

United States Bankruptcy Court
Central District of California

Maureen A. Tighe, Chief Judge
Kathleen J. Campbell, Executive Officer / Clerk of Court



SELECT INTAKE AREAS REOPEN AMID CORONAVIRUS (COVID-19) PANDEMIC

On September 28, the Intake area of the San Fernando Valley Division Courthouse reopened to the public to accept in-person filings per [General Order 20-07](#). Additionally, the Intake areas of the Ronald Reagan Federal Building and U.S. Courthouse in Santa Ana reopened to the public on September 14 per [Amended General Order 20-06](#) and the Northern Division Courthouse in Santa Barbara reopened to the public on October 19 per [General Order 20-09](#). The Intake area of the Edward R. Roybal Federal Building in Los Angeles will remain open to the public and will be able to accept in-person emergency filings from any division. The Intake area in the Riverside Division remains closed. Please check the [Court's Coronavirus \(COVID-19\) and Court Operations website](#) for updated information.

LIMITED EMERGENCY IN-PERSON HEARINGS

In-person access to the Court will generally not be permitted except for the filing Intake areas of the Los Angeles, Santa Ana, and San Fernando Valley courthouses. Bankruptcy judges will continue to hear matters remotely through telephonic or video services, except a judge may order an in-person hearing where necessary in an emergency.

The Court's Continuity of Operations Plan ("COOP") implemented on March 18, 2020, will remain in place and be modified gradually as necessary. Details of these modifications will be posted on the [Court's website](#) as they are implemented.

NEW INVOLUNTARY PETITION DOCKET EVENT

Effective October 14, the Court is releasing a new case management/electronic case filing system (CM/ECF) docket event to electronically file an involuntary bankruptcy petition and open the case. The docket event titled, "Open Involuntary Case," is available to Attorney ECF account holders only. Non-attorney filers and attorneys who do not have an ECF account must file involuntary petitions at the Intake window of the applicable division. Click [here](#) to view the CM/ECF User Manual instructions and ELM (electronic learning module).

REQUEST FOR PUBLIC COMMENT ON PROPOSED AMENDMENTS TO FEDERAL RULES

The Judicial Conference Advisory Committees on Appellate, Bankruptcy, Civil, and Criminal Rules have proposed amendments to their respective rules and requested that the proposals be circulated to the bench, bar, and public for comment. The comment period is open from August 14, 2020 to February 16, 2021.

To view the proposed amendments, advisory committee reports, and information about submitting written comments or testimony at public hearings, please visit the Rules & Policies webpage on the U.S. Courts' website at <https://go.usa.gov/xfHss>.

TWO BANKRUPTCY JUDGESHIP OPPORTUNITIES ANNOUNCED

The United States Court of Appeals for the Ninth Circuit has announced two Bankruptcy Judgeship Opportunities for the Central District of California. The official duty stations for these positions are Riverside, CA, and Santa Barbara, CA. Additional information on these opportunities and application instructions for qualified applicants can be found on the [Ninth Circuit Website](#). The deadline for receipt of all completed application materials is Thursday, October 29, 2020. Basic qualifications for consideration, application forms, and more information may be obtained via the following [link](#).

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.

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>

TEMPERATURE SCANNERS IN SAN FERNANDO VALLEY AND SANTA BARBARA

Non-contact temperature scanners have been installed at the San Fernando Valley Division Courthouse and Northern (Santa Barbara) Division Courthouse. All visitors to the two locations will be required to have their forehead or wrist scanned before entering.

All visitors with a temperature below the Center for Disease Control and Prevention guideline of 100.4 degrees will be allowed entry. In instances when a visitor has been detected to have a high body temperature, the scanners will sound an audible alarm to notify the Court Security Officers to prohibit entry into the building. Signage is available to all visitors on the proper use of the scanner. The scanners have been programmed only to capture the number of visitors admitted entrance into the courthouse and do not store actual temperature data.

An elevated temperature is one way to identify a person who may have a COVID-19 infection, although an infected person may be contagious without an elevated temperature or other easily detectable symptoms.



HONOR ROLL RECOGNITION DURING NATIONAL PRO BONO CELEBRATION WEEK

The 12th annual National Celebration of Pro Bono week takes place October 25-31. Created by the American Bar Association, this year's theme is "Rising to Meet the Challenge: Pro Bono Response to COVID-19." The celebration recognizes the volunteers who help those who do not have an attorney, providing pro bono assistance, and promotes training for pro bono volunteers. Nationwide, the number of participating events has more than tripled since the ABA's Celebration Week began. The Court celebrates National Celebration of Pro Bono Week with the publication of the Honor Roll to its website, listing the names of bankruptcy pro bono volunteers assisting the Central District.

The Honor Roll is published under "Programs and Services for Attorneys," and is based on the names submitted by each of the Court's self-help desks (for the 12 months ending in October) to recognize volunteers for each organization. In previous years, and with funding provided by District Court's Attorney Admission Fund (AAF), the Court has hosted its own Honor Roll receptions or recognized volunteers by partnering with local bar association events. Due to the spread of Coronavirus and following Riverside's recognition event at the Inland Empire Bankruptcy Forum (IEBF)'s "Ask the Judges Night," this year's Honor Roll receptions for volunteers at the remaining divisions were canceled or were not scheduled. Despite being unable to gather in person, the Court is providing recognition to pro bono volunteers in the form of "swag bags," made possible by the AAF.

For volunteers named on the Honor Roll who served at Help Desks in the Northern, San Fernando Valley, Santa Ana and Los Angeles divisions, swag bags will be available for pick up at the division hosting the Help Desk where each volunteer has served. Pick up availability will be subject to change, depending upon whether the division has reopened to the public. The Court greatly appreciates the services and meaningful work of pro bono volunteers in assisting the public. View the Honor Roll on the [Court's website](#).

JUDGE CATHERINE E. BAUER RETIRES, CASES REASSIGNED

On September 1, Judge Catherine E. Bauer retired from the bench after serving over ten years as a bankruptcy judge. The former recipient of the William J. Lasarow Award and Public Counsel Advocate of the Year was appointed to her judgeship on February 26, 2010. On July 31, Judge Bauer's pending cases and related bankruptcy proceedings were reassigned to the other judges at the Santa Ana Division, as specified in the table at the following [link](#).

HIGH SCHOOL STUDENTS CONSIDER VOTING RIGHTS IN ANNUAL CIVICS CONTEST

On June 26, the United States Bankruptcy Court and the United States District Court for the Central District of California hosted a virtual awards ceremony for the winners of the Central District's Civic Contest. The theme of this year's civic contest for high school students was "The Right to Vote: Milestone Anniversaries."



The Central District received over 200 entries for this year's contest. The first-, second-, and third-place winners were recognized during the virtual reception and received cash prizes. These winners were automatically entered to compete in the Ninth Circuit Civics Contest. The Central District Lawyer Representatives, Los Angeles and Orange County Chapters of the Federal Bar Association, and the Attorney Admission Fund provided valuable funding for this year's contest.

Judge Sandra R. Klein kicked off the ceremony with opening remarks and would later announce the winners of the essay and video competition. Chief Judge Maureen A. Tighe thanked the students for their hard work. The winning essays and videos have been posted on the contest website <https://www.ca9.uscourts.gov/civicscontest/>.

JUDGE ROBERT N. KWAN TO RETIRE

On February 5, 2021, Judge Robert N. Kwan will retire from the bench after 14 years as a bankruptcy judge. He has been approved to serve as a recalled judge for the Central District of California. Judge Kwan was appointed to a 14-year term as a bankruptcy judge on February 5, 2007.

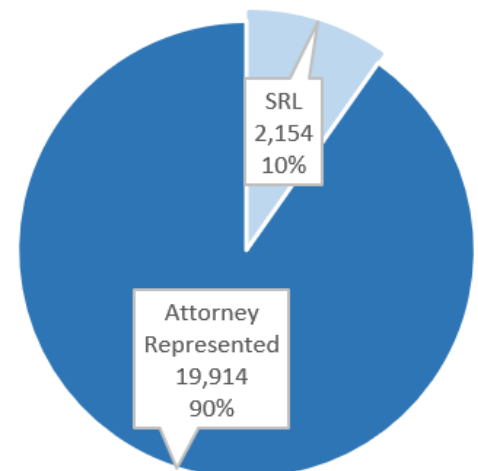
BANKRUPTCY STATISTICS

The data below represents filings year to date thru September 30, 2020. Statistics based on internal filings data.

Divisional Filings YTD	Ch 7	Ch 11	Ch 13	Total	% change from previous YTD
Los Angeles	7663	116	1460	9239	-23.03%
Northern	1051	18	169	1238	-27.51%
Riverside	5865	27	962	6854	-23.31%
San Fernando Valley	1534	68	270	1872	-27.58%
Santa Ana	2493	62	306	2861	-27.31%
Total	18606	291	3167	22064	-24.36%

Business Filings	Ch 7	Ch 11	Ch 13	Total
2020 YTD	764	216	48	1028
2019 YTD	891	202	86	1179

Central District of CA - Filings YTD



The interactive Statistics Dashboard is a feature on the Court's website that provides up-to-date filing and closing data for chapter 7, 11, and 13 cases, as well as adversary proceedings. Users can view data sorted by division or from the entire Central District, or they can choose to view only pro se (SRL) or business cases. The Statistics Dashboard also displays year-by-year and month-by-month comparisons; another option compares each month of the current year to the corresponding month of the prior year. Access the "Interactive Statistics" through the link: <https://ecf.cacb.uscourts.gov/ecfstatsdash-new.html>

TOP 10 CASES OF INTEREST*

Debtor	Case Number	Chapter	Filed	Assets	Liabilities
Banner Mattress Inc.	RS-19-13381-SC	11	04/22/19	\$1 - \$10 million	\$1 - \$10 million
Eagan Avenatti, LLP	SA-19-13560-SC	7	09/13/19	\$0 - \$50K	\$500K - \$1 million
Glostation USA, Inc.	SV-20-11435-SV	11	08/13/20	\$1 - \$10 million	\$10 - \$50 million
Hawkeye Entertainment, LLC	SV-19-12102-MT	11	08/21/19	\$1 - \$10 million	\$1 - \$10 million
HVI Cat Canyon, Inc.	ND-19-11573-MB	11	07/25/19	\$100K - \$500K	\$500K - \$1 million
Yueting Jia	LA-19-24804-VZ	11	10/14/19	\$500m - \$1 billion	\$1 - \$10 billion
Kendall Frozen Fruits, Inc.	SA-18-14052-SC	11	11/05/18	\$1 - \$10 million	\$1 - \$10 million
Ruby's Diner, Inc. a California Corp	SA-18-13311-SC	11	09/05/18	\$1 - \$10 million	\$1 - \$10 million
Verity Health Systems of CA, Inc.	LA-18-20151-ER	11	08/31/18	\$500K - \$1 million	\$100 - \$500 million
Zacky & Sons Poultry, LLC	LA-18-23361-RK	11	11/13/18	\$50 - \$100 million	\$50 - \$100 million

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

BANKRUPTCY FRAUD PROSECUTIONS

The following information has been provided by the Office of the United States Trustee:

USA vs. Daniel Kamensky

- Daniel Kamensky, the founder and manager of New York-based hedge fund Marble Ridge Capital has been charged in a Complaint in Manhattan federal court with one count of fraud in the offer or sale of securities, which carries a maximum sentence of five years in prison, one count of wire fraud, which carries a maximum sentence of 20 years in prison, one count of extortion and bribery in connection with a bankruptcy, which carries a maximum sentence of five years in prison, and one count of obstruction of justice, which carries a maximum sentence of 20 years in prison. The allegations are in connection with an alleged scheme to pressure a rival bidder to abandon its higher bid for assets in connection with the Neiman Marcus bankruptcy proceeding, in violation of his fiduciary duty as a member of the Official Committee of Unsecured Creditors in the Neiman bankruptcy. For more information see [USAO press release](#).

USA vs. Robert Kowalski

- Robert Kowalski, a Chapter 7 debtor in Chicago, IL, has been indicted for allegedly defrauding the creditors, primarily the Federal Deposit Insurance Corporation, and trustee in his bankruptcy case by concealing cash and property belonging to the estate. It is alleged that bank employees conspired with Kowalski and higher-ranking bank officials to embezzle at least \$29 million in bank funds in the years preceding the shutdown of Washington Federal Bank for Savings. The Bank was determined insolvent by the Office of the Comptroller of the Currency in December 2017 and had a least \$66 million in nonperforming loans. Kowalski has been charged with bankruptcy fraud charges, conspiracy to commit embezzlement, falsify bank records and failure to file income tax returns and filing false personal and corporate returns for various years. For more information see [USAO press release](#).