Court News



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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.

VINCENT P. ZURZOLO Chief Judge

JON D. CERETTO
Executive Officer/Clerk of Court

MICHAEL ROTBERG
Chief Deputy - Operations

Suggestions and comments are always welcome.

Please call (213) 894-0996 or email us at Cristina_ Bautista@cacb.uscourts.gov.

COURT CLOSED Monday, May 25 Memorial Day Holiday

Judges Hold Brown Bag Sessions with Legal Community

The judges of the Central District of California have continued their tradition of outreach to the local legal community by recently hosting brown bag sessions on a variety of topics.

On March 16, Judge Meredith Jury and Judge Peter H. Carroll gave a presentation to the Inland Empire Bankruptcy Forum on recent revisions to the Court's Local Bankruptcy Rules. The new version of the Local Bankruptcy Rules became effective January 5 and incorporates several existing General Orders and new rules for mandatory electronic filing and servicing of documents.

Judges Theodor C. Albert, Robert Kwan, and Erithe Smith participated in a brown bag session on April 16 sponsored by the Orange County Bankruptcy Forum on reaffirmation

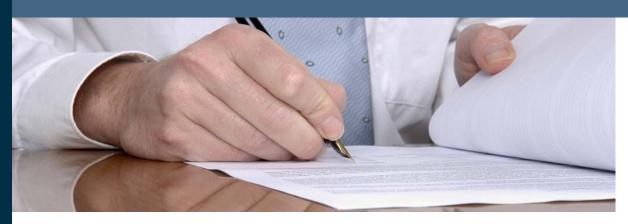
protocol and policy. The judges from Santa Ana served as panelists at the discussion, which included topics like: what makes a reaffirmation agreement valid; when does a reaffirmation agreement trigger an order from the Court to set a hearing; and what kind of evidence is required by the judges.

In addition, San Fernando Valley Judges Geraldine Mund, Maureen A. Tighe, and Kathleen Thompson, collaborating with the Central District Consumer Bankruptcy Attorney's Association, hosted a brown bag session titled, "Perspectives from Outside the Box" on April 29 in the Woodland Hills courthouse. Each of the judges discussed a different topic in the history of bankruptcy law, including bankruptcy law in ancient civilizations, the making of the 1978 bankruptcy code, and the intersection between criminal law and bankruptcy law.

Charity Golf Tournament to Benefit Debtor Assistance Program

Members of the community are invited to attend the 2009 Earle Hagen Memorial Golf Tournament on June 22, 2009, sponsored by the Central District Consumer Bankruptcy Attorneys Association and the Los Angeles Bankruptcy Forum.

All proceeds from the charity golf tournament benefit Public Counsel's Debtor Assistance Program, which provides pro bono resources for debtors without legal representation. For more information on the event, please contact James T. King at (818) 242-1100 or via email at king@kingobk.com.



San Fernando Valley Division Expands Self-Help Hours

Due to higher demands, the San Fernando Valley's Self-Help Desk has increased its operating hours. The Self-Help Desk will now be open:

Mondays - 1:00 PM to 4:00 PM

Thursdays - 9:00 AM to 12:00 PM and 1:00 PM to 4:00 PM

In addition, a public terminal has been added to allow the public to view a DVD discussing general bankruptcy information.

The Self-Help Desk, which opened its doors in September 2007, helps petitioners gain the information that they need to file and/or complete their bankruptcy cases. It is the result of a collaborative effort between the Bankruptcy Court, Neighborhood Legal Services of Los Angeles County, the Central District Consumer Bankruptcy Attorney's Association, and the San Fernando Valley Bar Association Attorney Referral Service brought together by Bankruptcy Judge Maureen A. Tighe.

Three Central District Judges Featured For Their Contributions

Judge Kathleen Thompson was featured on February 25 in the *Daily Journal* as part of its continuing Judicial Profile feature. Judge Thompson was praised by lawyers for her ability to efficiently cope with the burgeoning caseload and balancing it with the empathy needed to allow distressed debtors to explain the facts of their case. Her skills were noted as being especially crucial since nearly a third of the debtors in her court are Pro Se.

Judge Peter H. Carroll was highly commended on April 10 for his pragmatism in the Court, which is attributed to his experience working in bankruptcy law as an attorney prior to becoming a judge. Despite his more than twenty years of time practicing bankruptcy law, Judge Carroll said he prefers presiding over a courtroom.

Judge Geraldine Mund was interviewed for an article in the March 1, 2009 edition of the *Daily News*. Judge Mund was lauded for combining humor and patience with a sense of decisiveness when dealing with both the debtors and creditors that enter her courtroom. With the growing number of filings, Judge Mund still stressed the importance of being patient and that while sympathy may follow some of the stories from debtors, she must remain objective.

The *Daily Journal* profiles may be accessed on their website, www.dailyjournal.com (subscription required).

CM/ECF Tips: A Recap of Some Helpful Hints

Although attorneys must receive training prior to being issued a live login, it never hurts to refresh those skills. Here are some tips to help maintain filing proficiency and to make the most of CM/ECF.

Sharing log-in information: If attorneys elect to share their personal CM/ECF login and passwords with their support staff, please contact the ECF Help Desk to request a new login and password if any of their employees leave. This ensures that there is no possibility of your login and password being used without your knowledge.

Tax Documents: When filing tax documents concurrently with the petition, do not include the tax documents with the petition PDF. File the tax documents separately with event code Tax Documents. This will protect personal identifiers as established by the Privacy Act.

Debtor's Certification Completion of Post-petition Instructional Course **Concerning Personal Financial** Management (Official Form 23): ECF users are using the incorrect event code to file Official Form 23. Please use the event code "Financial Management Course" to file this document. If the incorrect event code is used, the case might not be discharged in a timely manner and other problems may occur.

Online Manual: Did you know that step-by-step ECF filing procedures are available online? A hyperlink for the Online Manual will appear in the CM/ECF menu once you have logged into the system. We recommend you right-click on the hyperlink to open it in another window, so you can continue working on your petition, etc.

Upload the Creditor Matrix and Run the Judge/Trustee Assignment: Always upload the Creditor Matrix and run the Judge/Trustee Assignment immediately after the petition has been filed. Please ensure the Creditor Matrix is a .txt file using ASCII characters. Failure to upload the creditor matrix and run the Judge/ Trustee Assignment program will prevent the creditors and trustee (if applicable) from receiving timely notice of the 341(a) Meeting and other events associated with the case.

Online Training: Attorneys who signed up for online training are reminded to complete their homework and quizzes as soon as possible. A login and password cannot be provided until attorneys have fully completed their online training.

Online CM/ECF Training Underway

Since its release, the online CM/ECF training has garnered a great deal of attention and positive response. There are currently 985 individual attorneys who have registered so far, and over 200 have received their live login for electronic access to the Live CM/ECF filing system.

The online training system allows attorneys to complete the training at their own pace and provides instant access to re-train as necessary help refresh the required steps in filing a petition. Given that the online training can be done without having to come into the Court, this has allowed a lot more flexibility when it comes to learning how to effectively use CM/ ECF.

For more information on the web-based CM/ECF training program, see Public Notice 08-025 on the Court's website or visit the CM/ECF home page via www.cacb. uscourts.gov> Electronic Systems & Status > CM/ECF home page.

Filing Statistics

Central District of California - Percent Increase in Filings January - April 2008 to January - April 2009*

76% 1 2009: 23,090 2008: 13,095

2008: 13,095 Chapter 7 **186% 1**

2009: 420

Chapter 11

61%

2009: 6,451 2008: 4,011

Chapter 13

74% 🛊

2009: 29,961 2008: 17,253

Total

National - Percent Increase in Filings 12 Mo. Period Ending Dec. 31, 2008 to Same Period Ending Dec. 31, 2007

43% 1 2008: 744,424

2008: 744,424 2007: 519,364 Chapter 7 **60% 1** 2008: 10,160

2008: 10,160 2007: 6,353 Chapter 11 **12% 1** 2008: 362,762

2008: 362,762 2007: 324,771 Chapter 13 31% 1 2008: 1,117,771 2007: 850,912 Total

*Based on estimated filing data for April 2009.

Top 20 Cases of Interest Filed in the Last 24 Months

LA Hotel Venture LLC dba Los Angeles Marriott Downtown

LA-09-18746-BR, Chapter 11, Filed 4/15/2009. Assets between \$1-100 million and Liabilities over \$100 million. Several emergency motions were filed on 4/15/09 to pay priority wages, honor vacation and pay utility and wage benefits, etc.

Z Gallerie

LA-09-18400-VZ, Chapter 11, Filed 4/10/2009. Assets and Liabilities between \$1-100 million. Emergency motion/application to employ Omni Management Group, LLC as claims administrator and noticing agent filed 4/10/09.

Fatburger Restaurants of California, Inc./Fatburger Restaurants of Nevada, Inc.

SV-09-13964-KT, SV-09-13965-KT, Chapter 11, Filed 4/7/2009. Assets and Liabilities between \$1-100 million. Debtor filed motions for joint administration of both cases on 4/8/09. Several emergency motions were filed on 4/8/09 to pay priority wages, honor vacations, pay utilities, etc.

Fleetwood Enterprises, Inc.

RS-09-14254-MJ (LEAD of 43), Chapter 11, Filed 3/10/2009. Assets and Liabilities over \$100 million. Final hearing on motion to authorize debtor to obtain post petition secured financing, authorizing the use of cash collateral and granting liens and super priority claims set for 4/21/09.

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 granting Joint Administration of chapter 11 cases was entered on 3/9/09. Order extending time to file schedules and statement of financial affairs was entered on 3/27/09.

Right Start Acquisition Company

SV-09-11132-MT, Chapter 11, Filed 2/3/2009. Assets and Liabilities between \$1-100 million. Stipulation filed on 4/9/09 by creditor Wells Fargo Bank N.A and objecting landlords to an order modifying a previously-issued order for adequate protection of landlords.

StarRibs North, LP

SA-08-17182-TA (LEAD of 11), Chapter 11, Filed 11/6/2008. Assets and Liabilities between \$1-100 million. Notice of withdrawal of motion to dismiss or convert Chapter 11 proceeding was filed 3/3/09. Order setting bar date to file proof of claims entered 3/3/09. Deadline set for 5/5/09.

Palmdale Hills Property, LLC

SA-08-17206-ES (LEAD of 14), Chapter 11, Filed 11/6/2008. Assets and Liabilities over \$100 million. Hearing set for 5/7/09 on debtor's joint disclosure statement and Chapter 11 status conference.

Karykeion Inc.

SV-08-17254-MT, Chapter 11, Filed 9/22/2008. Assets and Liabilities at \$1-100 million. Adversary case 09-ap-01094 filed on 3/9/09. Order entered extending Proof of Claim deadline to 4/30/09.

Century City Doctors Hospital, LLC

LA-08-23318-SB, Chapter 7, Filed 08/22/2008. Assets and Liabilities between \$1-100 million. Hearing set for 5/26/09 regarding an application for approval of fees and reimbursement of professional expenses on an interim basis.

Woodside Group, LLC

RS-08-20682-PC, Chapter 11, Filed 8/20/2008. Assets and Liabilities unknown. Interim fee application hearings for Pachulski Stang Ziehl & Jones, Alvarez & Marchal North America, Ernst & Young LLP, Snell and Wilmer set for 5/4/09.

IndyMac Bancorp, Inc.

LA-08-21752-BB, Chapter 7, Filed 07/31/2008. Assets between \$1-100 million and Liabilities over \$100 million. Order entered on 3/30/09 authorizing the employment of Crowe Horwath LLP as accountants for the trustee.

Shoe Pavilion, Inc.

SV-08-14939-MT, Chapter 11, Filed 7/15/2008. Assets and Liabilities at \$1-100 million. Order granting application to employ IP Recovery Inc. entered 3/20/2009.

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 set for 4/22/09 on interim fee applications and motion to authorize settlement parameters and approve settlement agreement.

Fremont General Corporation

SA-08-13421-ES, Chapter 11, Filed 6/18/2008. Assets and Liabilities over \$100 million. Third motion to extend debtor's exclusivity period to file a plan and solicit acceptances was filed 4/9/09. Hearing set for 4/30/09.

eStyle, Inc.

LA-08-13518-SB, Chapter 11, Filed 3/19/2008. Assets and Liabilities between \$1-100 million. Second amended disclosure statement filed 4/10/09.

Axium International, Inc.

LA-08-10277-BB, Chapter 7, Filed 01/08/2008. Assets and Liabilities over \$100 million. Order entered on 3/30/09 granting motion for (1) substantive consolidation of Axium Entities and (2) substantive consolidation of Ensemble Chimes Entities.

Valley Health Systems, Inc.

RS-07-18293-PC, Chapter 9, Filed 12/13/2007. Assets and Liabilities at \$100 million. Hearing on motion for order establishing supplemental bar date for filing certain claims set for 5/5/09.

Solidus Networks, Inc., dba Pay by Touch

LA-07-20027-TD, Chapter 7, Filed 10/31/2007. Assets and Liabilities unknown. Order entered on 3/24/2009 granting motion for relief from stay to permit use of insurance proceeds for payment of defense expense under 11 U.S.C. section 362.

Great Circle Family Foods, LLC, dba Krispy Kreme Doughnuts

SA-07-12600-ES (LEAD of 6), Chapter 11, Filed 8/22/2007. Assets and Liabilities between \$1-100 million. Order approving Disclosure Statement and setting hearing on confirmation of chapter 11 plan for 4/30/09 was entered on 2/26/09.

*Based on a combination of Asset and Liability Levels, Number of creditors, high activity, and/or name recognition.