



COURT NEWS



Chief Judge Vincent P. Zurzolo

2008

Jon D. Ceretto, Executive Officer/Clerk

SECTION 362 LUNCH AND LEARN SESSION HELD



Chief Judge Vincent P. Zurzolo



Jeff Cozad, Law Clerk

On June 16, 2008, Hon. Vincent P. Zurzolo hosted a "Brown Bag Lunch and Learn" session on the topic of "How to Get Section 362 Orders Entered and Served Correctly and Quickly." More than 80 members of the bar and public attended. The presentation focused on orders regarding Section 362 motions while also addressing generally applicable issues of notice, service, and acceptance of electronic signatures on stipulations and proofs of service. A handout of guidelines was distributed which included a revised "Proof of Service" and "Service List for Entered Order."

Judge Zurzolo reviewed current practices that require re-evaluation due to the ability to electronically deliver documents. He discussed how these decades-long habits cost unnecessary labor and expense for court and law firm staff. Judge Zurzolo discussed that Federal Rules of Bankruptcy Procedure ("FRBP") limit the court's duty to deliver entered orders and limit requests for special notice. He also discussed how the FRBP, Local Bankruptcy Rules ("LBR") and controlling General Orders allow for additional persons or entities to be served with an entered order without placing the burden on the court to process extra copies and stuff envelopes.

Jeff Cozad, one of Judge Zurzolo's law clerks, reviewed details of the handouts. This included an explanation of the three service categories and a demonstration of how to search a bankruptcy case or adversary proceeding docket to determine who receives electronic service of orders from the court. A procedure was discussed for Section 362 motions resolved by stipulation, so that signatures on the Adequate Protection pages can first be filed, followed by electronic lodging of the order via Lodged Order Upload ("LOU").

Special emphasis was made of the following:

- 1) The U.S. Trustee receives electronic service from the court of all orders;
- 2) Case trustees receive electronic service from the court of all orders in bankruptcy cases, and the court is considering extending this to orders in adversary proceedings;

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ENHANCEMENTS TO L.O.U.

Use of the Court's electronic Lodged Order Upload (L.O.U.) program continues to increase. Since its inception in November 2007, more than 10,500 orders have been electronically lodged. In May, nearly two-thirds of eligible orders were electronically lodged through L.O.U. Each of the district's 21 Judges has received several orders through L.O.U. from more than 700 different attorneys.

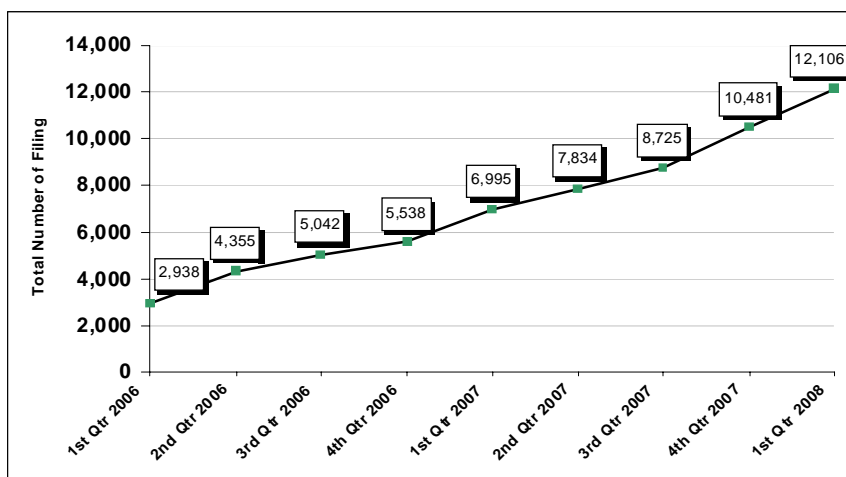
In ongoing efforts to enhance L.O.U. and to encourage increase usage on June 1, 2008, the Court enhanced L.O.U. to allow for the submission of additional order types. The selection list previously available during the relating process was restricted to a limited number of motions/application types. Users of L.O.U. can now upload orders and relate them to the following additional events:

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BANKRUPTCY FILINGS IN THE CENTRAL DISTRICT CONTINUE TO LEAD THE NATION

The Central District of California led the nation for the second consecutive quarter with 12,106 total bankruptcy cases filed during the first quarter of calendar year 2008. The number of filings increased by 73% over the 6,995 cases filed during the first quarter of 2007.

Since the first quarter of 2006, the first full quarter following the enactment of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BAPCPA), cases filed district-wide have grown 312%, while averaging a 19.9% quarterly increase.



Overall, the Central District led the nation with 39,137 filings for the 12-month period ending March 31, 2008. This represented a 79% increase over the 21,869 cases filed over the same period in 2007, and outpaced the national average by 43%. The Central District is projecting in excess of 60,000 filings in 2008, equivalent to the number of filings in 2004, the last year prior to BAPCPA.

CM/ECF TIPS!

Incomplete Petitions: When opening an Incomplete Petition you **cannot** use the Case Upload feature that may be available through your software. You must use the conventional method to open an incomplete case and change the default for Deficiencies to "Y" (for Yes) in order to be prompted to identify the missing documents. Failure to properly open the incomplete case may cause a delay in receiving your deficiency notice.

Debtor's Certification of Completion of Post-petition Instructional course Concerning Personal Financial Management (Official Form 23): ECF users are using the incorrect event code to file Official Form 23. Please use the event code "Financial Management Course" to file this document. If the incorrect event code is used, the case might not be discharged timely and you may be required to re-file.

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ENHANCEMENTS TO L.O.U.

- Complaints
- Reaffirmation Agreement
- Objection to Claim
- Order to Show Cause
- Scheduling Order
- Chapter 11 Plan
- Amended Chapter 11 Plan
- Chapter 11 Plan - Small Business
- Amended Chapter 11 Plan -Small Business
- Chapter 13 Plan
- Amended Chapter 13 Plan

For additional information, please see the CM/ECF homepage within the Court's website under Electronic Systems and Status > CM/ECF home page. If you have any questions, comments, or suggestions relating to electronically uploaded orders, please contact the ECF Help Desk at (213) 894-2365 or ECF_Support@cacb.uscourts.gov.

ORANGE COUNTY BANKRUPTCY FORUM HOSTS AN EVENING WITH SANTA ANA JUDGES

The Orange County Bankruptcy Forum hosted a dinner and discussion in Irvine on June 24, 2008. Serving as panelists were Judges Theodor C. Albert, Robert N. Kwan, Erithe A. Smith. The main topic for the night was "Avoiding Trial by Error: Considerations in Preparing for and Going to Trial." Each Judge covered how to avoid common pitfalls in preparing for and going to trial, practice pointers, judicial perspectives on what's effective and what's not, and critical mistakes that are commonly made.

The Orange County Bankruptcy Forum is a non-profit organization of bankruptcy judges, attorneys, and other insolvency professionals dedicated to improving bankruptcy law practice in Orange County (Santa Ana Division of the Central District of California). For more information, please contact the Orange County Bankruptcy Forum at (949) 681-8676 or info@ocbf.org.

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SECTION 362 LUNCH AND LEARN SESSION HELD

- 3) The debtor (and debtor's attorney) receive Section 362 orders from the court via the Bankruptcy Noticing Center ("BNC");
- 4) No envelopes or copies for mailing are needed for Section 362 orders, regardless of whether the proposed order is lodged via LOU or at the intake window;
- 5) Requests for special notice are limited, and do not include copies of entered orders;
- 6) "/s/ followed by name" is not acceptable for multiple attorneys on one document; and
- 7) The CM/ECF Administrative Procedures have been updated to specify that "/s/ followed by name" of law firm staff is acceptable on proofs of service.

An updated copy of Judge Zurzolos' guidelines can be accessed from the court's website by clicking on Information > Judges' Procedures/Information > Zurzolo, V. > Forms/Instructions/Procedures/Self-Calendaring > Instructions/Procedures > How to Get Section 362 Orders Entered and Served Correctly and Quickly. Downloadable MS Word versions of the sample Proof of Service and Service List for Entered Order are located on the same page under "Forms."

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.

Jon D. Ceretto
Executive Officer/Clerk

Michael E. Rotberg
Chief Deputy - Operations

Suggestions and comments are always welcome.

Please call (213) 894-1296 or e-mail us at <John_Kohler@cacb.uscourts.gov>.

UPCOMING REVISED LOCAL BANKRUPTCY RULES FOR PUBLIC COMMENT

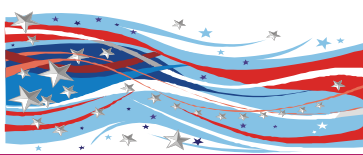
A major overhaul to the Court's Local Bankruptcy Rules is coming in 2009. The new rules will be made available for a 30 day public comment period within the next few months. At that time, a draft of the revised Local Bankruptcy Rules will be posted on the Court's web site, and a Public Notice advising of the comment period will be issued. Stay tuned for additional details.



COURT CLOSED



Friday, July 4th
In observance
of
Independence
Day



FILING STATISTICS

	2008 Estimated Jan-Jun	2007 Actual Jan - Jun	Percentage Change
Central District of California			
Chapter 7	21,025	11,281	86.4%
Chapter 11	263	141	86.5%
Chapter 13	6,535	3409	91.7%
Total ¹	27,823	14,831	87.6%
	12 Month Period Ending 3/31/08	12 Month Period Ending 03/31/07	Percentage Change
Nationally			
Chapter 7	560,015	413,294	26.20%
Chapter 11	6,971	5,199	25.42%
Chapter 13	334,551	276,649	17.31%
Total ¹	901,537	695,142	22.89%

1 - Excludes Chapter 9, Chapter 12, Chapter 15, and Section 304 filings.

20 Largest and Other Cases of Interest Filed in the Last 24 Months*

Debtor Name	Case Number	Date Filed	Chapter	Asset Level in Millions	Liability Level in Millions	Milestone Reported in May-Jun Issue
Thorpe Insulation Company	LA07-19271-BB	10/15/2007	11	Over \$100	Over \$100	Order entered on 6/19/08 granting shortening time on motion to strike certain evident submitted by Appellant as beyond the scope of remand.
Brotman Medical Center	LA07-19705BB	10/25/2007	11	\$1 to \$100	\$1 to \$100	Debtor's reply to opposition of Fonda & Fraser, LLC to debtor's second motion to order pursuant to bankruptcy code section 1121(d) extending the exclusivity period in which only the debtor may file a chapter 11 plan and soliciting acceptances thereto filed on 6/18/2008.
Solidus Networks, Inc., dba Pay by Touch	LA 07-20027 TD	10/31/2007	11	unknown	unknown	Order entered on 6/17/08 approving the stipulation with BP WCTC Investors, LLC extending the time to assume or reject unexpired lease relating to property in Tucson, Arizona.
Axiom International Inc.	LA08-10277 BB	1/8/2008	7	\$100 - 500	\$100 - 500	Notice of hearing of relief from stay motion filed by 3rd party defendant American Film Capital LLC on 6/17/08 for hearing on 7/8/08 @ 10:00 a.m.
eStyle, Inc.	LA08-13518 SB	3/19/2008	11	\$1 - 10	\$1 - 10	Motion for order authorizing and approving (1) the sale of the assets of eStyle, Inc. free and clear of lien and (2) the assumption and assignment of unexpired nonresidential real property leases and executory contracts in connection therewith hearing on 7/8/08 @ 2:00 p.m.
Alert Cellular, LC	ND-07-10918-RR	7/3/2007	11	\$1-100	\$1-100	Hearing re: motion for approval of Ch. 11 disclosure statement continued to 10/20/08.
Los Osos Community Services District	ND-06-10548-RR	8/25/2006	9	\$1-10	Less than \$1	AP06-1098 status conference re: removed complaint continued to 12/9/08.
Valley Health Systems, Inc.	RS-07-18293-PC	12/13/2007	9	\$100	\$100	Hearing on motion to set last day to file proofs of claim set for 6/24/08. Order authorizing debtor to assume an executory contract with Health Net Inc. entered 6/18/08.
National R V Holdings, Inc	RS-07-17941-PC	11/30/2007	11	1 - 100	1 - 100	Hearing on debtor's motion to extend exclusive periods in which the debtors may file a chapter 11 plan set for 6/26/08.
Great Circle Family Foods, LLC, DBA: Krispy Kreme Doughnuts	SA-07-12600-ES (LEAD of 6)	8/22/2007	11	\$1-100	\$1-100	Order Granting Further Extending Debtors' Plan Exclusivity Periods Except with Respect to The Official Committee of Creditors Holding Unsecured Claims (Related Doc # 130 Signed on 4/21/2008. The Debtors' Exclusive Periods to File Plans and Obtain Acceptances thereof are Further Extended for a Period of 90 Days, to and including, 6/17/2008 and 8/18/2008, Respectively. (Entered: 04/21/2008)
People's Choice Home Loan, Inc., a Wyoming corporation	SA-07-10765-RK (LEAD of 3)	3/7/2007	11	Over \$100	Over \$100	Motion for approval of chapter 11 disclosure statement /Motion for Order: (1) Approving Debtors' Disclosure Statement, (2) Fixing Various Deadlines Relating to Plan Confirmation; (3) Approving Form of Ballot, Solicitation Letter, and Notice, (4) Authorizing Manner of Service Filed by Debtor People's Choice Home Loan, Inc. (Duberg, Jeffrey) on 3/14/08. -Hearing continued to 4/22/08.
Real Estate Partners, Inc. DBA: Coldwell Banker Commercial REP	SA-07-13239-TA (LEAD of 8)	10/8/2007	11	\$1 - 100	\$1 - 100	Order Granting Motion to Extend Exclusivity Period to August 5, 2008 for Filing a Chapter 11 Plan and to Solicit Acceptances (Related Doc # 144-Signed on 4/8/2008 (Entered: 04/08/2008)
Fremont General Corporation	8:08-13421-ES	6/18/2008	11	Over \$100	Over \$100	Order approving Motion of Debtor and Debtor in Possession Fixing Procedures for Providing Certain Notices and Authorizing Debtor to Retain and Compensate Kurtzman Carson Consultants LLC as Noticing Agent/Claims was entered on 6/19/2008. Order Setting Hearing on Status of Chapter 11 Case for 8/14/2008 at 10:30am; and Requiring Report on Status of Chapter 11 Case was entered on 6/20/2008.
Ownt Mortgage Solutions Inc	SV-06-12579-KT	12/28/2006	11	\$698.0	\$819	41 Motions for Relief filed during this period & assigned hearings. 119 Notice of Proposed Settlement Stipulation between the Ownt Liquidating Trust and various creditors. Order approving sale of certain mortgage loans of the Ownt Liquidating Truste on 5/20/08.
Ronco Corporation	SV-07-12000-GM (LEAD of 2)	6/14/2007	11	Unknown	Unknown	36 adversaries filed during this period. Order granting application to employ Ives, Kirwan & Dibble as special litigation counsel Nunc Pro Tunc to 8/20/07.
Specialty International Inc.	SV-07-12715-KT	8/2/2007	11	Unknown	Unknown	Order extending exclusive periods to file a plan & obtain acceptances as to all parties in interest, except the Creditor's Committee, to 8/27/08.
California TD Investments LLC	SV-07-13003-GM (LEAD of 3)	8/21/2007	11	\$13.0	\$117	Substitution of debtor's attorney to David M Poitras.
Quality Home Loans	SV-07-13006-GM	8/21/2007	11	\$130.0	\$177	3 Motions for Relief From Automatic Stay granted during this reporting period. Two adversaries filed during this reporting period.
AREI Newhall 10 LLC	SV07-15156-MT (Lead of 17 Jointly Administered cases)	12/25/2007	11	Under \$1	\$24	Plan & Disclosure Statement filed on 5/8/08. Order setting due date for Proofs of Claim for 7/7/08. Order granting Motion for Relief for General Electric Capital Corp. Motion for Relief from Automatic stay hearing set for 6/24/08 @ 03:00 PM.
Care Level Management	SV08-12913-MT (Lead of 17 jointly administered cases)	5/7/2008	11	\$4	\$11	341(a) Mtg 07/1/08 @ 9:00AM. Motion for Relief from Stay Hrg. on 7/17/08 @ 9:30 AM.

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