ISSUE

06 NOVEMBER DECEMBER united states bankruptcy court central district of california

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SAN BERNARDINO CASE REACHES CONFIRMATION HEARING

The city of San Bernardino's massive chapter 9 bankruptcy case reached a confirmation hearing on October 14. The hearing marks the final stage in the case, which began with the city's filing on August 1, 2012, listing more than 10,000 creditors and assets and liabilities of over \$1 billion. The San Bernardino County *Sun* reported that city officials expect the city to be out of bankruptcy by March of next year.

At the hearing, Judge Meredith A. Jury ruled that San Bernardino had met most of its requirements but reserved judgment on two issues: the dispute between the city and one of its creditors, the Big Independent Cities Excess Pool, or BICEP; and whether there will be an injunction in the chapter 9 plan. The Court will address these issues on November 15.

JUDGE KLEIN ADMINISTERS OATH TO OVER 4,000 NEW CITIZENS

As dawn broke on September 22, over 4,000 people—along with their families and friends gathered in the Los Angeles Convention Center to become United States citizens. The Honorable Sandra R. Klein presided over the early morning naturalization ceremony, administering the oath of allegiance and swearing in the new citizens. The ceremony was especially memorable for the new citizens and their families and friends because it was part of the national Constitution



and Citizenship Day celebration. More than 75 years ago, Congress created "I Am An American Day" to recognize "all who, by coming of age or naturalization, have attained the status of citizenship," and to highlight "the privileges and responsibilities of being an American citizen." Now called "Constitution and Citizenship Day," the holiday is observed each September to commemorate the signing of the Constitution on September 17, 1787.

During her remarks, Judge Klein noted that when our founding fathers signed the Constitution, they changed the course of history. Although America now spans an entire continent and life today is much different from what our founders could have imagined, the beauty of the Constitution is that it continues to adapt and endure. And it is because of the Constitution that everyone sworn in that day will enjoy the many freedoms guaranteed to all American citizens.

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

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.

SHERI BLUEBOND 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

Friday, November 11— Veterans Day

Thursday, November 24— Thanksgiving

Friday, November 25— State of California Holiday

Monday, December 25— Christmas

Monday, January 2, 2017—New Year's Day

EMERGENCY MATTERS ONLY:

Friday, December 23 Friday, December 30



Accessing Court Information by Twitter

The Court has tweeted over 3,200 times since 2011, and its Twitter account has nearly 700 followers. The Court tweets announcements, Notices of Sale, Public Notices, and other timely information. In March 2015, 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 (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, 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.

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Judge Klein highlighted the many privileges of being an American citizen. She noted that American citizens enjoy freedom of religion and cannot be persecuted or imprisoned simply for practicing their faith or religion. Another privilege Judge Klein mentioned is the freedom of speech and the right to have an opinion, to voice that opinion, and to be heard, even if others disagree. Judge Klein remarked that one of our greatest privileges is the right to vote, to elect leaders and to actively participate in our democracy. As Americans, we have the great privilege to live in a free, democratic society. Judge Klein highlighted that voting is the right that makes us free.

Judge Klein concluded her remarks by quoting our sixth president, John Quincy Adams: "You will never know how much it cost my generation to preserve your freedom. I hope you will make good use of it." She urged the new citizens to make good use of the freedoms they will enjoy as United States citizens and to help look out for our country.

STATE BAR'S INSOLVENCY LAW COMMITTEE PROFILES JUDGE THOMAS B. DONOVAN

The latest subject in the series of judicial profiles from the State Bar of California's Insolvency Law Committee is Judge Thomas B. Donovan. Committee members Corey Weber, Uzzi O. Raanan, Leib Lerner, and Asa S. Hami met with Judge Donovan to discuss his "personal and professional background, observations from the bench, and issues of interest."



A competitive golfer during his adolescent years in San Jose, Judge Donovan chose a career in law over a career in sports. After graduating from the University of California at Berkeley in 1957, he worked on a top-secret assignment for the U.S. Army Security Agency, where he was as valuable to the Army's golf team as he was to military intelligence. But he returned to UC Berkeley to study law. "I gave up golf because I figured out that

my high school sweetheart (and later wife for 60 years and counting) would not have appreciated hearing about my golf game nearly as much as seeing me bringing home a regular paycheck from a law practice," Judge Donovan says, adding: "What a privilege it has been to work with this court and staff in serving our court's practitioners and other customers; far more interesting and satisfying than hitting golf balls for a living."

Judge Donovan briefly worked as an associate at the Washington, D.C. firm of Covington and Burling before returning to the Bay Area in 1964 to take a position at Dinkelspiel and Dinkelspiel. As it happened, the first case he was assigned there was significant: not yet four years out of law school, the young attorney soon found himself arguing before the U.S. Court of Appeals for the Ninth Circuit and the Supreme Court. After five years at Dinkelspiel and Dinkelspiel, Judge Donovan left to start the new law firm Dinkelspiel, Donovan and Reder.

During his early 40s, Judge Donovan spent one month of his sabbatical volunteering at the Oakland-Piedmont Municipal Court, where he discovered that he "loved the experience of hanging out with the judges and seeing how they related to each other." After his children had graduated from college, he applied for bankruptcy judgeships in California and was appointed to his first term in March 1994. Though his current term ends in 2022, Judge Donovan plans to retire on March 24, 2017.

The profile looks at two high-profile cases over which Judge Donovan presided: *Law v. Siegel,* which raised a question about the bankruptcy court's authority that was eventually

decided by the Supreme Court, and *In re Balas and Morales*, in which Judge Donovan ruled that the Defense of Marriage Act violated the Fifth Amendment.

This judicial profile, like the others in the ILC's series, is posted on the <u>State Bar of</u> <u>California's website</u>.

AMENDMENTS TO FRBP, OFFICIAL FORMS, LOCAL RULES AND FORMS

Amendments to the FRBP 1010, 1011, 2002, 3002.1, 7008, 7012, 7016, 9006, 9027, and 9033, and new Rule 1012 will become effective on December 1. Among these changes, FRBP 9006(f) will no longer require three additional days for electronic service when computing time for motion papers. Amended LBRs 1001, 1006-1, 1007-1, 2016-2, 3017-1, 4001-1, and 9011-3 become effective January 3, 2017. A redline of the LBRs is available on the Court's website (see Proposed Local Bankruptcy Rules for Public Comment).

Official Form 410S2, "Notice of Postpetition Mortgage Fees, Expenses, and Charges," is amended in the instructions in Part 1 to clarify how to report previously approved fees, expenses, or charges, and becomes effective December 1. A number of LBR forms will become effective in December, and will be announced by Public Notice at that time.

WILLIAM J. LASAROW AWARDS RECEPTION TO BE HELD NOVEMBER 10

The William J. Lasarow Awards recognize outstanding bankruptcy *pro bono* service in the Central District of California. Public Counsel's Debtor Assistance Project will host the annual Lasarow Awards Reception in the main lobby of the Roybal Federal Building and U.S. Courthouse on Thursday, November 10, from 6 p.m. until 8 p.m.

LOS ANGELES FEDERAL BAR ASSOCIATION TO HOLD ANNUAL BANKRUPTCY ETHICS SYMPOSIUM

On Friday, November 18, Judges Deborah J. Saltzman and Sandra R. Klein will take part in the Los Angeles Federal Bar Association's 13th Annual Bankruptcy Ethics Symposium at the Edward R. Roybal Federal Building and U.S. Courthouse in Los Angeles. Judges Saltzman and Klein will be joined by attorneys J. Scott Bovitz, M. Jonathan Hayes, Gregory M. Salvato, and Mark Sharf, and the program will be chaired by Joseph Boufadel of Salvato Law Offices. Topics to be covered include "Ethics and Practice: Selected Issues," "The Emergence of Robot Lawyers: California State Bar No. 93548 vs. Legal Zoom, the Cloud, and YouTube," and "Unbundling and Limited Scope Representation: Navigating Dangerous Waters in the Central District." During the afternoon, optional presentations by attorneys Jerome I. Braun, Kenneth D. Sulzer, and Jade Brewster will examine competence issues and elimination of bias. The State Bar of California has approved the program for MCLE credit. For more information, see the flyer at fbala.org.

JUDGE SALTZMAN MOVES INTO NEW COURTROOM AND CHAMBERS NOVEMBER 3

Effective November 3, Judge Deborah J. Saltzman will move into courtroom 1639 and chambers 1634 on the 16th floor of the Edward R. Roybal Federal Building and U.S. Courthouse. Telephone numbers in Judge Saltzman's chambers will remain the same.

CM/ECF TIPS

Updating Attorney ECF Profile

Registered CM/ECF users are able to update their email and mailing addresses, phone numbers, and fax numbers by logging into CM/ECF > Utilities > Maintain Your Account. The updates will become effective immediately.

To update a CM/ECF user's mailing address for previously filed cases, the CM/ECF user must file a Notice of Attorney Change of Address or Law Firm in each case pursuant to LBR 2091-1(f). The CM/ECF user can use the multi-case docketing feature in CM/ECF to file the change of address and include a list of the affected cases as a PDF attachment. The Change of Address form is available on the Court's website at www.cacb. uscourts.gov > Forms > Other Forms.

Forgotten CM/ECF Password

To reset your CM/ECF password:

- 1. Go to <u>https://ecf.cacb.</u> uscourts.gov.
- 2. Click on the link <u>Central</u> <u>District of California –</u> <u>Document Filing System</u>.
- Click "here" in the sentence "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.

ECF Activity Reports

On occasion, when you may have missed an emailed Notice of Electronic Filing and need to see what was filed in cases in which you are a party on a particular date, you can run a Summary of ECF Activity Report. This can be obtained by logging into CM/ ECF, clicking on Reports (from the blue menu bar), and selecting Summary of ECF Activity. You will be required to enter a specific date and click Run Report. You can only enter one date at a time. CM/ECF will then list any and all activity that occurred in cases in which you are a party for the date you requested.

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

Top 20 Cases of Interest*

Donmetz Home LLC,

SV-16-10317-VK, Chapter 11, Filed 02/02/16. Assets \$1-10 million and Liabilities \$1-10 million. Status conference hearing continued to 10/20/16 at 1:00 p.m. Hearing regarding Disclosure Statement describing Chapter 11 Plan of Reorganization and Chapter 11 Plan of Reorganization to be held on 12/1/16 at 2:00 p.m.

DPA Investors, LLC

SV-16-11263-MT, Chapter 11, Filed 04/27/16. Assets \$1-10 million and Liabilities \$1-10 million. Order dismissing case entered on 9/21/16.

Dorothy Hannah Hamilburg aka Hannah Hamilburg

ND-15-10528-PC, Chapter 11, Filed 03/16/16. Assets \$1-50 million and Liabilities \$1-10 million. Continued hearing re: motion to reconsider memorandum of decision and order disallowing claim, motion for partial reconsideration of order granting debtor's motion objecting to Donato Errico's proof of claim no. 15 scheduled for 11/2/16 at 10 a.m. Continued hearing re: Motion for order authorizing Nunc pro tunc, Debtor to incur debt scheduled for 11/2/16 at 10 a.m. Continued hearing re: motion to convert case from Chapter 11 to 7 scheduled for 11/2/16 at 10 a.m. Hearing re: motion to disallow claims scheduled for 11/2/16 at 10 a.m. Continued hearing re: motion to file amended proof of claim of Donato Errico (claim no. 15) scheduled for 11/2/16 at 10 a.m. Continued ch. 11 status conference scheduled for 11/2/16 at 10 a.m. Continued hearing re: motion to appoint a Chapter 11 trustee scheduled for 11/2/16 at 10 a.m. AP15-1024PC continued status conference re: notice of removal scheduled for 11/2/16 at 10 a.m.

Duane Daniel Martin & Tisha Michelle Martin. Aka: Tisha Campbell-Martine

SV-16-10045-VK, Chapter 7, Filed 01/07/16. Assets \$1 million and Liabilities \$10-50 million. Motion to approve third stipulation by debtors to extend deadline to object to the granting of discharge filed 9/19/16. Order approving settlement between David Gottlieb, chapter 7 trustee and debtors entered 10/11/16.

East Coast Foods, Inc.

LA-16-13852-BB, Chapter 11, Filed 03/25/16. Assets \$0-\$50 million and Liabilities \$10-50 million. Order entered on 10/18/16 approving stipulation to continue hearing to 12/21/16 on debtor's motion to assume real property lease and to extend deadline to assume or reject real property lease re: property located at 1514 Gower Street, Los Angeles, CA 90027.

Freedom Communications Inc. AKA: Orange County Register

SA-15-15318-MW, Chapter 11, Filed 11/01/15. Assets \$10 million and Liabilities \$10 million. Order continuing status conference to 12/7/16 at 9 a.m. Amended Schedules D, E/F filed 8/25/16. Order granting motion for an order authorizing further extension of exclusivity periods for the filing of a chapter 11 plan and for soliciting acceptances to the plan. Motion of Google, Inc. hearing set 11/7/16 at 2 p.m. Courtroom 6C filed on 10/14/16.

Gardens Regional Hospital and Medical Center, Inc.

LA-16-17463-ER, Chapter 11, Filed 06/06/16. Assets \$1-10 million and Liabilities \$1-50 million. Motion for order authorizing examination of RollinsNelson GRP, LLC and for production of documents pursuant to Federal Rule of Bankruptcy Procedure 2004 was filed on 10/19/16.

Georgina, LLC

SV-16-10140-MB, Chapter 11, Filed 01/18/16. Assets \$1-10 million and Liabilities \$1-10 million. Status conference hearing continued to 10/24/16 at 10:00 a.m. Status conference regarding motion for an order designating debtors case a single asset real estate case under 11 USC 101 (51B), and confirming that the debtor is subject to bankruptcy code section 362(D)(3) with respect to the automatic stay of acts against the debtors single asset real estate case under 11 USC 101(51B), and confirming that 10:00 a.m. Evidentiary hearing regarding status conference on motion for an order designating debtors case a single asset real estate case under 11 USC 101(51B), and confirming that the debtor is subject to bankruptcy code section 362(D)(3) with respect to the automatic stay of acts against the debtors single asset real estate continued to 10/24/16 at 10:00 a.m. Evidentiary hearing regarding status conference on motion for an order designating debtors case a single asset real estate case under 11 USC 101(51B), and confirming that the debtor is subject to bankruptcy code section 362(D)(3) with respect to the automatic stay of acts against the debtors single asset real estate continued to 11/15/16 at 1:30 p.m.

Harlequins Web LLC

SV-16-10783-MT, Chapter 11, Filed 03/17/16. Assets \$500-1 million. Order dismissing case entered on 8/22/16.

Henderson Holdings 1 LLC

SV-16-10685-MT, Chapter 11, Filed 03/09/16. Assets \$1- 10 million and Liabilities \$1 - \$10 million. Scheduling and case management conference hearing continued to 1/12/17 at 9:30 a.m.

Majestic Air Inc

SV-16-11538-MT, Chapter 11, Filed 05/23/16. Assets \$1-10 million and Liabilities \$1-10 million. Status and case management conference continued to 10/25/16 at 10 a.m. The hearings regarding motion for authority to use cash collateral, motion for setting insider compensations, and motion for order authorizing debtor to enter into post-petition lease of nonresidential property pursuant to FRBP 6004(a), 11 USC Sec 363(b) and LBR 6004-1(d) have been continued to 10/25/16 at 10 a.m.

Menco Pacific Inc

SV-16-12791-MT, Chapter 11, Filed 09/26/16, Assets \$1-10 million and Liabilities \$1-10 million. Scheduling and case management conference to be held on 11/17/16 at 9:30 a.m.

Metropolitan Automotive Warehouse, Inc.

RS-16-10105-MJ, Chapter 11, Filed 01/06/2016. Assets \$10-50 million and Liabilities \$10-50 million. Amended monthly operation report #8 filed 9/16/16. Motion by United States Trustee to convert bankruptcy cases filed; hearing scheduled 10/18/16 at 1 p.m. in Courtroom 301. Converted to chapter 7 10/21/16.

Miyagi Sushi, Inc.

RS-16-16990-MJ, Chapter 11, Filed 08/07/16, Assets \$50-100 million and Liabilities \$500-1 million. Joint disclosure statement and plan may be filed. Confirmation hearing to be held on 3/29/17 at 1:30 p.m. in Courtroom 301.

Olin Virtual Academy

SV-16-11187-MB, Chapter 11, Filed 04/20/16. Assets \$1-10 million. Scheduling and case management conference continued to 11/29/16 at 1:30 p.m. Hearing regarding motion for order approving settlement agreement between the debtor and K12 Inc continued to 11/22/16 at 1:30 p.m.

Osher and Osher, Inc

SV-16-10069-MT, Chapter 11, Filed 01/11/16. Assets \$1-10 million and Liabilities \$1-10 million. Scheduling and case management conference to be held on 11/3/16 at 9:30 a.m. Voluntary dismissal of U.S. Trustee motion to dismiss or convert case with an order directing payment of quarterly fees and for judgment thereon filed 10/7/16.

Pollyanna Properties, LLC

SV-16-11430-MT Chapter 11, Filed 05/11/16, Assets \$1-10 million and Liabilities \$1-10 million. Order dismissing case entered on 9/9/16.

Real Estate Short Sale, Inc.

SV-16-11387-MT Chapter 11, Filed 05/06/16, Assets \$1-10 million and Liabilities \$1-10 million. Status and case management conference continued to 12/20/16 at 10:00 a.m. Star Auto Parts, LLC

RS-16-10105-WJ, Chapter 11, Filed 01/06/16. Assets \$1-10 million and Liabilities \$1-10 million. Converted to chapter 7 10/21/16.

Stronghold Asset Management Corp.

SV-16-11961-MT, Chapter 11, Filed 07/06/16. Assets \$1-10 million and Liabilities \$1-10 million. Status and case management conference and hearing on approval of disclosure statement to be held on 4/27/17 at 9:30 a.m.

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