

ISSUE

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UNITED STATES  
BANKRUPTCY COURT  
CENTRAL DISTRICT  
OF CALIFORNIA

# Court News

## 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 call (213) 894-1296 or email us at [editor@cacb.uscourts.gov](mailto:editor@cacb.uscourts.gov).

## Important Updates

### Court Website:

- Court Manual
- Public Notices



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## INVESTITURE OF JUDGE WAYNE JOHNSON

On July 7, 2011, the investiture of Judge Wayne Johnson was held at the U.S. Bankruptcy Court in Riverside, California. The ceremony began with U.S. Marshal David Singer opening the court, followed by Clerk of Court Kathleen J. Campbell calling the calendar. Chief District Judge Audrey B. Collins and Chief Bankruptcy Judge Peter H. Carroll welcomed all in attendance, including 19 current and retired judges from both the District and Bankruptcy Courts.



Chief Judge Carroll began the ceremony by describing Judge Johnson's path to the bench, from Southern California native to graduating *magna cum laude* from Cornell and earning his law degree at the University of Pennsylvania Law School. As law clerk to Judge David N. Naugle, Judge Johnson's experience with bankruptcy and public service in the Inland Empire began at the start of his legal career and set the stage for his return to public service as a judge after establishing his own successful bankruptcy practice. Chief Judge Carroll's characterization of Judge Johnson as a man of "principle, integrity, and honor" was echoed in the remarks of the guest speakers, including Franklin C. Adams, Partner of Best Best & Krieger LLP; Attorney J. Raymond Kelley; and the Honorable David N. Naugle, retired bankruptcy judge. In their remarks Judge Johnson was described as a family man of deep faith, dedicated to his wife and children. Judge Johnson's wife Candace Johnson performed the investiture of robe, following Chief Judge Carroll administering the oath.

Judge Johnson responded by thanking those in attendance, the presiding judges and distinguished speakers, his team and chambers staff, and his family and friends for their faithful support. In his response, Judge Johnson shared the "Ten Commandments for the New Judge" he received from Judge Geraldine Mund and a quote by William Wilberforce, an English parliamentarian and abolitionist from the 18th century and personal hero of Judge Johnson's. Upon the conclusion of the ceremony, a reception was held at the Court in honor of Judge Johnson.

For more information,  
visit our web site at [www.cacb.uscourts.gov](http://www.cacb.uscourts.gov).

## Save the Date

The 2011 Earle Hagen Memorial Golf Tournament benefiting the Debtor Assistance Project (DAP) of the Public Counsel Law Center will be held on Monday, September 19, 2011, at the Braemar Country Club in Tarzana, CA. To RSVP or for more information, please contact James T. King at (818) 242-1100 or via email at king@kingobk.com.

## **COURT CLOSED**

Monday, September 5, 2011  
Labor Day

### Los Angeles

Friday, September 9, 2011,  
from 11:45 a.m. to 1:30 p.m.

### San Fernando Valley

Monday, September 12, 2011,  
from 11:45 a.m. to 1:30 p.m.

### Santa Barbara

Monday, September 12, 2011,  
from 9:00 a.m. to 9:30 a.m.

### Riverside

Tuesday, September 8, 2011,  
from 11:45 a.m. to 1:30 p.m.

### Santa Ana

Wednesday, September 7, 2011,  
from 11:45 a.m. to 1:30 p.m.

## **CASES TO BE DISMISSED WITHIN 72 HOURS OF INCOMPLETE AND/OR DEFICIENT ELECTRONIC FILING**

According to FRBP 1007 and LBRs 1002-1 and 1007-1, the Court requires the following documents to be filed or submitted with a voluntary petition filed electronically through CM/ECF: Master Mailing List; List of Creditors in CM/ECF text (.txt) format; debtor's street address; Statement of Social Security Number(s); and the List of 20 Largest Unsecured Creditors (chapters 9 and 11 cases only).

Effective August 26, 2011, a voluntary petition filed without all of the required documents listed above is issued a deficiency notice, and if not cured within 72 hours from the date the deficiency notice is issued, is automatically dismissed. For additional information, please refer to Public Notice 11-013.

## **JUDICIAL CONFERENCE COMMITTEE SEEKS PUBLIC COMMENTS ON PROPOSED NATIONAL RULES**

The Judicial Conference Advisory Committee on Appellate, Bankruptcy, Civil, Criminal, and Evidence Rules have proposed amendments to their respective rules and are seeking public comments. Comments must be emailed to [Rules\\_Comments@ao.uscourts.gov](mailto:Rules_Comments@ao.uscourts.gov) by February 15, 2012. For a list of the proposed revisions, reports explaining the proposed changes, and other information, please visit the Judiciary's *Federal Rulemaking* website at: <http://www.uscourts.gov/RulesandPolicies/FederalRulemaking/Overview.aspx> or refer to Public Notice 11-016.

## **CHIEF JUDGE PETER H. CARROLL ASSIGNED A PORTION OF NORTHERN DIVISION CHAPTER 7 CASES**

Effective August 2, 2011, a portion of new chapter 7 bankruptcy cases filed at the Northern Division are assigned to Judge Peter H. Carroll. No current active Northern Division cases will be affected. Judge Carroll will also continue to receive new cases filed at the Los Angeles Division.

For procedures or information regarding Northern Division cases assigned to Judge Carroll, please refer to Public Notice 11-012 or consult the Court's website under *Information > Judges' Procedures/Information*.

## **RAISING THE BAR ON BANKRUPTCY**

On August 19, 2011, the Court held its fifth session of "Raising the Bar on Bankruptcy" program. The event was held in Los Angeles and broadcast live district-wide. Facilitated by Karen Rinehart, a restructuring attorney with the Los Angeles office of O'Melveny and Myers LLP, the session initiated the segment on chapter 11 bankruptcy.

The "Raising of the Bar on Bankruptcy" program is offered in partnership with the LA County Bar Association *Pro Bono* Bankruptcy Subcommittee and the Central District Consumer Bankruptcy Attorney Association. Facilitated each month by judges, attorneys, and other bankruptcy professionals, the program provides Court staff with training and education on all areas of bankruptcy.

## CM/ECF VERSION 4.1 LAUNCHES OCTOBER 8

From October 8 to 11, 2011, the Court plans to convert CM/ECF to version 4.1. Users will not have access to CM/ECF, Attorney Registration, and the Voice Case Information System (VCIS) while the upgrade takes place. Some of the features of CM/ECF 4.1 include:

- Password Security – All CM/ECF users will be required to update their password to a higher security level which must include eight characters with upper and lower alpha characters and at least one digit or special character.
- Revised Claim Reporting – CM/ECF 4.1 will only collect and display the total amount, secured, priority, and administrative claim amounts for all claims processed. Currently, the system also collects the “unsecured” and “unknown” portions of a claim.
- BNC Noticing – The certificate of notice will display all parties noticed in a case, regardless of the form of notice.
- Sealed and Restricted Functionality – CM/ECF 4.1 has the ability to electronically seal and restrict documents.
- Filing Agents for Attorney and Trustees – In approximately four to six months, CM/ECF 4.1 will allow each paralegal in an attorney’s office to be issued a unique login and password that will be linked to the attorney’s CM/ECF account. This will help the Court identify individual filers of documents and help with attorney training and filing quality.

Please stay tuned for a Public Notice regarding the conversion.

## Filing Statistics

### Central District of California - Percent Increase in Filings

January - August 2011\* to January - August 2010

<b>-6.3%</b> ↓	<b>7.0%</b> ↑	<b>16.2%</b> ↑	<b>-1.3%</b> ↓
2011: 69,327	2011: 825	2011: 24,203	2011: 94,355
2010: 73,999	2010: 771	2010: 20,829	2010: 95,599
Chapter 7	Chapter 11	Chapter 13	Total

### National - Percent Increase in Filings

12 Mo. Period Ending June 31, 2011 to Same Period Ending June 31, 2010

<b>-4.6%</b> ↓	<b>-11%</b> ↓	<b>1.9%</b> ↑	<b>-2.8%</b> ↓
2011: 1,083,671	2011: 12,714	2011: 432,333	2011: 1,529,560
2010: 1,133,320	2010: 14,272	2010: 424,242	2010: 1,572,597
Chapter 7	Chapter 11	Chapter 13	Total

\*Based on estimated filing data for June 2011.

## CM/ECF Tips

### Withdrawal of Motions

In order for a motion to be properly disposed of, withdrawal of motions must be entered using the proper event code. To withdraw a motion, an attorney must create a pleading in standard pleading format and file it in the appropriate case using the Voluntary Dismissal of Motion event code. Do not use the Withdraw re: event code, as it is for documents other than motions.

The Voluntary Dismissal of Motion event code can be located from the CM/ECF menu bar under Bankruptcy > BK > other > Voluntary Dismissal of Motion. The same event code is also to be used to withdraw a motion on an adversary proceeding.

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

### **Westrim Inc. dba Westrim Crafts**

SV-11-15313-GM, Chapter 11, Filed 04/29/2011, Assets \$1-10 million and Liabilities \$10-50 million. 341(a) Mtg. scheduled for 6/2/11; Order Establishing Bidding Procedure for Sale signed on 5/3/11. Schedules filed on 6/7/2011. Notice of Appointment of Creditor's Committee filed 6/8/11. Order Granting Motion for Relief filed 7/5/2011. Order granting Motion for Sale of Property filed 7/15/11.

### **Encino Corporate Plaza, L.P.**

SV-11-14917-GM, Chapter 11, Filed 04/20/11, Assets \$10-50 million and Liabilities \$1-50 million. 341(a) Mtg. scheduled for 6/11/11; Order extending time to file schedules signed on 5/6/11. Schedules, Statement of Financial Affairs filed on 5/13/11. Confirmation hearing cont'd to 9/27/11.

### **Verdugo Mental Health**

LA-11-22739-PC, Chapter 11, Filed 03/25/11, Assets \$1-10 million and Liabilities \$1-10 million. Monthly operating report for the month ending July 31, 2011 was filed by the debtor-in-possession on 8/15/11.

### **Rio Rancho Super Mall LLC**

RS-11-16835-CB, Chapter 11, Filed 03/02/11, Assets \$10-50 million and Liabilities \$10-50 million. Order entered 8/4/11, granting fourth stipulation between Debtor and Wilshire State Bank re use of cash collateral. Hearings on first interim applications for fees for Kim & Associates and Lee & Kent set for 8/23/11.

### **The Grande Holdings Limited**

LA-11-41459-BB, Chapter 15, Filed 07/22/11, Assets \$100 million and Liabilities \$100 million. Status conference set on 10/25/11 re: verified petition for recognition of foreign main proceeding in a ch 15 case.

### **HomeSuites, LLC**

ND-11-10163-RR, Chapter 11, Filed 01/12/11, Assets \$1-10 million and Liabilities \$1-10 million. Hearing Re: Motion to Use Cash Collateral cont'd to 12/4/2011.

### **Sexy Hair Concepts, LLC**

SV-10-25922-GM, Chapter 11, Filed 12/21/10, Assets \$50-100 million and Liabilities \$50-100 million. Amendment to Schedule F filed on 4/2/11 & 4/19/11. Transcript filed on 4/22/11 re: Hearing Held on 4/4/11. Transcript is restricted until 7/21/11. Confirmation hearing continued to 7/6/11. Confirmation hearing cont'd to 9/13/11.

### **Krystal Air**

SV-10-23983-MT, Chapter 11, Filed 11/2/10, Assets \$1-10 million and Liabilities \$10-50 million. Case terminated on 8/5/2011.

### **Figueroa Tower I LP, Figueroa Tower II, LP, Figueroa Tower III, LP (jointly administered)**

SV11-18760-GM; SV11-18761-GM; SV11-17862-GM, Chapter 11, Filed 07/14/11, Assets \$50-100 million and Liabilities \$50-100 million. Case transferred from the Los Angeles Division to the San Fernando Valley Division on 7/21/11. Order setting scheduling and Case Management Conference and Filing Monthly Reports filed on 7/22/11.

### **AVP Pro Beach Volleyball Tour, Inc.**

LA-10-56761-BB, Chapter 11, Filed 10/29/10. Assets between \$100,001-\$500,000 and Liabilities between \$1-\$10 million. Hearing set for Disclosure Statement on 9/7/11.

### **WestCliff Medical Laboratories, Inc./BioLabs, Inc.**

SA-10-16743-TA, SA-10-16746-TA, Chapter 11, Filed 5/19/10. Assets and Liabilities between \$50-\$100 million. Deadline set for Sept. 15, 2011 for filing disclosure statement and plan. Status conference is cont'd to 9/29/2011.

### **Ocean Parks Hotels - TOY LLC/Ocean Park Hotels - TOP LLC**

SV-10-15358-GM, SV-10-15359-GM, Chapter 11, Filed 5/6/10. Assets and Liabilities between \$10-\$50 million. Order Granting first and Final Application for Compensation on 6/27/11. Order granting Motion to Extend Time to File Objections to Claims to and Including 10/26/11.

### **Bander Law Firm, LLP**

LA-10-15066-AA, Chapter 7, Filed 2/12/10. Assets between \$1-100 million and Liabilities between \$500,001-\$1 million. Trustee's motion filed on 6/30/11 for order authorizing trustee to release or destroy debtor's books and records.

### **Downey Regional Medical Center-Hospital Inc.**

LA-09-34714-BB, Chapter 11, Filed 9/14/09. Assets over \$100 million and Liabilities between \$1-100 million. Notice of filing of fourth amended disclosure statement and fourth amended ch 11 plan of reorganization and revised form of disclosure statement approval order filed on 8/12/11.

### **IM Stopping Power GmbH**

SV-09-21491-MT, Chapter 15, Filed 9/1/09. Assets between \$50,000-100,000 and Liabilities between \$1-100 million. Status Hrg. Re: Foreign Bankruptcy cont'd to 12/08/11.

### **Crystal Cathedral Ministries, a California non-profit corporation**

SA-10-24771-RK, Chapter 11, Filed 10/18/10. Assets and Liabilities \$50-\$100 million. Assignment Notice of USDC case/judge to Appeal - USDC Case No. SACV11-00371-CJC RE: So. Calif. Edison Co. 3/10/2011. Hearing Held on 6/2/2011, granting Motion to Extend/Limit Exclusivity period for Debtor. Status Conference cont'd to 7/13/2011.

### **Toni Braxton**

LA-10-51909-BR, Chapter 7, Filed 9/30/10. Assets between \$1-10 million and Liabilities between \$10-50 million. Declaration of Debora Grassgreen filed on 8/4/11 re: non opposition to debtor's motion for entry of order of discharge.

### **Liberty Entertainment, Inc.**

LA-10-51881-ER, Chapter 7, Filed 8/30/10. Assets between \$500,000 to \$1 million and Liabilities between \$1-10 million. Order entered on 1/26/11 granting motion to jointly administer with case LA:10-bk-51909-BR (Toni Braxton).

### **Garden Grove Dermatology Center Inc.**

SA-10-19195-ES (Lead of 6 Cases), Chapter 11, Filed 7/06/10. Assets between \$500,00 to \$1 million and Liabilities between \$1-\$10 million. Converted to ch 7 on 6/8/2011; Trustee appointed 6/15/2011. Hearing set to determine secured status of debtor's clinics - Diamond Bar, Covina and Garden Grove, hearing set for 7/5/2011. Status conferenced continued to July 14, 2011. UST Declaration filed on 6/2/2011 in support of conversion of cases to ch 7.

### **The Pasadena Playhouse State Theatre of California, Inc.**

LA10-28586-TD, Chapter 11, Filed 5/10/10. Assets between \$100,001 to \$500,000 and Liabilities between \$1-10 million. Discharge entered 8/23/2011.

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