ISSUE

NOVEMBER DECEMBER 2014

united states bankruptcy court central district of california



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This Issue

COURT HONORS VOLUNTEERS DURING NATIONAL **PRO BONO** CELEBRATION WEEK



On October 20, the Court hosted a breakfast reception for the *pro bono* volunteers named in its <u>2014 Honor Roll</u>, which lists all those who have served with *pro bono* organizations in the Central District to assist parties

in bankruptcy during the past 12 months. Each October, in recognition of volunteers' service, the Court requests updates to the Honor Roll from *pro bono* organizations. The updated list is published during the American Bar Association's annual National *Pro Bono* Celebration week, which took place this year during the week of October 19.

Chief Judge Peter H. Carroll, Judges Vincent P. Zurzolo, Thomas B. Donovan, Maureen A. Tighe, Sandra R. Klein, and Neil W. Bason, and Clerk of Court Kathleen J. Campbell mingled with the guests, including volunteers, judiciary staff, and visitors from the U.S. Trustee's Office. Chief Judge Carroll expressed his appreciation for the service of the *pro bono* volunteers, and Judge Maureen A. Tighe shared words of inspiration from her recent introduction to Supreme Court Justice Sonia Sotomayor, who also champions *pro bono* work, emphasizing the impact volunteers have made in the district. Volunteers received certificates of recognition, "Celebrate *Pro Bono*" lapel pins and pens, and copies of the Court's newly released 2013 report, *Access to Justice: Self-Represented Parties and the Court*, where the 2013 Honor Roll also appears.

CHANGES TO NATIONAL BANKRUPTCY FORMS EFFECTIVE DECEMBER 1, 2014

New and revised national bankruptcy forms will become effective on December 1. The "means test" forms for individuals in chapter 7 and chapter 13 (B22A and B22C, respectively) will be superseded by the new forms B22A-1, B22A-1Supp, B22A-2, B22-C1, and B22-C2. (Please note that in cases where B22A-1Supp is not applicable, it still must be filed. The form may state "Not Applicable.") The new forms B17A (Notice of Appeal and Statement of Election), B17B (Optional Appellee Statement of Election to Proceed in District Court), and B17C (Certificate of Compliance with Rule 8015(a) (7)(B) or 8016(d)(2)) will replace the existing Notice of Appeal, to comply with revised bankruptcy appellate rules. Form B6 (Summary of Schedules) will be updated to refer to the new "means test" forms, and filing fee amounts will be deleted from forms B3A (Application for Individual to Pay the Filing Fee in Installments) and B3B (Application to Have the Chapter 7 Filing Fee Waived). For more information, see "Pending Changes in the Bankruptcy Forms" at the U.S. Courts' website.

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.

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.

COURT CLOSED

Tuesday, November 11— Veterans Day

Thursday, November 27— Thanksgiving Day Friday, November 28—

State of California Holiday Thursday, December 25—

Christmas Day Thursday, January 1—New Year's Day

EMERGENCY MATTERS ONLY:

Wednesday, December 24 Wednesday, December 31



Accessing Court Information by Twitter

The Court has been posting to its Twitter account since 2011, and has sent over 2,000 different tweets to more than 600 followers. The Court posts announcements, Notices of Sale, Public Notices, and other timely information. In March, the Court began tweeting judicial opinions.

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 (<u>www.cacb.uscourts.gov</u>). 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, follow @cacbnews.

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.

JUDGE BARRY RUSSELL FEDERAL PRACTICE AWARD

On Thursday, October 2, the Los Angeles Chapter of the Federal Bar Association hosted the presentation of the annual Judge Barry Russell Federal Practice Award at the Biltmore Hotel with approximately 200 people in attendance. Every year, one student from each of the five ABA-accredited



law schools in Los Angeles County is selected to receive the award, which recognizes excellence in the study of federal practice or procedure. The recipients are chosen by their law schools. At the lunchtime ceremony, Judge Russell presents each award recipient with a plaque, a \$500 check, and an autographed copy of Judge Russell's *Bankruptcy Evidence Manual*. This award has been presented for 32 years, and for the past 20 years, after the award ceremony, Dean Erwin Chemerinsky of the University of California at Irvine's Law School has presented a review of Supreme Court cases.

This year's recipients of the Judge Barry Russell Federal Practice Award are Ryan Phillip Patterson from Loyola Law School, Catherine Eschback from Pepperdine School of Law, Steven L. Lundberg from Southwestern Law School, Shane Palmer from UCLA Law School, and Narain Kumar from USC Law School.

JUDGES SMITH, ALBERT, BAUER, SALTZMAN, CLARKSON AND YUN SPEAK AT OCBF JUDGES' NIGHT

On October 23, approximately 70 members of the Orange County bankruptcy bar attended the Orange County Bankruptcy Forum's annual judges' night event. Held at the Westin Hotel in Costa Mesa, this year's panel discussion was titled "Judges' Night: Differing Perspectives on Important Legal Issues" and moderated by Jess Bressi.



Judges Scott H. Yun, Erithe A. Smith, Mark S. Wallace, and Scott C. Clarkson; Dean Erwin Chemerinsky; Judges Neil W. Bason, Theodor C. Albert, and Catherine E. Bauer

Judge Albert led a moment of remembrance for David L. Hahn, a long-serving chapter 7 trustee and respected member of the Orange County bankruptcy community. The panel, comprising Judges Erithe A. Smith, Theodor C. Albert, Catherine E. Bauer, Deborah J. Saltzman, Scott C. Clarkson and Scott H. Yun, discussed jurisdictional issues after *Stern v. Marshall*, the fate of pensions and healthcare benefits in municipal bankruptcies, trustee and consumer issues, mortgage strip-offs in chapter 7 and "chapter 20" cases, issues in asset sales, and other issues. The judges also engaged in a spirited debate regarding trustee compensation in connection with short sales and carve-outs in chapter 7 cases.

BANKRUPTCY COURT FEE SCHEDULE CHANGES DECEMBER 1

Effective December 1, 2014, bankruptcy courts will begin charging a \$25 fee to file a motion to make redactions to previously filed records in a bankruptcy case. A reopening fee will no longer apply if redaction is the only purpose for reopening the case. The additional fee to be collected by the bankruptcy court when a direct appeal is accepted by the court of appeals increases from \$157 to \$207.

MEET JUDGE SCOTT H. YUN AND STAFF ON NOVEMBER 4

On Tuesday, November 4, the Inland Empire Bankruptcy Forum will host an evening with Judge Scott H. Yun and his staff at the Hyatt Place Riverside. After dinner and cocktails, the invitation promises "a spirited discussion of hot topics in consumer chapter 7 proceedings" with Judge Yun, Judge Meredith A. Jury, Chapter 7 Trustee Todd A. Frealy, Esq., and attorney Jenny L. Doling, Esq. The panel will discuss the ability of trustees to sell over-encumbered assets, protecting homestead exemptions, proper service of lien avoidance motions, and unbundling of legal services.

The program counts for one hour of minimum continuing legal education. The IEBF invites you to submit questions for Judge Yun and questions about chapter 7 issues at <u>IEBFSeminar@gmail.com</u>. Click <u>here</u> to register for the event.

PASSING OF PANEL TRUSTEE DAVID HAHN

We are saddened by the loss of David L. Hahn, a panel trustee in Santa Ana, who passed away on October 4. For those that knew him, he was a terrific colleague and well-respected in the community. A sunset memorial celebrating David L. Hahn's life was held on Wednesday, October 15 in San Clemente. The U.S. Trustee has filed notices of his passing in all his cases under Federal Rule 25, as well as successor appointments for new trustees.

REVISED PROCEDURES FOR DISCONTINUING RECEIPT OF NOTICES OF ELECTRONIC FILING

At the suggestion of the Bar Advisory Board, the Court has implemented revised procedures for attorneys who wish to stop receiving Notices of Electronic Filing in particular cases. <u>See the relevant page</u> in the Attorney/Trustee Manual for a list of instructions. If you continue to receive the NEF after following the instructions, please contact the ECF Help Desk for assistance: (213) 894-2365 or ecf_support@ cacb.uscourts.gov.

The manual is located at the <u>CM/ECF Resources</u> page. Click "CM/ECF Procedures" under the "Procedures & Guides" heading, and the Attorney/Trustee Manual will open in a new window.

AMENDMENTS TO FEDERAL RULES OF BANKRUPTCY PROCEDURE

On April 25, the Supreme Court approved amendments to the Federal Rules of Bankruptcy Procedure which will take effect on December 1. The amendments to the bankruptcy rules address the following: 1) petitions involving the same debtors filed in different courts; 2) time limits for serving a summons and complaint; 3) general pleadings and judgments and costs; 4) bankruptcy appeals; and 5) new trials and relief from a judgment or order. The amended rules are located <u>here</u>.

LOCAL BANKRUPTCY RULES APPROVED

On October 29, new Local Bankruptcy Rules were approved that will become effective on January 5, 2015. A public notice will be issued in December when the LBRs have been posted. The current LBRs are available <u>here</u>.

CM/ECF TIPS

Email Notification – Free Look

After a document is electronically filed, CM/ECF sends a Notice of Electronic Filing (NEF) to the registered users associated with the case. Individuals who receive electronic notification of the filing are permitted one free look at the document by clicking on the associated hyperlinked document number embedded in the Notice of Electronic Filing. The filer is permitted one free look at the document and the Docket Sheet to verify that the document was docketed. Subsequent properly retrieval of the case docket sheet and document from CM/ECF must be made through your PACER account and is subject to regular PACER fees. Please note that you can save the free look as a PDF.

However, if when you first attempt to access the document you do not receive the **free look**, make sure none of the following conditions apply to you:

- 1. Others who may access the one free look are viewing your emails.
- 2. The Notice of Electronic Filing (NEF) email is being forwarded from your email account to another.
- 3. More than 15 days have passed since the date of the NEF.

Note: The "free look" is available for 15 days from the date of the NEF. After 15 days it will be disabled.

Forgotten CM/ECF Password

To reset your CM/ECF password:

- 1. Go to <u>https://ecf.cacb.uscourts.</u> gov
- 2. Člick on the link Central District of California – Document Filing System
- Click on the word "here" in "If you forgot your CM/ECF password, you can request a password here."
- 4. Enter your ECF login ID at the prompt and click "Submit"

The CM/ECF program will send an email to the email address you have on record with the Court. If you need to verify the email address in CM/ECF is current, please call the ECF Help Desk for assistance at (213) 894-2365. Hours of operation are Monday through Friday between 9 a.m. and 4 p.m.

For Filing Statistics, visit www.cacb.uscourts.gov -> About the Court -> Statistics

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

Allied Industrial Inc.

SV-13-11948-MT, Chapter 11, Filed 03/21/13, Assets \$13 million and Liabilities \$7 million. Adv. 1:14-ap-01140 filed 8/15/14. 341(a) mtg. held & concluded & Notification of Assets filed on 8/26/14. Motions for Relief filed 8/28/14, Orders granting Motions entered 10/7/14.

American Suzuki Motor Corp.

SA-12-22808-SC, Chapter 11, Filed 11/05/12, Assets \$100-\$500 million and Liabilities \$100-\$500 million. No further action filed as last reported 6/11/14, copy and certification requested 9/2/14; 679 claims filed as of 1/21/14.

ARI-RC6, LLC (Lead), ARI-RC 12, LLC, ARI-RC 14, LLC, ARI-RC 21, LLC, ARI-RC 23, LLC

SV13-14678-AÅ, (LEÁD); SV13-14697-ÁA, SV13-14692-ÁA. SV13-14604-ÁA, SV13-14695-AA, Chapter 11, Filed 07/15/13, Order Granting Motion to Extend Exclusivity Period for Filing a Ch. 11 Plan and Disclosure Statement until 10/4/14, entered 7/2/14.

AWTR Liquidation Inc. fka Rhythm and Hues, Inc.

LA-13-13775-NB, Chapter 11, Filed 02/13/13, Assets \$10- \$50 million and Liabilities \$50-100 million. Stipulation to continue hearing on motion for an order disallowing claims filed by the Los Angeles County Treasurer and Tax Collector was filed on 10/22/14.

Bethal Healthcare Inc.

SV-13-12220-GM, Chapter 11, Filed 04/01/13, Assets \$1-10 million and Liabilities \$1-10 million. Order Approving Stipulation by Official Committee of Unsecured Creditors & Debtors-in-Possession to Continue Status Conferences entered 9/11/14.

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 Chapter 9 voluntary petition continued to 11/6/14. Stipulation between CalPERS and City of San Bernardino to extend time to object to proposed Findings of Fact and Conclusions of Law re Order granting in part & denying in part Motion authorizing rejection of Collective Bargaining Agreement with City of San Bernardino Professional Fire Fighters Assoc. The deadline for CalPERS is 10/20/14.

CLK Human Resources, LLC

RS-13-19002-MW, Chapter 11, Filed 05/21/13. Assets \$0.01- 0.05 million and Liabilities \$1 - \$10 million. Order entered 9/4/13, continuing chapter 11 status conference to 11/13/14.

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

SV-12-21028-VK, Chapter 11, Filed 12/26/12, Assets and Liabilities unknown. BAP/USDC appeal judgment Affirmed re: Appeal BAP/USDC #CV12-05726/ CV12-05784 entered on 7/14/14.

Halsey M. Minor

LA-13-23787-TD, Chapter 7, Filed 05/24/13, Assets \$50-100 million and Liabilities \$50-100 million. Notice of continued meeting of creditors and appearance of debtor to 10/27/14 at 1:30 p.m. was filed on 10/7/14.

Hamlet Group Inc.

SV-13-12398-MT, Chapter 11, Filed 04/05/2013, Assets \$500,001-\$1 million and Liabilities \$1-\$10 million. Order Dismissing Case entered on 9/12/14.

HDOS Enterprises

LA-14-12028-NB, Chapter 11, Filed 02/03/14, Assets \$10-\$50 million - \$1-\$10 million. Order entered on 10/16/14 approving stipulation between debtor and West End Partners resolving objection to proofs of claim No. 1 and 6.

Internet Specialties West, Inc. a CA Corp.

SV-12-20897-GM, Chapter 11, Filed 12/18/12, Assets \$13 million and Liabilities \$5 million. Final Decree and Order Closing Chapter 11 Case filed 9/30/14.

KSL Media Inc. (Lead Case)

Jointly Administered with TV 10's LLC - SV13-15930-AA and Fulcrum 5, Inc. - SV 13-15931-AA, SV-13-15929-AA, Chapter 11, Filed 9/11/13, Assets \$10- \$50 million and Liabilities \$50-100 million. Order on 5th Stipulation re: Motion for Relief Granted on 6/30/14. Adversary case 14-01136-AA filed on 8/7/14.

Point Center Financial Inc.

SA-13--11495-TA, Chapter 11, Filed 1/19/13, Assets \$10- \$50 million and Liabilities \$50-100 million. Voluntary Dismissal of Motion/application of Howard B Grobstein chapter 7 Trustee for order authorizing employment for Landau Gottfred & Berger LLP filed 8/14/14; Order approving procedure for liquidation of assets, distribution of proceeds and winding up of affairs of Price & Frye Investments LLC filed 8/27/14; Motion chapter 7 Trustee to disqualify Jeffrey S Benice, hearing set for 10/21/14 at 11:00 am filed 9/30/14; Order under rule 2004 comp. examination Granted 10/3/14; Oppositions filed 10/7 & 8/14.

S.B. Restaurant Co. dba's: Elephant Bar Restaurant, Elephant Bar Global Grill Wok Kitchen, Texas S.B. Restaurant Co. of CA, S.B. Restaurant of Missouri Co. S.B. Restaurant Co. of Kansas, LLC S.B. Restaurant Co. of Central Florida, LLC

SA-14-13778-ES, SA-14-13780-ES, SA-14-13781-ES, Chapter 11, Filed 6/16/14, Assets \$50-\$100 million and Liabilities \$50-\$100 million. Chapter 11 Status Conference Order continued to 12/18/2014 at 10:00am; 10/29/14 is fixed as the last date by which proofs of claims and interest shall be filed entered 8/25/14; Order (1) approving asset purchase agreement, (2) Approving Sale, (3) approving assumption assignment and sale, (4) Determining the amounts necessary entered 8/26/14; Order extending deadline to assume and assign or reject nonresidential real property time period is set to expire on 10/14/14) is hereby extended to 1/12/15;Order granting Motion on (A)(B)(D)through 2/11/15 entered 10/21/14. Hearing held on Emergency Motion Granted; Motion for relief of stay hearing continued to 10/28/14; Monthly Operating Report filed and Order approving Stipul. resolving objection of UST to Fee Statement entered 10/21&22/14.

Senor Fish

LA-14-10076-RN, Chapter 11, Filed 01/02/14, Assets \$1-10 million and Liabilities \$1-10 million. Monthly operating report number 10 for the month ending 9/30/14 was filed on 10/14/14.

Taicom Securities Co., Ltd

LA-12-47423-BB, Chapter 15, Filed 08/31/12, Assets \$1-10 million and Liabilities \$10-50 million. Final decree was entered on 8/8/14.

Todd-Soundelux, LLC

LA-14-19980-SK, Chapter 11, Fileds 5/21/14, Assets \$1-10 million and Liabilities \$1-10 million. Arent Fox LLP's first interim application for allowance and payment of compensation and reimbursement of expenses for the period June 18, 2014 through September 30, 2014 was filed on 10/22/14.

The Village at Nipomo, LLC

SV-13-13593-AA, Chapter 11, Filed 05/28/13, Assets \$12 million and Liabilities \$10 million. Monthly operating report filed for the month ending April 30, 2014.

West Covina Motors, Inc.

LA-12-52197-ER, Chapter 11, Filed 12/28/12, Assets \$10- \$50 million and Liabilities \$10-50 million. Notice of firm name change was filed by Squire Sanders (US) LLP on 6/10/14.

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