

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.

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PRO SE CLINIC OPENS IN RIVERSIDE DIVISION

On Thursday, December 1, the Court celebrated the opening of the Joint Federal *Pro Se* Clinic in the Riverside Division. Chief Judge Peter H. Carroll, Judges Catherine E. Bauer, Maureen A. Tighe, Scott C. Clarkson, and Wayne Johnson, and Executive Officer/Clerk of Court Kathleen J. Campbell were among the attendees at the grand opening ceremony.

The *Pro Se* Clinic, which opened to the public on November 3, is operated by a non-profit organization, the Public Service Law Corporation (PSLC). The clinic provides assistance to people who are representing themselves in bankruptcy cases and federal civil actions. Through the clinic, PSLC gives free legal aid and advice to qualifying self-represented parties from 10 a.m. to 2 p.m. on Tuesdays and Thursdays. With the opening of the *Pro Se* Clinic in Riverside, the Court now has onsite self-help clinics at all five divisions.

PSLC Program Director Jennifer R. Loflin, Esq., introduced the first speaker, District Court Judge Virginia A. Phillips, as a "tireless advocate for this project." Judge Phillips began the ceremony by extending her heartfelt thanks to all those who had contributed to the establishment of the *Pro Se* Clinic, among them Jennifer Loflin, the PSLC and its board for operating the clinic; the U.S. Bankruptcy Court for donating the space for the clinic; and attorneys for staffing the clinic and helping to support it with their

Attorney Admissions Fund fees. Judge Phillips emphasized the role the clinic plays in extending the protection of equal justice to those who cannot afford an attorney. She concluded with a quotation from the list of essential principles of the federal government that Thomas Jefferson enumerated in his First Inaugural Address, first among them "Equal and exact justice to all men, of whatever state or persuasion, religious or political."

Chief Judge Carroll spoke of the Inland Empire's great need for such a clinic, given Riverside's high volume of filings, a large percentage of which are filed *pro se*. Of the Riverside Division's more than 43,000 bankruptcy filings during the 12-month period ending in September, Judge Carroll said, 29 percent were filed by self-represented debtors. He thanked the PSLC and the Federal Bar Association, the organizations that operate and staff the clinic; Judges Phillips, David T. Bristow and Bauer, who have all worked to make the clinic a reality; the Central District's Attorney Admissions Fund, whose grant allowed the clinic to hire staff attorney Katherine Hardy and paralegal Michelle Lara; and the attorneys who volunteer to give self-represented parties advice and representation.

Judge Bauer compared Bankruptcy Court to a hospital in which self-represented debtors are like patients who



Chief Judge Peter H. Carroll

are expected to operate on themselves. Debtors who file for bankruptcy without legal advice sometimes file chapter 7 in order to keep their houses, Judge Bauer said, when they should have filed chapter 13; by the time they realize their mistake, it is too late. Judge Bauer said that there is already "less angst in the courtroom" because self-represented debtors have some legal guidance. She thanked Judge Tighe, who started the Self-Help Desk at the San Fernando Valley Division and advocates for *pro se* programs throughout the district.

Judge Tighe told the story of a foreclosure fraud case that had opened her eyes to the poverty in the Inland Empire and the ways that desperate people can be victimized. Debtors who don't believe they can afford any legal counsel often fall prey to the scams of unlicensed document-preparers, Judge Tighe said, so there is a need for basic legal advice. She told the audience that once the clinic was established, no one would want to give it

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For more information,
visit our web site at www.cacb.uscourts.gov.

COURT CLOSED

Monday, January 2, 2012
New Year's Holiday Observed

Monday, January 16, 2012
Martin Luther King Day

Monday, February 20, 2012
Presidents' Day

MOBILE JUDICIAL CALENDAR WITH TENTATIVE RULINGS AND MOBILE PACER CASE LOCATOR LAUNCHED

Attorneys practicing in the Central District have two new tools for mobile devices at their disposal. The Mobile Judicial Calendar with Tentative Rulings allows attorneys to view judges' calendars and tentative rulings on mobile devices such as iPhones, iPads, and Blackberries. The website for the Mobile Judicial Calendar is ecf-ciao.cacb.uscourts.gov/mtr. Click on the **Select Judge** button and choose a judge's name from the list to see his or her calendar. If your mobile device has a PDF reader, you can save tentative rulings to view or print later.

To use the Mobile PACER Case Locator, supported by Apple devices and version 2.2 or higher Androids, visit pcl.uscourts.gov/searchmobile. The PACER Case Locator allows users to search for court records in all bankruptcy, district, and appellate courts.

PRO SE CLINIC OPENS IN RIVERSIDE DIVISION (cont.)

up, and that judges and lawyers for debtors and creditors alike recognize the importance of the clinic and its work.

Dennis E. Wagner, Esq., President of the Inland Empire Chapter of the Federal Bar Association, pledged to volunteer at the *Pro Se* Clinic and to help keep it staffed with lawyers from the FBA. He also announced that the FBA expects to help support the clinic with a grant of its own. Concluding the program, Jennifer Loflin thanked Public Counsel Law

Center, whose Self-Help Desk in Los Angeles is the model for the Riverside clinic, as well as Clerk of Court Kathleen J. Campbell and District Coordinator of *Pro Se* Resources Robin Beacham, all those named above, and many others. Of the 124 cases the clinic has assisted with since opening last month, Loflin said, 100 were bankruptcy cases: 84 chapter 7 filings, and 16 chapter 13 filings. After the speakers finished, attendees moved to the *Pro Se* Clinic to enjoy refreshments and conversation.

The Public Service Law Corporation (PSLC) is a non-profit law firm operated by the Riverside County Bar Association that provides *pro bono* legal services in civil cases. Through PSLC, volunteer attorneys from Riverside County give legal advice at Inland Empire self-help clinics, and, in some cases, provide litigants with direct representation. For more information on PSLC, visit its website at <http://riversidecountybar.com/public-service>.

JUDGES ZURZOLO AND DONOVAN HONORED AT CALVIN ASHLAND AWARDS DINNER

The Central District Consumer Bankruptcy Attorney Association (CDCBAA) honored two of the district's judges at the annual Calvin Ashland Awards Dinner. In the ceremony, held on November 3 at the Marriott Grand Ballroom in downtown Los Angeles, Judge Vincent P. Zurzolo received the Calvin K. Ashland Award, and the CDCBAA unveiled a new award named for Judge Thomas B. Donovan.

Following Judge Erithe A. Smith's introduction, Judge Zurzolo received a standing ovation as he accepted the last award of the evening. Judges Sandra R. Klein, Scott C. Clarkson, Robert Kwan, and Ernest M. Robles attended the ceremony, as did Executive Officer/Clerk of Court Kathleen J. Campbell. Also in the audience were Judge Zurzolo's wife, Dana and son, Ian; the judge's Law Clerks, Jeff Cozad, Judy Villa and Kate Vo; and Judge Zurzolo's Courtroom



From Left: Keith Higginbotham,
Judge Vincent P. Zurzolo

Deputy Tina Johnson, and her husband, Duane.

Judge Ashland, chief judge of the Bankruptcy Court for the Central District from 1991 to 1996, was "known for his fairness and efficiency," according to his obituary in the *Los Angeles Times*. Each year, CDCBAA presents the Calvin K. Ashland Award to a judge, trustee, or attorney who exemplifies "compassion, understanding, and concern for consumers and individuals."

CDCBAA also honored Judge Donovan with a new award named after the judge. Introducing the new award, attorney, bankruptcy expert, and former CDCBAA president James T. King told the guests that Judge Donovan is "well-known in our bankruptcy community for his love of the law, for his compassion and understanding of the litigants before him, and for his fair and reasoned rulings." The Judge Thomas B. Donovan Award honors an attorney or judge in the bankruptcy field "who has exemplified excellence in writing or advocacy, service to the Court or service to the Bar." Judge Donovan assisted Mr. King in presenting the first Judge Thomas B. Donovan Award to attorney Nancy Clark of Borowitz & Clark, LLP. Ms. Clark is the Chair of CDCBAA's Amicus Committee. Mr. King praised Ms. Clark's "zealous advocacy in the creation and protection of the Chapter 13 Addendum."

JUDGES BAUER AND CLARKSON PARTICIPATE IN EIGHTH ANNUAL BANKRUPTCY ETHICS SYMPOSIUM

On December 9, Judges Catherine E. Bauer and Scott C. Clarkson spoke at the Eighth Annual Bankruptcy Ethics Symposium in the U.S. Trustee 341(a) meeting room in downtown Los Angeles. At the yearly symposium, held by the Bankruptcy Law Section

and the Los Angeles Chapter of the Federal Bar Association, judges, attorneys, and academics gather to discuss ethical issues that arise in bankruptcy cases. Judges Bauer and Clarkson presented the talk "Attorney Ethics in the Courtroom: A Judicial

Perspective." The judges' presentation advised attorneys on standards of conduct in the courtroom and on appropriate and inappropriate behavior in interactions with the judge and opposing counsel.

PUBLIC COUNSEL TRAINS VOLUNTEER ATTORNEYS

On December 8 in the Los Angeles Division, Public Counsel offered Bankruptcy Basics MCLE, a training session for volunteer attorneys who have offered to assist self-represented debtors. Co-sponsored by CDCBAA, the session's panel discussion brought together seasoned experts in bankruptcy law. The panelists were Everett Green, a trial attorney in the Department of Justice who is currently with the Office of the U.S. Trustee in Riverside; Erik Clark, Managing Partner at Borowitz & Clark, LLP,

who has represented thousands of clients in bankruptcy cases and teaches the Consumer Bankruptcy Practicum at Loyola Law School; and James T. King, founder of King & Associates law firm, who is a lawyer with over 30 years' experience in consumer bankruptcy, certified as a specialist in the field by the State Bar, and the former president of CDCBAA. Magdalena Reyes Bordeaux, Senior Staff Attorney at Public Counsel, moderated the discussion.

During the first portion of the

session, the panelists gave practical advice about what questions to ask in the initial interview with a client, common mistakes that lawyers make in bankruptcy cases, and staying on top of changes in bankruptcy law. The panel also discussed preparing and filing a chapter 7 petition, preparing for a 341(a) hearing, and steps to take after the 341(a). After a break with refreshments provided by Abacus Credit Counseling, the panelists walked attendees through a chapter 7 petition, page by page.

PRO SE PATHFINDER PROJECT

The U.S. Bankruptcy Court for the Central District of California is one of three bankruptcy courts in the nation involved in piloting a new e-file module for self-represented (*pro se*) debtors. The Administrative Office of the U.S. Courts' *Pro Se* Pathfinder Project is developing a web-based application to allow self-represented debtors to prepare and submit a bankruptcy petition electronically. Bankruptcy courts in the Districts of New Jersey, New Mexico and California Central are piloting the program.

Self-represented debtors are a growing population served by the Court, and the Central District continues to lead the nation in *pro se* filings (see graphs below). As of September 2011, nearly

31 percent of all filings by self-represented debtors in the nation were filed in the Central District of California; bankruptcy filings in the Central District account for nearly 10 percent of the nation's total filings. The Pathfinder Project pilot will allow debtors to prepare and submit voluntary chapter 7 and chapter 13 petition packages electronically, using the Pathfinder's web-based application. According to the team developing the module, it will:

- Assist self-represented debtors in preparing the documents required at case opening
- Increase accessibility for debtors located far from a courthouse

- Reduce the time required to process *pro se* bankruptcy filings
- Encourage debtors to hire attorneys
- Increase the quality of the data collected

The Court will be partnering with the divisions' self-help clinics to coordinate the e-file module with existing *pro bono* resources. The application will complement the Central District's ongoing legal aid programs for self-represented debtors.

The e-file module is scheduled for testing by the three pilot courts, and is expected to be available to the public in 2012.

THIRTEENTH ANNUAL LUNCHEON HONORS MEDIATORS

On November 4, the U.S. Bankruptcy and District Courts for the Central District of California co-hosted the Thirteenth Annual Appreciation Luncheon to honor Bankruptcy Court mediators and District Court settlement officers for 2010-2011. In attendance were Chief District Court Judge Audrey B. Collins, District Court Judge Philip S. Gutierrez (Chair, Civil Justice Report Act and Alternative Dispute Resolution Committee), Bankruptcy Judge Barry Russell (Mediation Program Administrator), and Bankruptcy Judges Alan M. Ahart, Catherine Bauer, Julia W. Brand, and Scott

C. Clarkson, as well as a number of District Court and Magistrate Judges and Clerk of Court Kathleen J. Campbell.

Judge Russell recognized the outstanding achievements of a number of the Court's mediators for their service on the panel this year, including William M. Burd, Richard L. Barnett, Vincent M. Coscino, Richard W. Esterkin, David Gould, and Benjamin S. Seigel. He also noted that the ADR Program will enter its 17th year in 2012, that it remains the largest and most robust bankruptcy mediation program in the nation, and that



From Left: Judge Scott C. Clarkson, Judge Barry Russell

the number of matters assigned to mediation increased 82 percent over the same time period in 2010. If you are interested in becoming a volunteer mediator, please visit the Court's website. Go to **Home page -> Information -> Mediation Program** for more information.

JUDGE TIGHE MODERATES PANEL AT WHITE COLLAR CRIME AND BUSINESS BANKRUPTCY CONFERENCE

On November 4, Judge Maureen A. Tighe participated in Golden Gate University's "White Collar Crime & Business Bankruptcy: A Cross-Disciplinary Dialogue." The San Francisco conference, sponsored by the American Bar Association's Business Law and Criminal Justice Sections, addressed "the complex challenges of dealing with entity assets[...] with respect to businesses subject to both governmental seizure proceedings and a bankruptcy case." Judge Tighe moderated the panel discussion "Navigating Uncharted Waters: View from the Bridge," which brought together judges from District Court and Bankruptcy Court to discuss the complexities of cases that involve both bankruptcy and asset forfeiture.

CM/ECF Tips

FILING THE STATEMENT OF SOCIAL SECURITY NUMBER

To ensure the privacy of the Social Security Number when filing bankruptcy petitions, NEVER include the Statement of Social Security Number with the petition PDF. Instead, make sure to file this statement separately from the petition PDF with its specific event code: **Statement of Social Security Number(s) Form B21 or Statement of Social Security Number(s) Form B21 (AMENDED STATEMENT)**.

AVOIDING UNNECESSARY FEES WHEN FILING AMENDED SCHEDULES OTHER THAN SCHEDULES D, E OR F

To avoid unnecessary fees when filing amended schedules, please DO NOT use event code **Amendment—Amending Schedules D, E, F for Ch 7, 11 & 13 (fee)** to file any amended schedules other than schedules D, E or F.

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

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 to disallow claims set for 1/11/12 at 11:00 a.m.

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. Notice of change of address of chapter 7 trustee filed on 11/28/11.

Crystal Cathedral Ministries, a California non-profit corporation

SA-10-24771-RK, Chapter 11, Filed 10/18/10. Assets and Liabilities \$50-\$100 million. Motion to set last day to file POC filed 9/20/2011, Order Approving Purchase and Sale Agreement between Karen S. Naylor, as Plan Agent; Crystal Cathedral Ministries and The Roman Catholic Bishop of Orange. Order Confirming Second Amended Plan.

Encino Corporate Plaza, L.P.

SV-11-14917-GM, Chapter 11, Filed 04/20/11, Assets \$10-50 million and Liabilities \$1-50 million. Chapter 11 Plan of Reorganization and Disclosure Statement filed on 11/16/2011. Order Granting Wells Fargo's Motion for Relief filed on 11/18/2011. Objection to Disclosure Statement filed on 12/9/2011.

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. Notice of Debtor's Intent to Pursue Certain Causes of Action Against the Trust and Motion to Disallow Claims filed on 11/11/2011. Motion for Approval of Amended Stipulation for Use of Cash Collateral filed on 11/30/2011. Amended Schedule B filed on 12/12/2011.

FFPE, LLC, a Delaware LLC AKA: Pat & Oscar's Restaurants

SA-11-23246-ES, Chapter 7, Filed 9/21/2011, Assets \$0-50,000 and Liabilities \$1,000,001 - \$10 million. Order RE Stipulation Extending the Trustee's Deadline to Assume or Reject that Certain Trademark Licensing Agreement dated 9/4/2007. Trustee is reviewing case for possible assets.

Garden Grove Dermatology Center Inc.

SA-10-19195-ES (Lead of 6 Cases), Chapter 11, Filed 7/06/10. Assets between \$500,000 to \$1 million and Liabilities between \$1- \$10 million. Order Vacating OSC. Ch.7 Trustee filed his No Asset Report on 11/29/2011.

HomeSuites, LLC

ND-11-10163-RR, Chapter 11, Filed 01/12/11, Assets \$1-10 million and Liabilities \$1-10 million. Final Hearing re Motion for relief from the automatic stay with supporting declarations real property re:4454-4468 Hummel Dr, Santa Maria, CA 93455 continued to 2/2/2012.

Liberty Entertainment, Inc.

LA-10-51881-BR, Chapter 7, Filed 8/30/10. Assets between \$500,000 to \$1 million and Liabilities between \$1-10 million. Notice of change of address of trustee's attorney filed on 11/22/11.

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. Second Post-Confirmation Status Report filed on 11/9/2011.

Pacific Monarch Resorts, Inc. Vacation Marketing Group, Inc; Vacation Interval Realty, Inc.; MGV Cabo, LLC; Desarrollo Cabo Azul, S. de R.L. de C.V.; Operador MGVM S. de R.L. de C.V. SA:11-24720-ES; SA:11-24725-ES; SA:11-24727-ES; SA:11-24729-ES; SA:11-24731-ES, Chapter 11, Filed 10/24/11, Assets and Liability \$100-\$500 Million. Case Jointly Administered. Deadline to File Proof of claim - 2/17/2012. Notice of bid deadline, auction hearing for proposed sale of certain assets, hearing set for 1/12/2012.

Rio Rancho Super Mall LLC

RS-11-16835-CB, Chapter 11, Filed 03/02/11, Assets \$10-50 million and Liabilities \$10-50 million. Third stipulation between Debtor and Wilshire State Bank to extend time for debtor to file and serve the Disclosure Statement and Plan to 1/9/12. Hearing on Disclosure Statement set for 2/14/12. Order approving employment of the Law Offices of Thomas E. Kent as debtor's attorney entered 11/10/11.

RCR Plumbing and Mechanical, Inc.

RS-11-41853-WJ Chapter 11, Filed 10/12/2011, Assets \$10-50 million and Liabilities \$10-50 million. Order entered 11/23/11, authorizing debtor's further interim use of cash collateral through 12/13/11. An application to employ Venable LLP, Nunc Pro Tunc as counsel for the Official Committee of Unsecured Creditors filed 11/30/11. Debtor filed an amended motion to retain Kurtzman Carson Consultants, LLC as the claim agent.

Sexy Hair Concepts, LLC

SV-10-25922-GM, Chapter 11, Filed 12/21/10, Assets \$50-100 million and Liabilities \$50-100 million. N/A

Summer View Sherman Oaks Apartments. LLC, a Delaware Limited Liability Co.

SA-11-19800-AA, Chapter 11, Filed 08/15/11, Assets \$10-50 million and Liabilities \$10-50 million. Order Granting Debtor's Emergency Motion for an Order Authorizing Interim Use of Cash Collateral in Accordance with the Stipulation for Use of Cash Collateral filed on 12/5/2011. Motion for Approval of Chapter 11 Disclosure Statement filed on 12/7/2011

The Grande Holdings Limited

LA-11-41459-BB, Chapter 15, Filed 7/22/11. Assets between Over \$100,000 and Liabilities over \$100. Hearing re verified petition for recognition of foreign main proceeding continued to 2/1/12 at 10:00 a.m.

Toni Braxton

LA-10-51909-BR, Chapter 7, Filed 9/30/10. Assets between \$1-10 million and Liabilities between \$10-50 million. Notice of change of address of trustee's attorney filed on 11/22/11

Verdugo Mental Health

LA-11-22739-PC, Chapter 11, Filed 03/25/11, Assets \$1-10 million and Liabilities \$1-10 million. Hearing re motion to extend exclusivity period for filing a chapter 11 plan and disclosure statement set for 1/11/12 at 9:30 a.m.

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. Order Approving First Amended Disclosure Statement entered on 12/9/2011. Confirmation of the plan hearing set for 2/8/2012 at 10am in CRTM 5B.

Westrim Inc. dba Westrim Crafts

SV-11-15313-GM, Chapter 11, Filed 04/29/2011, Assets \$1-10 million and Liabilities \$10-50 million. Order Converting Case to Chapter 7 filed on 10/20/2011. Final Report of Post-Petition Debts filed on 11/2/2011. Meeting of Creditors held on 12/1/2011. Notice of Assets filed on 12/2/2011.

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