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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

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Executive Officer/Clerk of Court

Suggestions and comments
are always welcome.

Please email us at editor@
cacb.uscourts.gov.

Important Updates

Court Website:

- Court Manual
- Public Notices

BAR RULES ADVISORY GROUP FORMED

The Court's Rules Committee recently formed a Bar Rules Advisory Group (BRAG) that has been tasked with completing a thorough review of the Court's relief from stay rules and forms and providing collective recommendations for improvement. A total of 37 attorneys responded to the call for volunteers from the Court's Bar Advisory Board, made up of representatives of bar associations from throughout the district. BRAG is comprised of attorneys from all five divisions of the Court, chambers, and the Office of the U.S. Trustee. Volunteers have varied backgrounds in relief from stay practice, representing debtors and creditors in business and consumer cases. The first BRAG meeting will be held in early March 2013.

COURT TO UPGRADE CM/ECF AND LOU

In the coming months, upgrades to the Court's Lodged Order Upload (LOU) and Case Management/Electronic Case Files (CM/ECF) software will introduce new features. Effective in mid-April, LOU will begin accepting orders in newer versions of Microsoft Word. Until now, users have only been able to submit electronic orders in Word 2003 and earlier versions, but after the upgrade they will be able to upload them as Word 2010 files. The update to LOU comes at the same time the Court is standardizing on Word 2010 throughout the Central District, a transition approved by the IT Committee on August 20, 2012.

The Court's upgrade to CM/ECF 5.1 is tentatively scheduled for the weekend of April 19. Electronic learning modules that demonstrate updates to the program's features are scheduled to appear on the Court's website during the first week of April. All CM/ECF users and their staff are encouraged to review these electronic learning modules before the upgrade takes place. Among the improvements, CM/ECF 5.1 will allow the user to enter multiple Social Security and tax identification numbers for a debtor and display multiple documents on the claims register.

As an enhancement to PACER Case Locator, CM/ECF 5.1 will include a limited query display optimized for mobile devices. This limited interface will allow searches by case number or party name, and text searches on docket entries within a selected case. Users can view attorneys, parties, deadlines, and docket entries.

Please check the Court's website at www.cacb.uscourts.gov for the latest dates and features.



DOWNLOAD COURTROOM CALENDARS WITH QR CODES

Since February, Chief Bankruptcy Judge Peter H. Carroll, Judge Scott C. Clarkson, and Judge Deborah J. Saltzman have been piloting the use of QR codes to distribute their courtroom calendars. (See an example of a QR code above.) The judges post the codes outside their courtrooms, and attorneys can use any app that scans QR codes to download the judges' calendars to their smartphones or other mobile devices. If you have tried using QR codes to download these judges' calendars, we would love to hear your thoughts at www.cacb.uscourts.gov/contact.



Accessing Court Information by Twitter

The Court has been posting to its Twitter account for over a year now, and has sent over 960 different tweets to more than 470 followers. The Court posts announcements, Notices of Sale, Public Notices, and other timely information.

You do not need a Twitter account to view the Court's tweets—just click on the Twitter logo on the home page of the Court's website (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. If you have a Twitter account, you can use this free service to follow us @cacbnews.

TRANSFER OF CLAIM FILING FEE

The Judicial Conference of the United States approved a \$25 fee for the transfer of a claim in a bankruptcy case, effective May 1. This fee appears as item 20 on the bankruptcy court miscellaneous fee schedule and will be assessed for each claim transfer. (See 28 U.S.C. §1930.) The Internet Payments functionality in CM/ECF has been modified to allow for electronic collection of the new transfer of claims filing fee. Filers whose accounts are enabled for internet payments will be able to pay the fee using www.pay.gov. This modification includes claims upload.

In order to submit the new filing fee electronically, the submitting party will be required to use a credit card. Therefore, all ECF filers are encouraged to review their internal controls for submitting electronic payments in preparation for the new fee assessment.

BANKRUPTCY MEDIATION PROGRAM ACCEPTING APPLICATIONS FOR PANEL OF MEDIATORS

The Bankruptcy Mediation Program of the U.S. Bankruptcy Court for the Central District of California is now accepting applications for volunteer mediators. Since 1995, the Bankruptcy Mediation Program has provided the public with effective and reliable assistance in resolving disputes without the time and expense associated with litigation. The panel, which consists of attorneys and non-attorney professionals alike, serves all five of the Central District's divisions.

Qualified professionals willing to serve on a *pro bono* basis, for any or all of the Court's five divisions, are invited to apply. A mediation training program of approximately thirty hours will be required of the applicants chosen for the panel, unless attendance is excused by the judges for good cause shown. MCLE credit will be available upon completion of the training program.

The application for panel membership and Third Amended General Order No. 95-01, which governs the Mediation Program, are available on the [Court's website](#). The application requires certification that the applicant has read Third Amended General Order No. 95-01. Applications are currently being received on a rolling deadline. Mail the original and three copies of the completed application to:

Judge Barry Russell
Mediation Program Administrator
Edward R. Roybal Federal Building and Courthouse
255 East Temple Street, Suite 1660
Los Angeles, California 90012

TECHNICAL CORRECTION TO LBR FORM ORDERS

The Court has made a technical correction to its Local Bankruptcy Rules (LBR) form orders and F 9013-1.2.DECLARATION.NO.HEARING form to address changes in the Court's order processing requirements that became effective January 2 under LBR 9021-1(b)(3)(A) and Court Manual Section 4.2.

The Proof of Service has been deleted from all LBR form orders as the Proof of Service is no longer included with lodged orders under the Court's new order processing requirements. The LBR forms with technical corrections are effective immediately and are available on the Court's website: www.cacb.uscourts.gov.

Mandatory Electronic Filing Policy:

Attorneys are only permitted to manually file papers that could be filed electronically in five (5) bankruptcy cases or adversary proceedings in a single calendar year. Papers in any additional cases or proceedings must be filed electronically through the Court's Case Management/Electronic Case Files (CM/ECF) system. Attorneys who do not follow this policy risk an OSC for non-compliance.

Petitions Filed as Complete, but Schedules and/or Statements are Missing at Time of Filing:

Attorneys are reminded that incomplete petitions—those which are missing schedules and/or statements at the time of filing—must be filed directly in CM/ECF, not through your petition preparation software or case upload module. The software and module do not permit the filer to select the schedules and/or statements not included with the filing, as required by the Clerk's Office.

WEBSITE FEEDBACK

The U.S. Bankruptcy Court for the Central District of California continues to enhance its website based on feedback from users. Please let us know your thoughts about what is working well and what could be improved at www.cacb.uscourts.gov/contact.

ORDER PROCESSING GUIDELINES

New order processing requirements that became effective January 2 are summarized on the Court's website. The one-page summary, [Order Processing Guidelines](#), clarifies when a Notice of Lodgment must be included with a lodged order, among other order processing details. The Order Processing Guidelines are included on the Court's LBR Forms Page under the applicable Notice of Lodgment forms for bankruptcy cases and adversary proceedings: F 9021-1.2.BK.NOTICE.LODGMENT, and F 9021 1.2.ADV.NOTICE.LODGMENT.

JUDGE BRAND JOINS PANEL DISCUSSION ON SECTION 363

On February 19, Judge Julia W. Brand participated in a panel discussion on "Recent Developments Affecting Section 363 Bankruptcy Sales and Sale Orders" at the Westside Tavern, sponsored by the Bankruptcy Law Section of the Beverly Hills Bar Association. Judge Brand spoke with attorneys Jeff N. Pomerantz, a partner at Pachulski, Stang, Ziehl, Young & Jones, LLP, and John N. Tedford IV, a partner at Danning, Gill, Diamond & Kollitz, LLP. Rebecca J. Winthrop, of counsel at Fulbright & Jaworski LLP, moderated the discussion.

The one-hour program presented issues that arise in sales under section 363 of the Bankruptcy Code and recent case law developments. The program was divided into three sections: Structuring the Sale, Conducting the Sale, and the Sale Order. In the first section, the panel addressed the need to obtain approval of sale procedures prior to a bankruptcy sale, and the circumstances where prior approval may not be required. Judge Brand noted the importance of following the Court's LBRs for sale procedures. The panel discussed recent developments and the current state of the law in the area of break-up fees and deal exclusivity. In discussing the sale process, the panel commented on the issues that can come up during bidding, how to address those issues, and obtaining a finding that the buyer acted in good faith. Finally, the panel addressed current developments and important issues in the sale order, including recent issues regarding the sale of assets free and clear of liens.

NORTHERN DIVISION CHECK PROCESSING CHANGE

Effective February 18, all checks accepted at the Court's Northern Division will be processed as electronic funds transfers. The new check process, as piloted by the Northern Division, will result in improved efficiency and cost savings for the Court.

Under this new process, any check presented at the Clerk's Office for payment of fees (both at the Intake window and by mail) will be scanned and converted into an electronic funds transfer at the time the check is received and the check amount may be immediately debited from the account identified on the check.

As in the past, the Clerk's Office will retain an image of each check. However, instead of forwarding checks for manual processing, the checks will be shredded and will appear as electronic transfers on the presenters' financial institution bank statements.

The Court will issue a Public Notice before the Court's other divisions convert to this new check process. Should you have any questions, please contact our Call Center at the toll free number (855) 460-9641.

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

Alma Rose Winery & Vineyard, LLC

ND-12-12837-RR, Chapter 11, Filed 7/27/12, Assets \$1-10 million and Liabilities \$1-10 million. Order authorizing debtor-in-possession to employ special counsel entered 2/12/13

American Suzuki Motor Corp.

SA-12-22808-SC, Chapter 11, Filed 11/05/2012, Assets \$100-\$500 million and Liabilities \$100-\$500 million. Order Approving Stipulation between the Debtor and The Official Committee F12/12/12, Notice of Submission of Disclosure Declaration, Order approving Stipulation extending time for Filing objection filed by UST F12/14/12, Hearings set in 1/13 on Motions

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. Order converting case to Ch. 7 on 12/28/12. 341(a) mtg. held on 2/26/13. Last day to oppose discharge/dischargeability 4/15/13. Amended Schedule F on 2/13/13.

Beverly Hills Antiques, Inc. c/o D. K. Gottlieb

SV-12-21028-VK, Chapter 11, Filed 12/26/12, Assets and Liabilities unknown, 341(a) mtg. 1/31/13. Schedules filed 1/16/13.

City of San Bernardino

RS-12-28006-MJ, Chapter 9, Filed 08/01/12. Assets and Liabilities \$1,000 + and Liabilities \$1,000 +. Status conference on the eligibility of the chapter 9 voluntary petition continued to 3/5/13. Relief from Stay hearings set for 3/6/13, and 3/27/13. Status conference re complaint for declaratory relief set for 5/9/13.

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 Application for compensation signed on 1/9/13.

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. Order Granting debtor's emergency Motion for entry of an order authorizing to use cash collateral on an interim basis pending final hrg.; borrow money from principals on an admin. expense priority basis, signed on 1/11/13. Order Denying confirmation of debtor's 6th Amended Joint Plan of Reorganization (Dated: 8/2/12) on 1/17/13.

Gamma Medica-Ideas (USA), Inc.

SV-12-17469-VK, Chapter 11, Filed 08/20/2012. Assets \$1-10 million and Liabilities \$10-50 million. Adv. 1:12-ap-01447-VK filed 2/24/12. Order granting application to employ Kinsella Weitzman Iser Kump & Aldisert LLP as special Litigation Counsel filed on 2/8/13. Proof of Claim Bar date 2/28/13. Order Granting Motion to Appoint Trustee signed on 2/7/13. Order granting Motion for Relief from Auto. Stay on 2/8/13.

HomeSuites, LLC

ND-11-10163-RR, Chapter 11, Filed 01/12/11, Assets \$1-10 million and Liabilities \$1-10 million. Second amended Disclosure Statement hearing scheduled for 2/6/13; Motion for interim order authorizing the use of cash collateral scheduled for 4/10/13; Confirmation hearing scheduled for 6/13/13.

Internet Specialties West, Inc. a CA Corp.

SV-12-20897-GM, Chapter 11, Filed 12/18/12, Assets \$13 million and Liabilities \$5 million. Motion for Joint Admin. Filed 12/20/12. 341(a) mtg. 1/22/13. Motion to Dismiss filed 12/28/12. Motion for Relief filed 12/26/12. Adv. 1:13-ap-01002 filed 1/9/13. Adv. 1:13-ap-01003 filed 1/10/13. Order transferring case from Judge Kaufman to Judge Mund, signed on 1/16/13. Schedules filed on 1/16/13.

Irwindale Speedway, LLC

LA-12-14994-ER, Chapter 7, Filed 02/13/12, Assets \$0- 0.01 million and Liabilities \$0.5-\$1 million. Order entered on 2/13/13 granting motion for relief from stay filed by Michael Savoy re docket number KC060139 pending in LA Superior Court (Pomona)

Nesbitt Portland Property, LLC; Nesbitt Bellevue Property, LLC; Nesbitt El Paso Property, LP; Nesbitt Denver Property, LLC; Nesbitt Lynnwood Property, LLC; Nesbitt Colorado Springs Property, LLC; Nesbitt Livonia Property, LLC; Nesbitt Blue Ash Property, LLC

ND-12-12883-RR; ND-12-12884-RR; ND-12-12888-RR; ND-12-12889-RR; ND-12-12890-RR; ND-12-12891-RR; ND-12-12894-RR; ND-12-12895-RR, Chapter 11, Filed 07/31/12, Assets \$10-50 million and Liabilities \$100-500 million. Confirmation hearing scheduled for 6/12/13

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, Chapter 11, Filed 10/24/11, Assets and Liability \$100-\$500 Million. Discharge entered on all cases on 11/27/2012. Application for compensation F1/28/13, Hearing set on 3/21/13 Fourth and Final Applications and or Expenses, Notice of Motion/Application notice of final application for compensation and allowance of professional fee and cost F1/29/13 hearing set 3/21/13.

Raymond P. Boucher

SV-12-10052-MT, Chapter 11, Filed 01/03/12, Assets \$5.26 million and Liabilities \$5.51 million. Proof of Claim bar date set for 3/15/13.

RCR Plumbing and Mechanical, Inc.

RS-11-41853-WJ Chapter 11, Filed 10/12/2011, Assets \$10-50 million and Liabilities \$10-50 million. Stipulation re Third and Final Application for Allowance and Payment of Fees and Reimbursement of Expenses of BSW & Assoc. and US Trustee entered on 2/5/13. Stipulation re Second and Final Application for Compensation of Special Counsel and US Trustee entered on 2/5/13. Stipulation re Third and Final Application for Fees of Sidley Austin LLP and US Trustee entered on 2/5/13. Relief from Stay hearing set for 3/5/13; pre-trial conferences set for 6/20/13.

Rhythm and Hues, Inc.

LA-13-13775-NB, Chapter 11, Filed 02/13/13, Assets \$10- \$50 million and Liabilities \$50-100 million, Order granting emergency motion by debtor and debtor in possession for order authorizing and approving debtor's entry into change order for continued work on project for Legendary Pictures.

Taicom Securities Co., Ltd

SA-12-20383-CB, Chapter 15, Filed 08/31/12, Assets \$1-10 million and Liabilities \$10-50 million. CASE CLOSED AND TRANSFERRED TO LA. New case number: 2:12-bk-47423-BB.

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 1/28/13.

West Covina Motors, Inc.

LA-12-52197-ER, Chapter 11, Filed 12/28/12, Assets \$10- \$50 million and Liabilities \$10-50 million, Order entered on 2/14/13 granting motion for order confirming that automatic stay does not bar termination of debtor's General Motors Dealer Agreement.

Westrim Inc. dba Westrim Crafts

SV-11-15313-GM, Chapter 11, Filed 04/29/2011, Assets \$1-10 million and Liabilities \$10-50 million. No updates

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