

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.

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Suggestions and
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welcome.

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COURT CLOSED
Monday, September 7
Labor Day

Monday, October 12
Columbus Day
(Observed)



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Court Continues Efforts to Improve CM/ECF Performance

Outages and slowdowns to CM/ECF adversely affect all members of the Court community – judges, Clerk’s office staff, attorneys, debtors, and creditors, among others. The Court is actively working with the Administrative Office of the U.S. Courts to develop some concrete solutions to recent performance concerns.

System outages and slowdowns have typically stemmed from two different issues: hardware failures at the Court and the scalability of CM/ECF’s current architecture. Hardware failures—such as unexpected drive errors—have at times caused long outages due to the need to acquire and replace systems equipment. Large reports, and the Court’s incredibly large volume of filings relative to the rest of the country, have stressed the database that forms the foundation for CM/ECF and led to periods of extreme system slowness.

The Court has taken a variety of approaches to remedy these challenges. To address the hardware issue, the Court has acquired a

new, more robust server, and is in the process of reconfiguring CM/ECF into a split-server configuration. The database that supports CM/ECF will be supported on a separate server from the actual CM/ECF application, and the split server architecture should improve systems performance. The Court anticipates having these new servers in place in the coming months.

The Court is also working with the Administrative Office of the U.S. Courts to implement changes to CM/ECF that would improve how data is retrieved during queries.

Internally, the Court has changed some processes, such as reducing or outright eliminating running large queries.

Accessibility to the CM/ECF system is a top concern for the Court, and the Court apologizes for any inconvenience. For more information on CM/ECF, please visit the Court’s web site, www.cacb.uscourts.gov.

CM/ECF Systems Upgrade Coming Soon

The Court is in the process of upgrading the servers that support CM/ECF. Installation of the new servers will require for CM/ECF and related systems to be temporarily unavailable. Please check the Court's website, www.cacb.uscourts.gov, for an upcoming public notice detailing the time and date CM/ECF will be unavailable.

Judge Bufford to Begin Handling Riverside Chapter 13 Cases

As of September 1, a portion of Chapter 13 bankruptcy cases filed at the Riverside Division will be handled by Los Angeles Division Judge Samuel L. Bufford. Active Chapter 13 cases in Riverside will not be affected, and Judge Bufford will continue to receive cases filed in the Los Angeles Division.

For more information on procedures regarding hearings and courtesy copies, please refer to Public Notice 09-013 on the Court's web site, www.cacb.uscourts.gov or the Judges' Procedures area under Information > Judges' Procedures/Information.

RECAP Software Usage Security Concerns and Restricted Use

The U.S. Bankruptcy Court - Central District of California would like to make CM/ECF users aware of certain security concerns relating to a software application or "plug-in" called RECAP, which was designed by a group from Princeton University to enable the sharing of court documents on the Internet.

Once a user installs RECAP, documents that are subsequently accessed via PACER are automatically sent to a public Internet repository. Other RECAP users are then able to see whether documents are available from the Internet repository. RECAP captures District and Bankruptcy Court documents, but has not yet incorporated Appellate Court functionality. At this time, RECAP does not appear to provide users with access to any restricted or sealed documents.

Please be aware that RECAP is "open-source" software, which can be freely obtained by anyone with Internet access and modified for benign or malicious purposes, such as facilitating unauthorized access to restricted or sealed documents. Accordingly, CM/ECF filers are reminded to be diligent about their computer security practices to ensure that documents are not inadvertently shared or compromised.

Additionally, the Court would also like to remind fee-exempt PACER users that any transfer of data obtained as of the result of a fee exemption is **prohibited** unless expressly authorized by the Court. Therefore, fee-exempt PACER users must refrain from the use of RECAP.

The prohibition on transfer of information received without fee is not intended to bar a quote or reference to information received as a result of a fee exemption in a scholarly or other similar work.

The Court and the Administrative Office of the U.S. Courts will continue to analyze the implications of RECAP or related-software, and we will advise you of any ongoing or further concerns.

San Fernando Valley Help Desk Profiled

The San Fernando Valley's Self-Help Desk was profiled in the August 3rd edition of the *Los Angeles Daily News*. In the story, various visitors to the help desk said the volunteer staff made the bankruptcy process significantly less daunting and intimidating. The article notes that the desk, which operates on Mondays and Thursdays in the Woodland Hills courthouse, has served more than 850 clients through June 2009.

The desk, which opened in September 2007, is the product of an ongoing collaboration between San Fernando Valley Division Judge Maureen A. Tighe and the Neighborhood Legal Services of Los Angeles County, who provides the clinic with volunteers and a legal assistant. The *Daily News* article can be viewed on the publication's web site, www.dailynews.com. For more information on the San Fernando Valley Self-Help Desk, please visit the "Don't Have an Attorney?" section of the Court's web site.

Spanish Translation of Frequently Asked Questions Now Available

The Court released a Spanish translation of the Frequently Asked Questions (FAQs) in late July. The nearly 100 FAQs provide helpful information on a variety of topics for debtors, creditors, and attorneys.

The translation of the FAQs was funded by a grant from the Central District Attorney Admissions Fund and is the culmination of months of work by San Fernando Division Judge Maureen A. Tighe and a team of local attorneys. The initial translation of the FAQs was completed by Ernesto A. Schweikert and reviewed by Magdalena Reyes Bordeaux of Public Counsel and Riverside bankruptcy attorney Lazaro E. Fernandez, under the leadership of attorney Jason Wallach of Gladstone Michel Weisberg Willner and Sloane ALC. Additional support was provided by Joey Alarcon of Bet Tzedek, and Marisa Hawkins and Aimee Meraz of Public Counsel. The Court would like to give special thanks to all who volunteered their time in this important endeavor.

The new Spanish FAQs can be found on the Court's web site, www.cacb.uscourts.gov, under Information.

Self-Help Desk and Chapter 7 Clinic Opens in Los Angeles Division

A self-help desk and Chapter 7 clinic opened August 17 in the Los Angeles Division. The desk is open Monday and Wednesdays from 10:00 a.m. to 1:00 p.m. on the 9th floor, adjacent to the Court's Intake area. The desk provides debtors without legal representation with general information on Chapter 7 and Chapter 13 bankruptcy procedures, forms, and referrals for additional legal assistance. Income eligible individuals interested in getting more information on filing Chapter 7 bankruptcy can apply at the Self-Help Desk for participation in the Chapter 7 Clinic.

The Los Angeles Self-Help Desk and Chapter 7 clinic are sponsored by Public Counsel, the Central District Consumer Bankruptcy Attorneys Association, and the Los Angeles County Bar Association Commercial Law and Bankruptcy Debtor Assistant Project Subcommittee.

Further details will be made available on the Court's web site, www.cacb.uscourts.gov.

Filing Statistics

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

76% ↑ 2009: 52,883 2008: 30,114 Chapter 7	35% ↑ 2009: 755 2008: 557 Chapter 11	56% ↑ 2009: 15,094 2008: 9,655 Chapter 13	70% ↑ 2009: 68,732 2008: 40,326 Total
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National - Percent Increase in Filings 12 Mo. Period Ending June 30, 2009 to Same Period Ending June 30, 2008

47% ↑ 2009: 907,603 2008: 615,748 Chapter 7	91% ↑ 2009: 13,951 2008: 7,293 Chapter 11	12% ↑ 2009: 384,187 2008: 344,421 Chapter 13	35% ↑ 2009: 1,306,315 2008: 967,831 Total
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*Based on estimated filing data for August 2009.

CM/ECF Tips

Selecting the Correct Hearing Information:

Avoid calendaring errors by verifying the hearing date against the Self-Calendaring information on the Court's website, or if necessary, contacting the courtroom deputy for the applicable judge. Calendaring errors could require that hearings be rescheduled, among other delays. For self-calendaring procedures and other judge-specific information, consult the Court's website at www.cacb.uscourts.gov under Information > Judges' Procedures/Information.

Selecting the Correct Docket Event Code:

Using the correct docket event code greatly expedites the review and processing of important court documents. Entering a keyword, such as "motion," in the Search feature of CM/ECF will bring up a list of all possible relevant docket codes with that specific keyword. Feel free to contact the ECF Help Desk for assistance if the proper docket event code is not located through the CM/ECF Search tool. The ECF Help Desk can be reached at (213) 894-2365 or email at ECF_support@cacb.uscourts.gov.

Top 20 Cases of Interest Filed in the Last 24 Months

Lenny Kyle Dykstra

SV-09-18409-GM, Chapter 11, Filed 7/7/09. Assets between \$0-50,000 and Liabilities between \$1-100 million. Order granting debtor's application to employ general counsel entered on 8/13/09.

PPA Holdings, LLC

SA-09-16353-ES (LEAD of 22), Chapter 11, Filed 6/26/2009. Assets unknown and Liabilities over \$100 million. Reply to oppositions to notices setting insider compensation were filed by the debtor on 8/14/09.

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. Case dismissed 8/10/09.

Z Gallerie

LA-09-18400-VZ, Chapter 11, Filed 4/10/2009. Assets and Liabilities between \$1-100 million. Second amended disclosure statement and Chapter 11 plan filed on 8/13/09.

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

SV-09-13964-GM, SV-09-13965-GM, Chapter 11, Filed 4/7/2009. Assets and Liabilities between \$1-100 million. Second supplement to debtor's emergency motion for use of cash collateral was filed on 8/12/09 for case 09-13964-GM.

Fleetwood Enterprises, Inc.

RS-09-14254-MJ (LEAD of 43), Chapter 11, Filed 3/10/2009. Assets and Liabilities over \$100 million. Order granting motion to sell property free and clear of liens, claims, interests, and encumbrances entered 8/14/09.

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 entered on 8/6/09 granting a stipulation for continued payment of insider compensation.

Right Start Acquisition Company

SV-09-11132-MT (LEAD of 2), Chapter 11, Filed 2/3/2009. Assets and Liabilities between \$1-100 million. Order granting motion for relief from the automatic stay entered 8/11/09.

StarRibs North, LP

SA-08-17182-TA (LEAD of 15), Chapter 11, Filed 11/6/2008. Assets and Liabilities between \$1-100 million. Motion for relief from the automatic stay filed on 8/6/09, with a hearing set for 9/15/09.

Palmdale Hills Property, LLC

SA-08-17206-ES (LEAD of 25), Chapter 11, Filed 11/6/2008. Assets and Liabilities over \$100 million. Statement of professional fees for July 2009 filed on 8/13/09.

Karykeion Inc.

SV-08-17254-MT, Chapter 11, Filed 9/22/2008. Assets and Liabilities at \$1-100 million. Order approving stipulation for limited relief from automatic stay entered on 8/5/09.

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 9/1/09 regarding the trustee's motion to dispose of patient's records.

Woodside Group, LLC

RS-08-20682-PC (LEAD of 188), Chapter 11, Filed 8/20/2008. Assets and Liabilities unknown. Order establishing uniform procedures for objections to claims and uniform procedures for settlement of claims and litigation entered 8/13/09.

IndyMac Bancorp, Inc.

LA-08-21752-BB, Chapter 7, Filed 07/31/2008. Assets between \$1-100 million and Liabilities over \$100 million. Notice of decrease of trustee's bond filed 8/13/09.

Shoe Pavilion, Inc.

SV-08-14939-MT (LEAD of 2), Chapter 11, Filed 7/15/2008. Assets and Liabilities at \$1-100 million. Hearings set for 8/31/09 for multiple objections to claims.

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. Application for compensation filed by the Chapter 11 trustee on 8/14/09.

Fremont General Corporation

SA-08-13421-ES, Chapter 11, Filed 6/18/2008. Assets and Liabilities over \$100 million. Order approving stipulation regarding the withdrawal and disallowance of various proofs of claim entered 8/14/09.

eStyle, Inc.

LA-08-13518-SB, Chapter 11, Filed 3/19/2008. Assets and Liabilities between \$1-100 million. Hearing regarding the debtor's disclosure statement set for 10/6/09.

Axiom International, Inc.

LA-08-10277-BB (LEAD of 37), Chapter 7, Filed 01/08/2008. Assets and Liabilities over \$100 million. Order granting motion for approval of stipulation for settlement and dismissal of adversary proceeding 09-01189BB entered 8/6/09.

Valley Health Systems, Inc.

RS-07-18293-PC, Chapter 9, Filed 12/13/2007. Assets and Liabilities at \$100 million. Order approving stipulation between the debtor and Check Med Systems, Inc. regarding a claim entered 8/13/09.

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