

## 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.

PETER H. CARROLL  
Chief Judge

KATHLEEN J. CAMPBELL  
Executive Officer/Clerk of Court

Suggestions and comments  
are always welcome.

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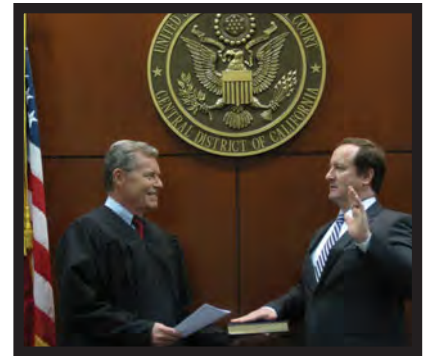
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## MARK D. HOULE SWORN IN AS BANKRUPTCY JUDGE

The United States Bankruptcy Court for the Central District of California is pleased to welcome Judge Mark D. Houle to the bench. Judge Houle fills the judgeship vacated by Judge Ellen Carroll, who retired on February 16. He maintains chambers in Riverside.

On February 17, Chief Judge Peter H. Carroll administered the oath of office to Judge Houle at the Riverside Division. Among those in attendance were Judges Meredith A. Jury, Sheri A. Bluebond, Catherine E. Bauer, Deborah J. Saltzman, Wayne Johnson, and Clerk of Court Kathleen J. Campbell. Judge Houle's wife, Marie, and their sons, Trent and Dominic, also attended the ceremony.



In his remarks, Chief Judge Carroll outlined Judge Houle's path to the bench. A native of Lowell, Massachusetts, Judge Houle is also a veteran of the United States Air Force. Judge Houle graduated summa cum laude from Salem State College in 1993. After receiving his J.D. from Boston College Law School in 1996, Judge Houle came to the Central District of California and worked as the rotating law clerk for Judges Lynne Riddle, James N. Barr, Robert W. Alberts and John J. Wilson. Judge Houle left the Court in 1998 and went into private practice, first as an associate with Winthrop & Couchot, PC. He remained in private practice for 13 years. Before coming to the bench, Judge Houle was of counsel with Pillsbury Winthrop Shaw Pittman. Chief Judge Carroll observed that, with Judge Houle's appointment, all six of the Riverside Division's judges now come from private practice.

After the swearing-in, Judge Houle administered the oath to his law clerks, Jennifer Leinbach and Jorge Gaitan. Please join us in welcoming Judge Houle and his chambers staff to the Central District of California.

## JUDGE ELLEN CARROLL RETIRES; JUDGE KWAN MOVES TO LOS ANGELES DIVISION, JUDGE BAUER TO SANTA ANA

Judge Ellen Carroll retired on February 16, the day her 14-year term as a bankruptcy judge ended. Concurrent with Judge Carroll's retirement, two Central District judges relocated this month. On February 10, Judge Robert N. Kwan relocated from the Santa Ana Division to the Los Angeles Division, and on February 16, Judge Catherine E. Bauer relocated from Riverside to Santa Ana. Judge Mark D. Houle was sworn in on February 17 and maintains chambers in Riverside.

Judge Carroll's pending chapter 7 and 11 cases were reassigned to Judge Kwan on February 17. That same day, all of Judge Kwan's pending Santa Ana cases were reassigned to Judge Bauer. Effective February 21, Judge Bauer's chapter 7 and 11 cases were reassigned to Judge Mark D. Houle. Judge Bauer's chapter 13 cases were



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For more information,  
visit our web site at [www.cacb.uscourts.gov](http://www.cacb.uscourts.gov).



## Accessing Court Information by Twitter

The Court has been posting to its Twitter account for a year now, and has sent over 430 “tweets” to about 350 followers. The Court posts announcements, Notices of Sale, Public Notices, computer status updates, and other timely information.

Many are not aware that they can view the Court’s Twitter postings without the need to get a Twitter account or even register. Just click on the Twitter logo on the home page of the Court’s website ([www.cacb.uscourts.gov](http://www.cacb.uscourts.gov)). The postings are arranged in chronological order, making it easy to quickly catch up with what is going on at the Court. For those with a Twitter account, you can use this free service to follow us @cacbnews.

reassigned to either Judge Houle or Judge Johnson, depending on the assigned trustee. Those with trustee Amrane Cohen were reassigned to Judge Houle, and those with trustee Rod Danielson were reassigned to Judge Johnson.

For more detailed information about reassignment of these judges’ bankruptcy cases and adversary proceedings, please see Public Notice 12-004, available on the Court’s website.

## JUDGE TIGHE HOLDS BROWN BAG PROGRAM ON SELF-REPRESENTED PARTIES

On January 9, Judge Maureen A. Tighe and Assistant U.S. Trustee Jennifer Braun held a lunchtime presentation for attorneys at the Los Angeles Division. “Self-Represented Parties: What Every Consumer Bankruptcy Attorney Should Know” provided background on the Central District’s population of self-represented filers, which now makes up more than one-quarter of all *pro se* bankruptcy litigants in the nation. The presentation also included updates on the Court’s programs for parties without attorneys, and advised attorneys about common legal and ethical issues that involve self-represented debtors.



Judge Tighe discussed the Court’s efforts to measure the impact of *pro se* filers on the Court’s service, and to ensure those parties’ access to justice. She said that bankruptcy petition preparers (BPPs) admit to filing approximately 300 petitions per month in the Los Angeles Division; however, counting undisclosed filings, the actual number filed by BPPs in LA is probably closer to 600 per month. Judge Tighe also introduced the Debtor ID Project underway at the Riverside, San Fernando Valley, and Northern Divisions, where debtors, BPPs, and runners who file petitions at the intake windows now must present photo IDs. She described the Administrative Office of the U.S. Courts’ *Pro Se* Pathfinder Project, which has developed an e-file module for *pro se* debtors that will be rolled out in March.

Ms. Braun emphasized that it is the duty of attorneys, not paralegals or BPPs, to give legal advice. She reviewed §110 of Title 11, the section of the U.S. Code that specifies the penalty for “negligently or fraudulently” preparing a bankruptcy petition. The section governs BPPs who are not “under the direct supervision” of the attorneys who employ them. She discussed the attorney’s obligations that are spelled out in the chapter 13 RARA: to meet with, review documents with, and counsel the debtor in person. Ms. Braun also drew attention to §6450 of the California Business and Professions Code, which bars paralegals from giving legal advice, even with an attorney’s direction and supervision. She warned against entering into unethical agreements with non-attorneys, and cautioned that agreements with fraudulent loan modification and foreclosure rescue organizations can lead to attorney discipline.

Judge Tighe praised the Bar for creating such a robust *pro bono* program and thanked volunteer attorneys for their “tremendous help.” She encouraged those in attendance to report §110 violations to the U.S. Trustee, to report the unauthorized practice of law to the City Attorney, and to volunteer. Before concluding the meeting, she asked the audience for advice and suggestions.

## JUDGE KLEIN SPEAKS AT SIXTH ANNUAL REVIEW OF NINTH CIRCUIT DECISIONS

On January 21, the Central District Consumer Bankruptcy Attorney Association (CDCBAA) held its “Sixth Annual Review of 2011 Ninth Circuit Published Decisions and Selected Other Cases on Bankruptcy” at Southwestern Law School. An overflowing crowd of over 140 consumer bankruptcy attorneys attended. Together, Judge Sandra R. Klein and Professor M. Jonathan Hayes presented a synopsis of over 50 of the past year’s cases, involving the following topics: attorney sanctions, the automatic stay, chapter 13 issues, chapter 11 issues, discharge, property of the estate, taxes, Supreme Court cases, Ninth Circuit Court of Appeals cases, Ninth Circuit BAP, Ninth Circuit cases, and some other circuits’ cases. CDCBAA members were extremely grateful for the efforts of Judge Klein and Professor Hayes, who presented the information in an open forum that allowed for questions and answers and hypothetical applications to other fact patterns. Special thanks to Judge Klein and Jon Hayes for their continued donation of time and effort to benefit the consumer bankruptcy bar.

## CHAPTER 13 BENCH/BAR COMMITTEE BROWN BAG

The Chapter 13 Bench/Bar Committee held a brown bag meeting at the Los Angeles Division on January 30. Judges Zurzolo, Neiter, Bauer, Klein, Brand, and Bason attended in person, and Chief Judge Peter Carroll and Judges Jury, Johnson, and Houle attended by videoconference from Riverside. Also present were Chapter 13 Trustees Kathy Dockery, Nancy Curry, and Rod Danielson; Assistant U.S. Trustees Abe Feuerstein and Charmayne Mills; and attorneys Nancy B. Clark, Erik Clark, Jenny L. Doling, and Katelyn J. Kim. Judge Bauer, who chairs the Chapter 13 Committee, welcomed all those in attendance.

The committee discussed redrafting the chapter 13 addendum to resolve a possible conflict with LBRs; working up a fee schedule for standard tasks; handling the previous attorney's fees when an attorney substitutes in as counsel in a difficult case; concerns about LBR Form 3015-1.17 (Debtor's Motion for Authority to Incur Debt); Judge Zurzolo's list of items that do not need to be served on a judge in chapter 13 cases; "no-look" fees; a system that would allow debtors to submit trustee payments to the Trustee's Office directly; and loan modification agreements.

## JUDGE ZURZOLO PARTICIPATES IN PANEL DISCUSSION RE: REAFFIRMATION HEARINGS

On February 27, Judge Vincent P. Zurzolo and attorney Peter Lively participated in the panel discussion "Reaffirmation Agreements: What You Need to Know about the Procedures and Practice after BAPCPA" at the Los Angeles Division. Public Counsel Law Center and the Central District Consumer Bankruptcy Attorney Association co-sponsored the event, which required a two-hour *pro bono* commitment in order to register, and counted for 1.5 hours of MCLE credit. Abacus Credit Counseling provided refreshments and tote bags. About 50 attorneys attended.

The discussion, moderated by Magdalena Bordeaux of Public Counsel, explored how the passage of BAPCPA in 2005 has affected reaffirmation agreements. The *ipso facto* clause that appears in most automobile sales contracts includes entering into a bankruptcy proceeding in its definition of "default," and Mr. Lively walked the audience through the steps his office takes to satisfy the requirements of §521 and §524 for protection from the *ipso facto* clause. He also discussed the relationship between BAPCPA and the Ninth Circuit Court of Appeals' 1998 decision *In re Parker*. Judge Zurzolo emphasized that a debtor who wishes to enter into a reaffirmation agreement must make the agreement, file the agreement, and come to the hearing. He then provided a brief checklist of facts that should be included in a reaffirmation agreement. Judge Zurzolo and Mr. Lively also discussed cases in which redemption might be preferable to reaffirmation.

Throughout the discussion, both Judge Zurzolo and Mr. Lively exhorted the audience to read the relevant portions of the code and the statutes. Before opening the discussion up to questions, the panelists touched on anti-deficiency statutes and real property, a subject they agreed would take a separate two-hour session to discuss in full. For more information about Public Counsel's upcoming programs, visit the website at [www.publiccounsel.org](http://www.publiccounsel.org).

## JUDGES ALBERT AND SMITH PRESENT BROWN BAG ON "CHAPTER 20" BANKRUPTCY

The Orange County Bankruptcy Forum held a brown bag program on the subject of chapter 20 at the Santa Ana Division on February 23. The panel included Judge Albert, Judge Smith, and Judge Wallace, as well as chapter 13 trustee Amrane Cohen. The panel discussed topics such as: the effect of the 11 U.S.C. §1328(f)(1) "four year rule" on a chapter 13 plan; the benefit of not getting a discharge in a chapter 13 case when the plan has been confirmed; whether a chapter 13 plan can "strip" a residential lien without a discharge; if courts will follow *Tran* (431 B.R.130); under what circumstances a judge might allow a chapter 13 plan "lien strip" without a discharge; if a chapter 7 discharge has been issued and the case is closed, under what circumstances the debtor might re-open the chapter 7 case to vacate the discharge and convert to chapter 13; and, if a chapter 7 discharge has been granted and the case is still open, under what circumstances the debtor might convert to chapter 13 and vacate the chapter 7 discharge.

## CM/ECF Tips

ATTN: ALL CM/ECF USERS:

**ASSET REMINDER:** Please remember that when filing a chapter 7 case, the asset designation should always be set to No Asset. If the designation is set to Asset, the program will create an incorrect notice of meeting of creditors. The No Asset designation will be changed by the Court later as needed upon notification by the chapter 7 trustee.

ATTN: ALL CM/ECF USERS:

In order to maintain accurate information for your profile account in our registration database and in CM/ECF, please notify us when a staff member who was to receive the electronic notices leaves your firm. The email notification should be sent to [ecf\\_support@cacb.uscourts.gov](mailto:ecf_support@cacb.uscourts.gov). This will reduce unnecessary delivery failure messages to the Court.

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

### **AVP Pro Beach Volleyball Tour, Inc.**

LA-10-56761-BB, Chapter 11, Filed 10/29/10. Assets between \$100,001-\$500,000 and Liabilities between \$1-\$10 million. Order entered on 2/13/12 approving stipulation on debtor's motion for order disallowing and expunging the claim of Ohio Department of Taxation [claim #17] and debtor's motion for order reducing the claim of Ohio Department of Taxation [claim #37].

### **A & S Booksellers, Inc.**

SV-12-10392-VK, Chapter 11, Filed 01/13/12, Assets \$0.01- 0.05 million and Liabilities \$1 - \$10 million,, Meeting of creditors to be held on 2/16/12. Motion for Relief filed on 1/23/12.

### **Crystal Cathedral Ministries, a California non-profit corporation**

LA-10-24771-RK, Chapter 11, Filed 10/18/10. Assets and Liabilities \$50-\$100 million. Motion to set last day to file POC filed 9/20/2011, Notice of Continued Hearing on Motion by the Plan Agent for an Order Disallowing the Administrative Claims and Denying the Requests for Payment of Administrative Expenses entered 2/2/12, Monthly Operating Report filed 2/6/12.

### **Encino Corporate Plaza, L.P.**

SV-11-14917-GM, Chapter 11, Filed 04/20/11, Assets \$10-50 million and Liabilities \$1-50 million. Order Granting Stipulation to extend deadline for Wells Fargo Bank, as trustee, to respond to Motion to further extend the debtor's exclusive period to obtain acceptance of plan of reorganization, entered 1/24/12.

### **Figueroa Tower I LP, Figueroa Tower II, LP, Figueroa Tower III, LP (jointly administered)**

SV11-18760-GM; SV11-18761-GM; SV11-17862-GM, Chapter 11, Filed 07/14/11, Assets \$50-100 million and Liabilities \$50-100 million. Motion for Relief filed 12/12/11. Amended Ch 11 Plan & Disclosure Statement filed 12/23/11.

### **FFPE, LLC, a Delaware LLC AKA: Pat & Oscar's Restaurants**

SA-11-23246-ES, Chapter 7, Filed 9/21/2011, Assets \$0-50,000 and Liabilities \$1,000,001 - \$10 million. Withdrawal re: Chapter 7 Trustee's Report filed 12/22/11, Order granting motion Action in Non-Bankruptcy Forum entered 1/11/12, Application/Order shortening time Hearing on Motion for Relief from Stay filed 1/30/12:Order denying Application/Order shortened notice entered 2/2/12.

### **HomeSuites, LLC**

ND-11-10163-RR, Chapter 11, Filed 01/12/11, Assets \$1-10 million and Liabilities \$1-10 million. Final Hearing re Motion for relief from the automatic stay with supporting declarations real property re: 4454-4468 Hummel Dr., Santa Maria, CA 63455 continued to 4/16/12; Hearing re Motion to dismiss debtor or convert case to Ch. 7 scheduled for 3/21/12.

### **Irwindale Speedway, LLC**

LA-12-14994-ER, Chapter 7, Filed 02/13/12, Assets \$0- 0.01 million and Liabilities \$0.1 - \$0.5 million, The 341(a) meeting of creditors will be held on 3/20/12 at 8 a.m.

### **Liberty Entertainment, Inc.**

LA-10-51881-BR, Chapter 7, Filed 08/30/10. Assets between \$500,000 to \$1 million and Liabilities between \$1-10 million. Notice of change of address was filed by trustee David A. Gill on 11/28/11.

**Pacific Monarch Resorts, Inc. Vacation Marketing Group, Inc; Vacation Interval Realty, Inc.; MGV Cabo, LLC; Desarrollo Cabo Azul, S. de R.L. de C.V.; Operador MGVM S. de R.L. de C.V.** SA:11-24720-ES; SA:11-24725-ES; SA:11-24727-ES; SA:11-24729-ES; SA:11-24731-ES, Order Reassigning jointly administered case from Hon. Erithe A Smith to Hon. Scott C. Clarkson filed 10/31/11, hearing held 1/12/12: Motion granted authorizing the debtors to conduct auction for sale of certain assets entered 1/17/12, Orders entered on 1/13/12 authorizing the debtor to sell certain assets, Monthly Operating Reports filed 1/19/12, Order on stip. extending committee's time to file claims under final cash collateral order extended to 2/7/12, committee shall not request any further extension to file claims and defenses filed 2/6/12.

### **Raymond P. Boucher**

SV-12-10052-MT, Chapter 11, Filed 01/03/12, Assets \$5.26 million and Liabilities \$5.51 million. Meeting of creditors held on 2/1/12. Motion for Relief filed on 2/8/12. Application to Employ The Law Offices of Paul A. Beck as general counsel filed on 2/2/12.

### **Rio Rancho Super Mall LLC**

RS-11-16835-MH, Chapter 11, Filed 03/02/11, Assets \$10-50 million and Liabilities \$10-50 million. Order granting eighth stipulation between Debtor and Wilshire State Bank re cash collateral and adequate protection through 3/31/12. Hearing on approval of disclosure statement and order confirming plan continued to 3/20/12.

### **RCR Plumbing and Mechanical, Inc.**

RS-11-41853-WJ Chapter 11, Filed 10/12/2011, Assets \$10-50 million and Liabilities \$10-50 million. Hearings on first interim fee applications set for 2/21/12. Claims bar date set for 3/30/12.

### **Sexy Hair Concepts, LLC**

SV-10-25922-GM, Chapter 11, Filed 12/21/10, Assets \$50-100 million and Liabilities \$50-100 million. Closed 10/14/11.

### **Summer View Sherman Oaks Apartments. LLC, a Delaware Limited Liability Co.**

SA-11-19800-AA, Chapter 11, Filed 08/15/11, Assets \$10-50 million and Liabilities \$10-50 million. Amendments to Schedules D,E,&F filed 1/5/12. Amended Disclosure Statement filed 1/17/12. Confirmation hearing of Ch. 11 Plan 2/22/12. Order Granting Application for Compensation for Terry D Shaylin entered 1/20/12.

### **The Grande Holdings Limited**

LA-11-41459-BB, Chapter 15, Filed 7/22/11. Assets between Over \$100,000 and Liabilities over \$100. Status report filed by debtor, The Grande Holdings Limited, on 1/20/12.

### **Toni Braxton**

LA-10-51909-BR, Chapter 7, Filed 9/30/10. Assets between \$1-10 million and Liabilities between \$10-50 million. A discharge notice was issued on 8/26/11. Notice of change of address was filed by trustee David A. Gill on 11/28/11.

### **Verdugo Mental Health**

LA-11-22739-PC, Chapter 11, Filed 03/25/11, Assets \$1-10 million and Liabilities \$1-10 million. Order entered on 1/12/12 granting motion to extend exclusivity period for filing a chapter 11 plan and disclosure statement (Second Request).

### **Westrim Inc. dba Westrim Crafts**

SV-11-15313-GM, Chapter 11, Filed 04/29/2011, Assets \$1-10 million and Liabilities \$10-50 million. Motion to Approve Compromise & Settlement with Newstar Business Credit, LLC filed 1/24/12.

### **William Busey**

SV-12-11182-AA, Chapter 7, Filed 02/07/12, Assets \$0- 0.05 million and Liabilities \$0.5 - \$1 million, Meeting of creditors to be held on 3/12/12.

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