



UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

SEPTEMBER - OCTOBER

COURT NEWS

Chief Judge Barry Russell

2006

Jon D. Ceretto, Executive Officer/Clerk

CHIEF DEPUTY VACANCY AVAILABLE

On July 26 the Court bid an emotional farewell to one of our Chief Deputies, Kathleen J. Campbell. A slide show memorializing Kathy's career at the Court was presented to a packed room of friends and colleagues including Judge Russell and Judge Bluebond.

The Court is in the process of recruiting a new Chief Deputy Clerk. The Chief Deputy Clerk is an executive level management position which reports directly to the Executive Officer/Clerk. The Clerk's Office is organized into two functional areas, Operations and Administration; each of these areas is overseen by a Chief Deputy. The successful candidate will be responsible for either Administration or Operations. Candidates highly qualified in one or both of these areas are encouraged to apply. You may view the complete announcement detailing this opportunity on the Court's website (www.cacb.uscourts.gov) under [Information -> Employment Opportunities](#).



LOS OSOS COMMUNITY SERVICES DISTRICT FILES FOR CHAPTER 9 PROTECTION

The Los Osos Community Services District in San Luis Obispo County filed for bankruptcy protection on August 25, 2006 in the Northern Division. The case was assigned to Judge Robin L. Riblet by Chief Circuit Judge Mary M. Schroeder, and given case number ND 06-10548. The debtor was constructing a new sewer system; however, the project was halted. As a result, the debtor was facing several lawsuits.

With approximately \$1 million in estimated assets and more than \$40 million in estimated debts, this is the largest municipal insolvency in the district since that of Orange County in the mid-1990's. The three largest unsecured claims are \$287,000 in legal fees owed to Stephen R. Onstot of Burke Williams and Sorensen LP, a \$212,000 settlement owed to Citizens Affordable Safe Environment, and nearly \$117,000 owed to Ripley Pacific Company for engineering services. The Los Osos Community Services District is being represented by Jay L. Michaelson of Michaelson, Susi and Michaelson in Santa Barbara.

NEW ECF SYSTEM BEING PHASED-IN

The Court is in the process of converting to the national Electronic Case Filing system (ECF), which will replace our locally-developed electronic filing system (*eFile*). In order to ensure a smooth transition, we are phasing-in the program. We invited approximately 160 high-filing Chapter 11 attorneys to participate in the initial phase-in, and about half that many have registered. Our first ECF filing from a phase-in attorney, Martin Barash, reached us on August 15.

Attorneys must attend a Court-sponsored training session prior to being given access to ECF, unless they are registered ECF users in other Bankruptcy court districts. There are currently training sessions scheduled through mid-September in all five court locations. Classes will be filled on a first come, first-served basis. If you are interested in attending one of these sessions and participating in the program, you can register on the new ECF website prior to September 1. The Court will not conduct further training until after we convert to CM/ECF version 3.1 (see *New ECF Website launched on page 2*).



NEW ECF WEBSITE LAUNCHED

An ECF website has been developed for use as a permanent resource for new and returning users. The website is accessed through the **Electronic Services** area of the Court's web site. This new web site contains helpful information about electronic filing topics such as a video overview, registration, procedures, training material, a direct link to chamber's procedures, FAQs, and hardware/software requirements.

COURT UPGRADES TO CM/ECF 3.1 IN OCTOBER

The Central District of California Bankruptcy Court is preparing to go live with release 3.1 of CM/ECF on October 10, 2006. There will be several changes in the way information is collected and uploaded which are necessitated by portions of the BAPCPA which are effective October 17, 2006. These changes have been shared with all bankruptcy petition software companies who are expected to issue compatible updates of their software. Attorneys should look for updated petition preparation software and plan to install it on or around October 10.

Some ways in which release 3.1 is different from 3.0: case openings reflect changes made to the petition and schedules regarding types of business, cross-checks have been added to ensure consistency of the data, there is a new field to indicate whether there has been a prior filing within the last 8 years, some fields now have defaults, the nature of suit codes have changed and there are new values, a new Court Information utility will provide some general information for users, the login screen has been changed to emphasize the differences between CM/ECF and PACER logins. Release notes will soon be available at the PACER Service Center website: <http://pacer.psc.uscourts.gov>.

LOS ANGELES/RIVERSIDE DIVISIONS CHAPTER 13 CASE ASSIGNMENTS

New Chapter 13 cases are now being assigned to just four out of the ten judges at the Los Angeles Division: Judges Ahart, E. Carroll, Kaufman, and Zurzolo. All pending chapter 13 cases in Los Angeles will be reassigned to these four judges in the near future. More information about these transfers will be provided in a future Public Notice on the Court's website.

Effective July 25, 2006, all pending Riverside Division chapter 13 bankruptcy cases and related adversary proceedings previously assigned to Bankruptcy Judge Mitchel R. Goldberg were reassigned to Judge P. Carroll and Judge Jury. [Public Notice 06-010](#) provides more details of this reassignment and is available on the Court's website.



MAXIMUM "NO LOOK" FEES FOR CHAPTER 13 ATTORNEYS

Local Bankruptcy Rule 3015-1(u)(1) has been amended to reflect changes in the maximum fee allowable under the *Rights and Responsibilities Agreement Between Chapter 13 Debtors and their Attorneys* ("RARA") and the Guidelines. [Public Notice 06-012](#) provides more details of the amended [General Order \(06-01\)](#) and is available on the Court's website.

Maximum Fee Allowable		
Nature of Chapter 13 Case	Old Fee March 7, 2006	New Fee August 8, 2006
Case in which the debtor is engaged in a business	\$3,500	\$4,500
All other Cases	\$3,000	\$4,000

COURT CLOSED FRIDAY, SEPTEMBER 15, 2006

All Central District of California Bankruptcy Court Divisions will be closed on Friday, September 15, 2006. *eFile* and ECF will be available for all registered users on this date.

Emergency matters (only) for **all divisions** will be handled at the Los Angeles Division Case Initiation Section, located at 300 N. Los Angeles Street, ground floor in Los Angeles on this date. If you wish to make arrangements to file an emergency petition or subsequent filing, please contact (213) 894-8401.

COURT CLOSED

MONDAY, SEPTEMBER 4, 2006:
LABOR DAY



FRIDAY, SEPTEMBER 15, 2006

MONDAY, OCTOBER 9, 2006:
COLUMBUS DAY



FILING STATISTICS

	2006	2005	% Change
Central District of California	ANNUAL ESTIMATE	TOTAL	06 vs 05
Chapter 7	16,262	79,948	-79.7%
Chapter 11	286	268	6.8%
Chapter 13	2,819	4,028	-30.0%
Total *	19,367	84,244	-77.0%

	12-Month Period Ending 6/30/06	12-Month Period Ending 6/30/05	% Change 06 vs 05
Nationally			
Chapter 7	1,164,815	1,196,212	-2.6%
Chapter 11	6,224	6,703	-7.1%
Chapter 13	313,085	433,945	-27.9%
Total *	1,484,570	1,637,254	-9.3%

Central District of California			
Chapter 7	55,067	55,967	-1.6%
Chapter 11	275	281	-2.1%
Chapter 13	3,228	4,230	-23.7%
Total *	58,570	60,478	-3.2%

*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	Last Milestone
American Restaurant Group, Inc. dba Stuart Anderson's Restaurants	LA-04-30732-TD	09/28/04	11	\$33	\$223	Motion for final decree closing case scheduled for 8/30/06 at 10:30 AM.
Queen's Seaport Development, Inc.	LA-05-15175-VZ	03/16/05	11	\$47	\$29	Objection to order denying motion for relief from stay entered 8/23/06.
Tradex LTD	LA-05-20537-ES	05/10/05	Sect 304	Over \$100	Over \$100	Status Report filed on 8/30/06.
WattsHealth Foundation, Inc., dba UHP Healthcare	LA-05-22627-TD	05/31/05	11	\$55	\$45	Status conference re: costs in connection with sale of debtor's lines of business continued to 9/28/06 at 2:00 PM.
APX Holdings, LLC	LA-06-10875-EC	03/16/06	11	Over \$100	Over \$100	Interim fee application of Klee Tuchin Bogdanoff & Stern scheduled for 8/30/06.
Marion Knight, aka Suge Knight	LA-06-11187-EC	04/04/06	11	\$4	\$137	Motion for order extending periods of exclusive right to file plan of reorganization 8/30/06 at 1:30 PM.
Death Row Records, Inc	LA-06-11205-EC	04/04/06	11	Indetermined	\$111	Motion for order extending periods of exclusive right to file plan of reorganization 8/30/06 at 1:30 PM.
Los Osos Community Services District	ND-06-10548-RR	08/25/06	9	\$1-10	Less than \$1	Chapter 9 case filed on 8/25/06.
Rancho Las Flores Development	RS-05-12224-MG	03/11/05	11	\$11	\$8	Hearing on motion to extend timeto file Ch. 11 Plan set for 10/03/06.
GSM Wireless	SA-05-13514-JR	05/19/05	11	\$10-50	\$10-50	Hearing on motion to convert from Ch. 11 to Ch. 7 continued to 9/20/06 at 9:00 AM.
Trigem America Corp.	SA-05-13972-RA	06/03/05	11	Over \$100	Over \$100	Confirmation hearing to be held on 8/30/06 at 10:00 AM.
Trigem Texas Inc.	SA-05-14047-JB	06/08/05	11	Over \$100	Over \$100	Confirmation hearing to be held on 10/25/06 at 10:00 AM.
Window Rock Entertainment, dba Cortislim	SA-05-50048-JR	11/23/05	11	\$18	\$162	Chapter 11 Plan confirmed at hearing held 8/9/06. Awaiting order.
Brett Livingston Strong	SV-05-10137-KT	01/11/05	7	\$184	\$21	Order regarding motion for relief from automatic stay and sale of collateral signed on 6/26/06.
Jill Kelly Productions, Inc.	SV-05-15389-KT	08/08/05	11	\$1-10	\$1-10	Order approving sale of substantially all of the assets of the estate entered on 7/3/06. Status conference continued to 9/19/06 at 10:00 AM.
Persistence Capital, LLC	SV-05-16450-KT	09/13/05	11	\$85	\$29	Order converting case to Ch. 7 entered on 8/14/06.
10000 Millenium Plaza LLC	SV-05-50021-GM	10/26/05	11	\$50-100	\$30	Order Granting motion to extend exclusivity period to and including 9/29/06 entered on 7/27/06. Disclosure Statement filed 8/21/06.
Robert Blake, aka Michael J Gubitosi	SV-06-10125-GM	02/03/06	11	\$0.5	\$50-100	Order Granting application to employ M. Gerald Schwartzbach as special state court litigation and appeallate counsel to debtor entered on 8/4/06.
PureBeauty, Inc.	SV-06-10545-KT	04/18/06	11	\$10-50	\$50	General & Admin. claims bar date is 8/31/06; co-debtor & 501© claims bar date is 10/2/06; and Gov't claims bar date is 10/16/06.
Bodies in Motion, Inc.	SV-06-10931-GM	06/20/06	11	\$10-50	\$50	Motion for Relief from Stay - Hearing to be held on 9/28/06 at 09:30 AM

*based on a combination of Asset and Liabi

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 comments are always welcome.
Please call (213) 894-3778 or e-mail us at <Sidra.Golwala@cacb.uscourts.gov>.