11, Filed 8/20/2008. Assets and Liabilities over \$100 million. Hearing on omnibus objections to claims set for 7/12/10.

#### IndyMac Bancorp, Inc.

LA-08-21752-BB, Chapter 7, Filed 07/31/2008. Assets between \$1-100 million and Liabilities over \$100 million. Order approving motion/stipulation for fifth continuance of certain deadlines to order regarding sale of FF&E and Reservation of Rights signed on 6/9/10.

#### 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: Interim fee applications set for 6/11/10.

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