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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.

SHERI BLUEBOND

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Suggestions and comments are always welcome.

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

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CENTRAL DISTRICT BANKRUPTCY FILINGS CONTINUE TO DECLINE; CA(C) LEADS NATION IN *PRO SE* FILINGS

Based on the statistics released by the Administrative Office for the 12-month period ending December 31, 2015, the Central District of California ranked second in total filings (46,523*), trailing the nation's leader, Illinois-Northern (48,161), by 3.4 percent and coming in 36.8 percent higher than the third-ranked court, Georgia-Northern (34,018). For the 12-month period ending December 31, 2014, the Central District's total filings were 11.9 percent greater than those of Illinois-Northern. In 2013, they were 37.2 percent greater.

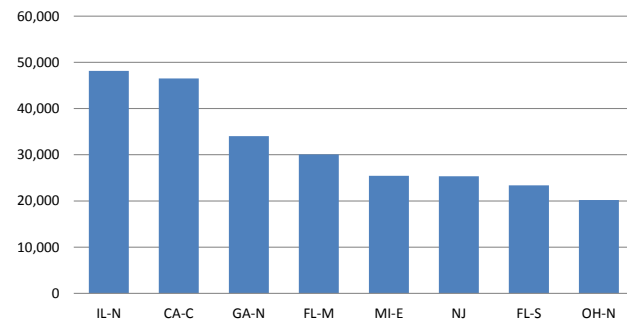
The Central District continues to lead the nation in *pro se* filings, with 11,395 *pro se* petitions filed during the same period. The district's *pro se* filings make up 15.1 percent of the national total, and are 110.94 percent more than those of the second-ranking bankruptcy court, the Middle District of Florida. The Central District had the highest *pro se* filing rate of any bankruptcy court in the nation at 24.5 percent for the 12-month period, nearly triple the national average (8.9 percent). Although total *pro se* filings have decreased, the percentage of *pro se* filings to total filings is 1.1 percent higher in 2015 (24.9 percent) than it was during the same time period in 2014 (23.8 percent).

Overall, the Central District's bankruptcy filings decreased 18.9 percent compared to the 57,356* filings the district received during the same period in 2014. The filings of the top-ranked court, Illinois-Northern, decreased by 6.1 percent from the 51,274 received during that same period. Nationally, bankruptcy filings decreased 9.9 percent from the same period in 2014. Chapter 7 filings have decreased the most at 22.8 percent over the same period in 2014, followed by chapter 11 filings, down 8.4 percent, and chapter 13 filings, down 3.1 percent.

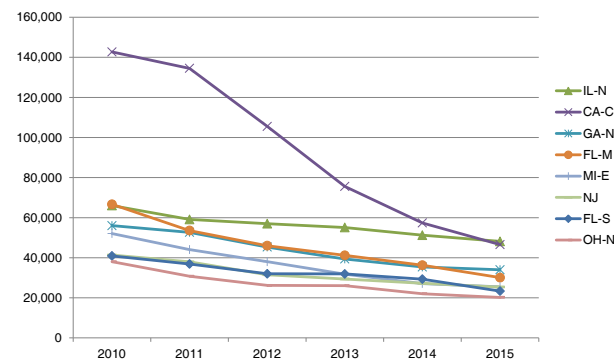
With the exception of calendar years 2006 (17,845) and 2007 (34,046), when the Court was recovering from the implementation of BAPCPA, filings have not been this low since 1985, when the Court took in 36,938 filings. The total is also down 67.4 percent from the 142,726 bankruptcy filings received in 2010, the highest filing year in the Court's history.

*Totals include chapters 9, 12, and 15.

Top Filing Districts
CY 2015



Top Filing Districts
CY 2010 thru 2015





Accessing Court Information by Twitter

The Court has been posting to its Twitter account since 2011, and has sent over 2,700 different tweets to more than 650 followers. The Court posts announcements, Notices of Sale, Public Notices, and other timely information. In March, the Court began tweeting judicial opinions.

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). 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, follow @cacbnews.

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/contact.

NEXTGEN CM/ECF

Over the next several years, federal courts around the nation will be upgrading to Next Generation (NextGen) CM/ECF. The bankruptcy courts currently using the NextGen version of CM/ECF are Oregon, Alaska, New Jersey, and the Southern District of California. NextGen appellate courts are the Second and Ninth Circuit Courts of Appeals. The Central District of California Bankruptcy Court is **not** on NextGen at the present time.

An attorney who practices in a NextGen court will be able to create and use a single username and password to connect to any of the courts currently on NextGen. This feature is known as “Central Sign-On.” Please note that a NextGen username and password will **not** work for the Bankruptcy Court for the Central District of California, or any court that is not live on NextGen.

For the courts that have not yet upgraded to NextGen, including the Bankruptcy Court for the Central District of California, CM/ECF users will continue to use the same login and password that they use today. The Central District of California Bankruptcy Court will notify attorneys and electronic filers well in advance of its migration to NextGen CM/ECF. Answers to frequently asked questions regarding NextGen CM/ECF may be found at www.pacer.gov/nextgen.

JUDGE CLARKSON SPEAKS TO ATTORNEYS ABOUT ETHICS

On January 28, Judge Scott C. Clarkson, along with William N. Lobel, Esq. and Christopher J. Green, Esq. of Lobel Weiland Golden Friedman LLP, presented on “Ethical Issues in Bankruptcy Debtor Representation” at the January Meeting of the Orange County Bar Association, Commercial Law & Bankruptcy Section. The program was held at the Tustin Ranch Golf Club and was attended by over 50 attorneys and law clerks.



Judge Scott C. Clarkson with attorneys Kathleen McCarthy, Christopher Green, and William Lobel

Mr. Green set forth various hypotheticals, and Judge Clarkson and Mr. Lobel drew from their knowledge and experience, identifying ethical duties and obligations that may arise while representing parties in bankruptcy, including corporate debtors and officers, a group of creditors that may need to defend against preference actions, or married individuals. Handouts consisted of case summaries, rules governing professional conduct, statutes, and suggestions procured from Judge Jury's concurrence in *Tedocco v. DeLuca (In re Seare)*, 515 B.R. 599, 624 (B.A.P. 9th Cir. 2014) on avoiding ethical rules violations when counsel limits the scope of representation of a consumer debtor. Judge Clarkson wrapped up the session by encouraging attorneys to explain to their clients the importance of being honest and truthful with the information they provide, and not to fear seeking relief from the Court when clients are being unethical.

Employment Income Form

As of December 1, 2015, the Debtor's Certification of Employment Income Form has a new name. The new form, #F 1002-1.EMP.Income.Dec, is entitled "Declaration by Debtor(s) as to Whether Income was received from an Employer within 60 days of the Petition Date."

How Does An Attorney Become Certified in The Central District?

In order to get a login to file in the Central District, an attorney must register for CM/ECF online and take the online training course. If an attorney is already a registered user in another bankruptcy district, he or she can bypass the training by completing the online registration form and attaching to the form proof of filing (Notice of Electronic Filing) in the other bankruptcy district. For additional information, please review the information on our website, cacb.uscourts.gov, under [CM/ECF Training and Registration](#).

Avoiding Unnecessary Filing Fees When Filing Amended Schedules D, E, or F And An Amended List of Creditors

When filing the amended schedules D, E, or F with an amended List of Creditors, be sure to use the event code "Amendment-Amending Schedules D and/or E/F." You may attach to the schedule a sheet of paper with only the new or modified creditors listed. This sheet represents the creditor matrix. Both documents may be filed using the single fee event code, "Amendment-Amending Schedules D, and/or E/ F."

NextGen Is Coming

With the Next Generation CM/ECF upgrade, the new functionality will allow attorneys to maintain one account across all courts (district, appellate, and bankruptcy) and to sign in using one login and password for all NextGen courts where electronic (ECF) filers have permission to file.

Until the Court migrates to NextGen, ECF filers will still access our CM/ECF database the way they do now. After logging in, there is a pick list of NextGen courts to choose from. As of February 22, the current NextGen bankruptcy courts are Oregon, Alaska, New Jersey, and California Southern. The Ninth Circuit Court of Appeals and the Second Circuit Court of Appeals have also gone live with NextGen.

JUDGES PARTICIPATE IN IEBF'S ASK THE JUDGES NIGHT

On January 19, Judges Meredith A. Jury, Scott C. Clarkson, Mark S. Wallace, Wayne Johnson, Mark D. Houle, and Scott H. Yun served as panelists at the Inland Empire Bankruptcy Forum's Ask the Judges Night program. Held at the Marriott Riverside at the Convention Center, the program also installed the IEBF Board and recognized the Riverside pro bono program and volunteers. Attendees posed questions on topics ranging from cutting-edge legal issues to procedural issues. The program was approved for MCLE credit.

TEN TIPS FOR ATTORNEYS

1. Failure to pay filing fees within 24 hours of electronic filing results in a lockout from filing further documents in the CM/ECF system until the fees are paid.
2. Official Form 423 should be filed only if the financial provider has not already notified the Court of the debtor's completion of the course by filing the certificate.
3. Attorneys can now access the CM/ECF system to update their profile data.
4. A CM/ECF login issued by the District Court will not work in Bankruptcy Court.
5. Using a pop-up blocker will prevent LOU from opening.
6. If refile petition pages, such as Form 101, you must use the event code "Addendum to Voluntary petition."
7. It is against Court procedure for a CM/ECF registered attorney to file a document for an unregistered attorney friend.
8. Using the "Search" key in CM/ECF is a good tool for looking up event codes.
9. The Statement of Social Security form should not be included when filing the petition in CM/ECF.
10. Staple the NEF on the back of the judge's copy.

ATTORNEY TRAINING MODULES

Attorneys, does someone in your office need a refresher on CM/ECF processes such as lodging orders and/or electronically filing various types of documents? Electronic learning modules (ELMs) are available to attorneys and their staff 24/7 free of charge at cacb.uscourts.gov → CM/ECF → CM/ECF Training and Registration → [CM/ECF Online Training Modules](#).

Top 20 Cases of Interest*

Anna's Linens, Inc.

SA-15-13008-TA Chapter 11, Filed 06/14/2015, Assets \$50-100 million and Liabilities \$100-500 million. Monthly operating report #8 filed on 2/16/16 for the month ending 1/31/16.

Brake Madness, Inc.

SV-15-13766-MB, Chapter 11, Filed 11/13/15, Assets \$1-10 million and Liabilities \$1-10 million. Scheduling and case management conference hearing continued to 3/1/16 at 1:30 p.m. Hearing regarding motion to dismiss case for abuse continued to 3/1/16 at 1:30 p.m. Motion to use cash collateral filed on 1/11/16.

Carson Civic Center Property, LLC

SV-15-11573-MT, Chapter 11, Filed 05/04/2015. Assets \$1-10 million and Liabilities \$1-10 million. Status and case management conference hearing continued to 3/10/16 at 9:30 a.m. Motion to dismiss case for bad faith filed on 1/7/16. Hearing continued to 3/10/16 at 10 a.m.

CBA 54, LLC

SV-15-13429-MT, Chapter 11, Filed 10/14/15. Assets \$1-50 million. Status and case management conference hearing advanced from 3/1/16 to 2/24/16 at 2 p.m.

Choa Dayton, LLC

SV-15-13447-MT, Chapter 11, Filed 10/15/15. Assets \$1-10 million and Liabilities \$1-10 million. Status and case management conference hearing continued to 2/24/16 at 2 p.m. Order approving appointment of chapter 11 trustee entered on 2/4/16. Motion of chapter 11 trustee for conversion of case to case under chapter 7 and to exonerate chapter 11 bond filed on 2/5/16. Order granting emergency motion of trustee for immediate abandonment of real property of the estate due to no equity and lack of appropriate insurance entered on 2/11/16. Order terminating further effectiveness of order after status conference compelling receiver Paul Jacob to turn over assets, books, and records to debtor in possession entered on 2/11/16.

DigitalSound Production Services Inc.

SV-15-13952-MB, Chapter 11, Filed 11/30/15. Assets \$1-10 million and Liabilities \$1-10 million. 341(a) meeting to be held on 1/6/16 at 10 a.m. Status conference to be held on 1/5/16 at 1:30 p.m. Order granting emergency motion of debtor for Status conference hearing continued to 3/1/16 at 1:30 p.m. Order authorizing (I) the sale of assets of the debtor free and clear of all claims, liens, rights, interests and encumbrances; (II) the debtor to enter into and perform its obligations under the asset purchase agreement and certain ancillary agreements; (III) the debtor to assume and assign certain executory contracts and unexpired leases; and (IV) granting related relief entered on 12/24/15. Final order regarding debtor's motion for entry of interim and final orders: (A) authorizing the debtor to borrow money secured by property of the estate pursuant to 11 USC 364(c)(1) & (2) and 364(d); (B) authorizing use of cash collateral; (C) granting adequate protection for use of prepetition collateral; and (D) granting related relief entered on 1/11/16.

Donmetz Home LLC,

SV-16-10317-VK, Chapter 11, Filed 02/02/16. Assets \$1-10 million and Liabilities \$1-10 million. 341(a) meeting to be held on 3/10/16 at 9:30 a.m.

Encino Corporate Plaza LP

SV-15-14234-GM, Chapter 11, Filed 12/31/15. Assets \$50-100 million and Liabilities \$10-50 million. Motion to dismiss case for abuse filed by stockholder Howard L. Abselet filed on 1/19/16. Motion to dismiss debtor's case filed by creditor c/o Jess R. Bressi secured creditor Wells Fargo Bank, N.A., as trustee for the certificate holders of the ML-CFC Commercial Mortgage Noteholder 2006-3, Commercial Mortgage Pass-Through Certificates Series 2006-3 filed on 1/19/16. Transfer order to District Court pursuant to District Court General Order 13-05(4) entered on 1/19/16.

Freedom Communications Inc. AKA: Orange County Register

SV-15-15318-MW, Chapter 11, Filed 11/01/15. Assets \$10 million and Liabilities \$10 million. Donlin, Recano & Company, Noticing, Claims and Balloting Agent retained by Debtors and DIP. Claims Bar deadline set for 4/1/16.

Georgina, LLC

SV-16-10140-MB, Chapter 11, Filed 01/18/2016. Assets \$1-10 million and Liabilities \$1-10 million. Status conference hearing to be held on 3/1/16 at 1:30 p.m.

Laurel Canyon MK2 LLC

SV-15-11763-MB, Chapter 11, Filed 05/19/2015. Assets \$1-10 million and Liabilities \$1-10 million. Monthly operating report #8 for the month ending 12/31/2015 filed on 2/1/16.

Local Corporation, a Delaware Corp. DBA Local.com Corporation

SA-15-13153-SC, Chapter 11, Filed 06/23/2015, Assets \$10- 50 million and Liabilities \$1 - \$50 million. Order to Show Cause set for 3/3/2016 at 11 a.m., Courtroom 5C for (1) Why case should not be dismissed or converted and why debtor's counsel should not be fined \$2,500; and (2) vacating and continuing status conference.

MediaShift, Inc. jointly administered with Ad-Vantage Networks, Inc.

LA-15-25024-SK, LA-15-25030-SK, Chapter 11, Filed 09/30/2015, Assets \$10-50 million and Liabilities \$10-50 million. Stipulation was filed on 2/18/16 continuing hearing on committee's objection to notices of setting/increasing insider compensation to 3/17/16 at 8:30 a.m.

Metropolitan Automotive Warehouse, Inc.

RS-16-10105-MJ, Chapter 11, Filed 01/06/2016. Assets \$10-50 million and Liabilities \$10-50 million. Notice of appointment of creditors committee filed 1/21/16. Order limiting notice entered on 2/12/16. Order authorizing joint administration with related chapter 11 case Star Auto Parts, Inc. RS-16-10105-WJ.

Osher and Osher, Inc

SV-16-10069-MT, Chapter 11, Filed 01/11/2016. Assets \$1-10 million and Liabilities \$1-10 million. US Trustee motion to dismiss or convert case with an order directing payment of quarterly fees and for judgment thereon filed on 1/27/16. Motion for order (1) authorizing sale of real property, outside of the ordinary course of business under 11 USC 363(b), and free and clear of any interest under 11 USC 363(f); (2) authorizing payment of undisputed liens, costs of sale, and property taxes; (3) finding that purchaser is a good faith purchaser under 11 USC 363(m); (4) waiving 14-day stay period under FRBP 6004(h) filed on 2/11/16.

Picture Car Warehouse, Inc.

SV-15-13495-MT, Chapter 11, Filed 10/20/2015. Assets \$1-10 million and Liabilities \$1-10 million. Status and case management conference hearing continued to 5/12/16 at 9:30 a.m. Motion for order (i) authorizing modification of terms of credit line with and (ii) confirming security and lien of Bank of the West and (iii) authorizing use of cash collateral on a final basis filed 1/13/16. Motion for order authorizing: (i) sale of personal property of the estate (excess vehicles and spare parts, memorabilia, equipment and miscellaneous office furniture and equipment) free and clear of liens and encumbrances via public auction (live and online bidding) pursuant to 11 USC 363; (ii) employment of Fleet Vehicle Disposal pursuant to 11 USC 327(a); (iii) stipulation between PCW and Harridge Cadillac Group, LLC (landlord) re relief from automatic stay and surrender of premises; (iv) abandonment of unsold personal property and premises following auction (pursuant to 11 USC 544(a)); and (v) waiver of 14 day stay filed on 2/2/16. Order denying motion for protective order filed by 1-15 auctions and prescribing conditions for production of documents filed on 2/10/16.

Stage Coach Venture, LLC

SV-15-13471-VK, Chapter 11, Filed 10/18/15. Assets \$10-50 million and Liabilities \$10-50 million. Status conference to hearing continued to 4/14/16 at 1 p.m. Order setting (1) deadlines concerning chapter 11 plan and disclosure statement and (2) continued status conference entered on 1/20/16. Order setting last day to file proofs of claim entered on 1/21/16.

Star Auto Parts, LLC

RS-16-10105-WJ, Chapter 11, Filed 01/06/2016. Assets \$1-10 million and Liabilities \$1-10 million. Notice of appointment of creditors committee filed 1/21/16. Order limiting notice entered on 2/12/16. Order authorizing joint administration with related chapter 11 case RS-16-10096-WJ.

The Beaumont Group LLC, a California limited liability company. DBA: First Street Storage

SA-15-13344-SC, Chapter 11, Filed 07/01/2015. Assets \$1-10 million and Liabilities \$10-50 million. Status conference and case management conference hearing continued to 6/30/16 at 11 a.m., Courtroom 5C.

Wrightwood Guest Ranch, LLC

RS-15-17799-SC Chapter 11, Filed 08/05/15, Assets \$10-50 million and Liabilities \$1-10 million. Order appointing Chapter 11 Trustee and vacating claims objection deadline of 1/22/16 entered 1/20/2016; Order denying Debtor's First Amended Disclosure Statement entered 1/25/2016.

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