



## This Issue

Court Publishes Second Annual *Pro Se* Report, FY 14 Budget Update P. 1

Proposed Amendments Published for Public Comment, QR Codes P. 2

Case Mgmt Assist, BK Judgeship, Automation of Summons, Judge Clarkson Addresses FBA P. 3

Top 20 Cases P. 4

## 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

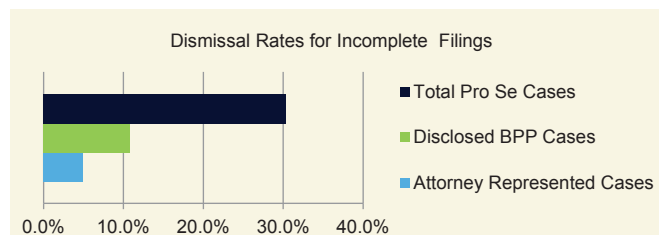
KATHLEEN J. CAMPBELL  
Executive Officer/Clerk of Court

Suggestions and comments  
are always welcome.

Please email us at editor@  
cacb.uscourts.gov.

COURT PUBLISHES SECOND ANNUAL *PRO SE* REPORT

The U.S. Bankruptcy Court for the Central District of California has published its second annual *pro se* report, ***Access to Justice: Self-Represented Parties and the Court***, an in-depth look at the Court's joint effort with public service partners to assist self-represented individuals. The report compares the outcomes for debtors who filed bankruptcy *pro se*, with counsel, or with bankruptcy petition preparers (BPP); describes the Court's progress in providing services to *pro se* litigants; and details *pro bono* work throughout the District. Approximately 300 volunteers assisted the Court in 2012, making access to justice a reality for over 9,000 individuals.



The impact of the Court's consistently high number of *pro se* filers is noteworthy in both the increased labor it causes the Court and the diminished successful case completion rate it produces as compared to filers with attorney representation. The overall incomplete rate of the Court's *pro se* cases in 2012 was a sizeable 30.34%. Incomplete filings are described in the report as a common characteristic of fraudulent and abusive bankruptcy cases used solely for the benefit of an automatic stay. Also, the report's analysis, resulting from the Court's recent BPP tracking efforts, reveals for chapter 13 that both *pro se* and BPP assisted filers had only a miniscule success rate even to the threshold confirmation of a bankruptcy plan. This is especially damaging given that chapter 13 had the highest *pro se* percentage of all filings in 2012. The report's findings emphasize that attorney representation remains the best option for individuals served by the Court, underscoring the importance of *pro bono* assistance in the absence of such representation.

The Court is extremely thankful to Judge Maureen A. Tighe and the *Pro Se* Resources Committee, as well as the organizations and individuals who made these programs and this report possible. Click [here](#) to read the web version of the report, a PDF of which can also be downloaded from the link in the upper right corner of the screen.

## FY 14 BUDGET UPDATE

Bankruptcy filings in the Central District of California are continuing to decline. For the 12-month period ending June 30, 2013, filings are down nearly 25%, almost twice the national average. Our rate of decline is the fourth largest of the 94 ranked districts in the nation. Bankruptcy filing fee revenue continues to decline nationwide.

(continued on page 2)

## Important Updates

## Court Website:

- Court Manual
- Public Notices

(continued from page 1)

Courts have been advised that Congress may delay the passage of the FY 14 budget bill due to a variety of issues and are likely to enter FY 14 under a possible full year Continuing Resolution (CR) at post sequestration levels. In addition, the Judiciary may once again face a lapse in appropriations and the prospect of shutting down if Congress is unable to pass a CR by September 30, 2013. Should that occur, more information will be forthcoming.

Based on Central District filing declines, budget cuts for shared administrative services, as well as anticipated across the board cuts in the Judiciary's Interim Financial Plan, the Clerk's Office will not be able to make payroll in FY 14 without substantial staff reductions. The Court plans to implement another round of layoffs in September 2013 to offset approximately half of the anticipated salary shortfall and continue to work with the Administrative Office of the U.S. Courts to provide supplemental relief. The Court does not believe that it can continue to meet its mission and operate the Court "business as usual" by implementing the additional number of layoffs and/or furloughs required to make up the remaining half of the shortfall. If the shortfall cannot be avoided, there may be possible service disruptions, including closing the Court on specific days or weeks.

Many members of the Bar stepped forward last year to provide job leads to displaced staff and have pledged their continuing support. Please notify Tina Sandoval of possible employment opportunities at (213) 894-5008 or email her at [Tina\\_Sandoval@cacb.uscourts.gov](mailto:Tina_Sandoval@cacb.uscourts.gov).

## PROPOSED AMENDMENTS PUBLISHED FOR PUBLIC COMMENT

The Judicial Conference Advisory Committees on Bankruptcy and Civil Rules have proposed amendments to their respective rules and forms, and requested that the proposals be circulated to the bench, bar, and public for comment. **The public comment period ends February 15, 2014.**

To view the proposed revisions, reports explaining the proposed changes, as well as information about submitting written comments or testimony at public hearings, please click [here](#) to visit the Rules & Policies webpage on the U.S. Courts website.

## QR CODES

Earlier this year, the Central District began piloting the use of QR (Quick Response) codes as an alternative method for attorneys and others to quickly download and view judges' calendars. Based on the positive feedback generated by the pilot, the Court has rolled out QR codes to all judges in the district.

The use of QR codes benefits both the Court and attorneys. Attorneys can now download calendars directly to their smart phones or other device to review the calendar or see when their matter is going to be called. Once the calendar is downloaded to their device and is available in a PDF reader application, attorneys will be able to easily search for their matter to quickly review the tentative ruling. For the Court, using QR codes limits the number of printed calendars that are generated and substantially reduces the expense and staff time required to produce the calendars.

The Court is also exploring other uses for QR codes. Since QR codes can access any content on the Court's website, the Court is planning to create information brochures that can be distributed in our Intake departments. This will allow the Court to provide targeted information for debtors such as directions to 341(a) meeting locations, information for self-represented parties or other important information on the Court's website.

## COURT CLOSED

Monday, October 14—  
Columbus Day



### Accessing Court Information by Twitter

The Court has been posting to its Twitter account for over a year now, and has sent over 1,300 different tweets to more than 490 followers. The Court posts announcements, Notices of Sale, Public Notices, and other timely information.

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](http://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, you can use this free service to follow us @cacbnews.

## CASE MANAGEMENT ASSIST

The Clerk's Office is expanding the implementation of Case Management Assist (CMA) to all divisions in the Central District. Developed by Oklahoma Western Bankruptcy, CMA is a software program that provides an automated method to distribute incoming CM/ECF work to Operations staff for purposes of quality control, tracks errors made by internal and external users, and measures productivity. With CMA, the Court can better identify and address attorney firm training needs.

The improved efficiency in case processing resulting from the implementation of CMA will benefit the Court's staff and stakeholders. In an [article for NCBC Impact](#), Oklahoma Western's Chief Deputy Clerk Sheila Sewell writes that, among other benefits, CMA is a "cost-cutting resource" that has helped courts operating at reduced staff levels continue to manage their caseloads.

## BANKRUPTCY JUDGESHIP VACANCY IN RIVERSIDE

Upon the retirement of Judge Robin Riblet in May 2014, Chief Judge Peter H. Carroll will relocate to the Northern Division and Judge Deborah Saltzman will relocate to the Los Angeles Division. A vacant judgeship is now available in the Riverside Division. Applications must be received by Thursday, October 24, 2013. Click [here](#) for the vacancy announcement and application. Details are also available on the Ninth Circuit's [website](#).

## AUTOMATION OF SUMMONS ON ADVERSARY PROCEEDING

The Clerk's Office is automating the manual process of issuing a *Summons and Notice of Status Conference* on an adversary proceeding. The "Summons Issued" event code will be enhanced so that it now creates a virtual summons. This alleviates the need for submission of a summons by a plaintiff, and simultaneously allows the scheduling of the initial status conference in CIAO!

Deployment of the new automated summons is slated for September 2013 and is in line with the Court's continuing efforts to control costs, reduce paper and improve efficiency. The Court will issue a Public Notice when we are ready to implement this enhancement.

## JUDGE CLARKSON ADDRESSES FEDERAL BAR ASSOCIATION

On July 24, 2013, the Honorable Scott C. Clarkson addressed the Orange County Federal Bar Association on the power of tolerating ambiguity in legal practice. The event was well attended by members of the Judiciary and the bar. During his presentation, Judge Clarkson reminded the crowd that comfort with the unknown and an appetite for knowledge are undervalued signs of leadership. Judge Clarkson began and ended his speech by describing a problem elevator manufacturers faced during the 1920s, when passengers perceived elevator rides as too slow. Manufacturers solved the problem not by speeding up the ride, but by making it more enjoyable, adding music, mirrors, and a floor indicator to the inside of the elevator car. Drawing upon this example of creative problem solving, the judge emphasized the importance of understanding a problem before attempting to solve it. He encouraged the crowd to ask more questions, rather than finding a quick answer. He said that those who are not afraid to challenge the status quo should be valued as leaders in our organizations. Judge Clarkson's words resonated with the crowd and marked a memorable FBA lunch, one that looked beyond the courtroom to focus on the attorneys themselves.



## CM/ECF TIPS

### Instructions for Filing an Involuntary Petition:

An involuntary petition cannot be filed electronically. This type of petition should always be filed at the intake sections in the division where the case will be assigned. If you attempt to file the petition electronically, you will notice that there is no event code for the filing. You cannot use the voluntary petition event code for an involuntary petition.

### Internet Fees Due:

When filing documents electronically, you must pay the filing fee within a 24-hour period. Filing fees are an obligation. Failure to pay will result in serious penalties. Not only will you be locked out of the CM/ECF system, you could also receive an Order to Show Cause that may lead to sanctions and suspension from CM/ECF.

For additional information regarding the consequences of not paying filing fees, you may contact the ECF Support Desk at (213) 894-2365.

### 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/](http://www.cacb.uscourts.gov/) contact.

## 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. Order Granting Application to Employ as Special Counsel Melinda Guzman and as Turnaround Consultant, the Capital Turnaround Group Inc., entered on 7/3/13. Order Granting Motion for Relief (#67&70), entered 7/30/13. Motions for Relief filed on 7/15/13; 7/26/13; & 7/30/13.

### American Suzuki Motor Corp.

SA-12-22808-SC, Chapter 11, Filed 11/05/12, Assets \$100-\$500 million and Liabilities \$100-\$500 million. Hearings set for 8/29/2013 RE: Objections of Unsecured Claims.

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

SV13-14678-AA, (LEAD); SV13-14697-AA, SV13-14692-AA. SV13-14604-AA, SV13-14695-AA, Chapter 11, Filed 07/15/13, Assets \$10-\$50 million and Liabilities \$10-\$50 million. Order Granting Motion for Joint Administration, entered on 7/18/13. 341(a) Mtg. 8/20/13 @ 2:00 PM. Order Granting in part, Denying in part debtor's emergency motion without a hrg to extend time to 1) file lists, schedules, statements and other required documents & 2) submit creditor matrix to 8/16/13, entered 7/26/13. Status conference set for 9/11/13 @ 10:00 AM.

### A & S Booksellers, Inc.

SV-12-10392-VK, Chapter 11, Filed 01/13/12, Assets \$0.01- 0.05 million and Liabilities \$1 - \$10 million. No updates.

### 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. Hearing set for 9/17/13 re first interim application of Stutman, Treister & Glatt, P.C. for compensation and allowance of professional fees and costs (3/4/13 - 6/30/13)

### Bethal Healthcare Inc.

SV-13-12220-GM, Chapter 11, Filed 04/01/13, Assets \$1-10 million and Liabilities \$1-10 million. Schedules filed on 5/15/13. Proof of Claim bar date set 8/26/13. Motion for Relief from Auto. Stay filed 8/6/13 (#156).

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

SV-12-21028-VK, Chapter 11, Filed 12/26/12, Assets and Liabilities unknown. No updates.

### 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 the eligibility of the chapter 9 voluntary petition continued to 8/28/13. Motion for summary judgement on eligibility scheduled for 8/28/13. Notice of Lodgment of Order filed 8/12/13, effective with entry of order, the Honorable Gregg W. Zive will be appointed as mediator. Mediator shall assist the City and its creditors with matters related to the development and confirmation of a chapter 9 plan of adjustment.

### 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. Proof of claim deadline set for September 13, 2013. Objections to claims must be filed and served by November 30, 2013. Chapter 11 status conference scheduled for October 3, 2013.

### Gamma Medica-Ideas (USA), Inc.

SV-12-17469-VK, Chapter 11, Filed 08/20/2012. Assets \$1-10 million and Liabilities \$10-50 million. Order Granting Application to Employ David Johnson, Sherwood Partners LLC as Financial Consultant for the purpose of preparing monthly operating reports & providing related services to the Ch. 11 Trustee, entered 8/8/13.

### Halsey M. Minor

LA-13-23787-TD, Chapter 7, Filed 05/24/13, Assets \$50-100 million and Liabilities \$50-100 million. Order entered on 8/15/13 granting chapter 7 trustee's motion for order extending time in which to file complaint objecting to debtor's discharge pursuant to 11 U.S.C. § 727

### Hamlet Group Inc.

SV-13-12398-MT, Chapter 11, Filed 04/05/2013, Assets \$500,001-\$1 million and Liabilities \$1-\$10 million. Order Granting Application to Employ Broadway Advisors as Investment Banker, entered 7/1/13. Order Granting Motion for Relief from Stay Unlawful Detainer, entered on 8/7/13

### Internet Specialties West, Inc. a CA Corp.

SV-12-20897-GM, Chapter 11, Filed 12/18/12, Assets \$13 million and Liabilities \$5 million. Amended Ch.11 Plan & Disclosure Statement filed 7/29/13. Order Granting Application of Internet Specialties to Employ Baker & Hostetler LLP as General BK Counsel, entered 8/5/13. Order Granting Application to expand Employment of Glassratner Advisory & Capital Group LLC, entered on 8/9/13.

### Nesbitt Portland Property, LLC; Nesbitt Bellevue Property, LLC; Nesbitt El Paso Property, LP; Nesbitt Denver Property, LLC; Nesbitt Lynnwood Property, LLC; Nesbitt Colorado Springs Property, LLC; Nesbitt Livonia Property, LLC; Nesbitt Blue Ash Property, LLC

ND-12-12883-RR; ND-12-12884-RR; ND-12-12888-RR; ND-12-12889-RR; ND-12-12890-RR; ND-12-12891-RR; ND-12-12894-RR; ND-12-12895-RR, Chapter 11, Filed 07/31/12, Assets \$10-50 million and Liabilities \$100-500 million. Amended Disclosure Statement and Plan filed 7/29/13. Order approving Disclosure Statement on 7/31/13. Confirmation hearing scheduled on 9/27/13.

### Point Center Financial Inc.

SA-13--11495-TA, Chapter 11, Filed 1/19/2013, Assets \$10- \$50 million and Liabilities \$50-100 million. Order entered 8/13/2013, approving the Appointment of Howard B. Grobstein as Chapter 11 Trustee.

### Raymond P. Boucher

SV-12-10052-MT, Chapter 11, Filed 01/03/12, Assets \$5.26 million and Liabilities \$5.51 million. No updates.

### Taicom Securities Co., Ltd

SA-12-20383-CB, Chapter 15, Filed 08/31/12, Assets \$1-10 million and Liabilities \$10-50 million. Status hearing to be held on 9/18/13 at 11:00 a.m. in courtroom 1475.

### The Grande Holdings Limited

LA-11-41459-BB, Chapter 15, Filed 7/22/11, Assets between Over \$100,000 and Liabilities over \$100. Status report filed by debtor on 8/7/13.

### The Village at Nipomo, LLC

SV-13-13593-AA, Chapter 11, Filed 05/28/13, Assets \$12 million and Liabilities \$10 million. Order Denying Motion (#28) for Relief from Stay/Relief from Turnover - Real Property Custodian entered 7/10/13.

### West Covina Motors, Inc.

LA-12-52197-ER, Chapter 11, Filed 12/28/12, Assets \$10- \$50 million and Liabilities \$10-50 million. Order entered on 8/6/13 approving stipulation between David A. Gill, chapter 7 trustee for the estate of West Covina Motors, Inc. and Corepointe Capital Finance, LLC re: continuance of the hearing on trustee's motion for order approving stipulation between trustee and the county of Los Angeles re: county's payment for debtor's modification of two vehicles.

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