

United States Bankruptcy Court  
Central District of California

Maureen A. Tighe, Chief Judge  
Kathleen J. Campbell, Executive Officer / Clerk of Court



## INTAKE AREAS RE-OPEN AMID COVID-19 (CORONAVIRUS) PANDEMIC

On March 22, 2021, the Bankruptcy Court reopened the Intake areas of Los Angeles, Riverside, Santa Ana, San Fernando Valley, and Northern Divisions per [General Order 21-03](#). The Intake areas review incoming documents from the public to determine conformity with appropriate rules, practice, and/or court requirements. Also, the intake areas will be able to accept in-person emergency filings. All visitors to an Intake area must comply with the posted GSA building policy concerning face coverings. Any visitor not observing the building policy or any posted social distancing rules may be refused service. All public computers and electronic kiosks are currently disabled in Intake areas to reduce any unnecessary interaction with frequently touched surfaces. Intake areas will not be accepting cash payments for filing or copying fees unless an exception is made by the Clerk of Court.

Judges will continue to hear matters remotely through telephonic or by video service. Previously issued guidance regarding signatures and filing fees, Social Security, Number Statements, mediations, and judges' or courtesy copies, remains in place. Please check the [Court's Coronavirus \(COVID-19\) and Court Operations webpage](#) for updated information.

## NEXTGEN CM/ECF GO-LIVE SET FOR APRIL 26

The Judiciary is transitioning its Case Management/Electronic Case Files (CM/ECF) system to the Next Generation of CM/ECF (aka NextGen). The U.S. Bankruptcy Court, Central District of California, is scheduled to transition to NextGen on April 26, 2021. CM/ECF filers can take the following steps to get ready before April 26:



1. Download and complete the [NextGen Preparation e-Filer Information handout](#).
2. If you have an individual PACER account, [check now to see if you need to upgrade it for NextGen](#).
3. NextGen does not allow CM/ECF filers to share a PACER account. Obtain an [individual PACER account](#) now.
4. Law firms and other organizations can setup their individual PACER accounts for [group billing](#).

Beginning April 26, 2021, CM/ECF filers who have completed the steps noted above [must link their CM/ECF account to their individual PACER account](#) before they can electronically file. Once the accounts are linked, CM/ECF filers will use PACER's Central Sign-on feature to access all NextGen courts where they have permission to file and to access PACER for all courts (appellate, bankruptcy, and district). More information on NextGen is available at <https://www.cacb.uscourts.gov/nextgen-cmecf-information>.

## LOCAL BANKRUPTCY RULES AMENDMENTS EFFECTIVE FEBRUARY 1, 2021

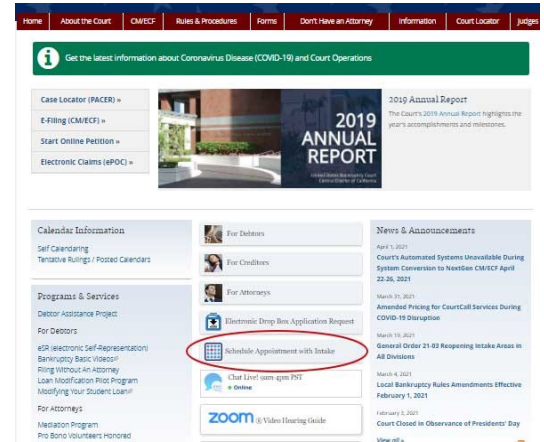
The Board of Judges for the United States Bankruptcy Court, Central District of California, approved the following new rules and amendments to the Court's Local Bankruptcy Rules (LBRs) that become effective February 1, 2021:

SUMMARY OF NEW LOCAL BANKRUPTCY RULES		
LBR	LBR Title	Purpose of New Rule
LBR 2015-3	PRECONFIRMATION REQUIREMENTS FOR SUBCHAPTER V DEBTORS, DEBTORS IN POSSESSION, AND TRUSTEES	Implements Interim Rule 2015's Postpetition, preconfirmation financial reporting duties of the subchapter V debtor.
LBR 3014-1	ELECTION UNDER 11 U.S.C. § 1111(b) BY SECURED CREDITOR IN SUBCHAPTER V CASES	Provides a deadline for secured creditors to make an "1111(b) election" in a subchapter V case.
LBR 3020-2	POSTCONFIRMATION REQUIREMENTS IN A SUBCHAPTER V CASE	Implements the SBRA's postconfirmation reporting requirements under either a consensual or nonconsensual plan.
LBR 3022-2	FULL ADMINISTRATION IN A SUBCHAPTER V CASE	Implements the postconfirmation administration and closing of the estate under either a consensual or nonconsensual plan confirmed under the SBRA.

SUMMARY OF LBR AMENDMENTS		
LBR	LBR Title	Type of Amendment
LBR 2015-2	REQUIREMENTS FOR CHAPTER 11 DEBTORS IN POSSESSION, CHAPTER 11 TRUSTEES, AND SUBCHAPTER V TRUSTEES	Amended to address continued applicability to chapter 11 cases, while noting that LBR 2015-3 provides more specific rules applicable to subchapter V cases only.
LBR 3003-1	BAR DATE IN CHAPTER 11 CASES	Amended to reflect subchapter V bar dates for prepetition claims as well as governmental entities.
LBR 3017-2	CHAPTER 11 DISCLOSURE STATEMENT – APPROVAL IN SMALL BUSINESS CASES AND WHEN REQUIRED IN SUBCHAPTER V CASES	Amended to reflect applicability to subchapter V cases where the Court has ordered that §1125 applies.
LBR 3020-1	CHAPTER 11 PLAN CONFIRMATION AND POSTCONFIRMATION REQUIREMENTS	Amended to clarify postconfirmation reporting requirements in traditional, non-subchapter V, chapter 11 cases.
LBR 3022-1	FINAL DECREE AND CLOSING A CHAPTER 11 CASE	Amended to provide that it is also applicable to subchapter V cases.
LBR 4002-1	DUTIES OF DEBTOR AT MEETING OF CREDITORS	Amended to cross-reference new LBR 2015-3 with respect to duties of a subchapter V debtor.
LBR 6004-1	SALE, USE, OR LEASE OF ESTATE PROPERTY	Amended to include subchapter V trustee in possession as entity that may seek to sell property of the estate outside of the ordinary course.

## CLERK’S OFFICE LAUNCHES INTAKE APPOINTMENT SCHEDULING SYSTEM

With the reopening of all divisional Intake areas on March 22, 2021, the Court launched the Intake Appointment Scheduling System. The Intake Appointment Scheduling System allows the public the ability to schedule in-person appointments with Intake offices at each Division through the Court’s website. A link to the appointment scheduling system is accessible on the Court’s home page or by clicking [here](#). The Intake Appointment Scheduling System will allow customers to schedule a date and time to engage in transactions with Intake staff. Members of the public who use the system will avoid waiting in lines, thus, enabling the Court to continue its social distancing efforts and aid in reducing the transmission of COVID-19.



## HOLIDAY CLOSURES

Monday, May 31 - Memorial Day

Monday, July 5 - Independence Day (Observed)

To view the 2021 Federal Holiday Public Notice on the Court's website click [here](#).

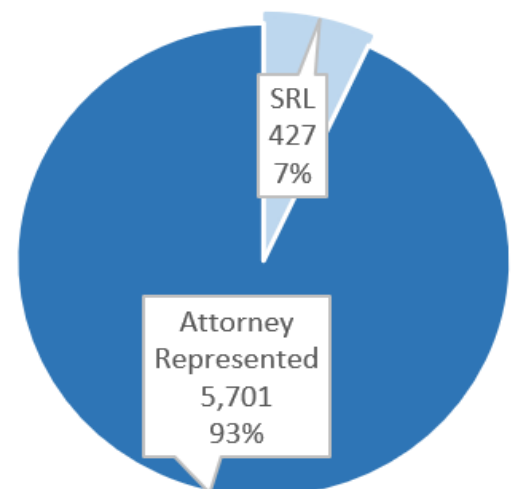
## BANKRUPTCY STATISTICS

The data below represents filings year to date thru March 31, 2021. Statistics based on internal filings data.

Divisional Filings YTD	Ch 7	Ch 11	Ch 13	Total	% change from previous YTD
Los Angeles	2311	64	278	2653	-20.99%
Northern	299	4	29	332	-32.38%
Riverside	1564	6	155	1725	-35.51%
San Fernando Valley	487	18	54	559	-28.24%
Santa Ana	770	15	74	859	-24.18%
Total	5431	107	590	6128	-29.04%

Business Filings	Ch 7	Ch 11	Ch 13	Total
2021 YTD	239	85	7	331
2020 YTD	308	80	22	410

Central District of CA - Filings YTD



The interactive Statistics Dashboard is a feature on the Court’s website that provides up-to-date filing and closing data for chapter 7, 11, and 13 cases, as well as adversary proceedings. Users can view data sorted by division or from the entire Central District, or they can choose to view only pro se (SRL) or business cases. The Statistics Dashboard also displays year-by-year and month-by-month comparisons; another option compares each month of the current year to the corresponding month of the prior year. Access the “Interactive Statistics” through the link: <https://ecf.cacb.uscourts.gov/ecfstatsdash/ecfstatsdash-new.html>

## TOP 10 CASES OF INTEREST\*

Debtor	Case Number	Chapter	Filed	Assets	Liabilities
Airport Van Rental, Inc.	LA-20-20876-BB	11	12/11/20	\$10 - \$50 million	\$10 - \$50 million
Banner Mattress Inc.	RS-19-13381-SC	11	04/22/19	\$1 - \$10 million	\$1 - \$10 million
Eagan Avenatti, LLP	SA-19-13560-SC	7	09/13/19	\$0 - \$50K	\$500K - \$1 million
Glenroy Coachella, LLC	LA-21-11188-BB	11	02/15/21	\$50 - \$100 million	\$10 - \$50 million
Glostation USA, Inc.	SV-20-11435-MB	11	08/13/20	\$1 - \$10 million	\$10 - \$50 million
Hawkeye Entertainment, LLC	SV-19-12102-MT	11	08/21/19	\$1 - \$10 million	\$1 - \$10 million
HVI Cat Canyon, Inc.	ND-19-11573-MB	11	07/25/19	\$100K - \$500K	\$500K - \$1 million
Yueting Jia	LA-19-24804-VZ	11	10/14/19	\$500m - \$1 billion	\$1 - \$10 billion
Queen City Rehabs & Renovations, LLC	SV-20-12110-MB	11	11/27/20	\$1 - \$10 million	\$1 - \$10 million
The Source Hotel, LLC	SA-21-10525-ES	11	02/26/21	\$50 - \$100 million	\$50 - \$100 million

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

## BANKRUPTCY FRAUD PROSECUTIONS

The following information has been provided by the Office of the United States Trustee:

### USA vs. Shant Ohanian

- On February 4, Shant Ohanian was sentenced to 15 years in federal prison for his scheme to defraud his clients by taking no meaningful actions on their behalf while billing them for thousands of dollars in legal fees for representing them in a variety of consumer related matters or in commercial disputes. To conceal his scheme from certain clients, he provided them with false documents. On behalf of a client, Ohanian filed a proof of claim in a chapter 11 case for the return of a \$500,000 deposit the creditor had made in connection with the purchase of commercial real estate. The bankruptcy court disallowed the claim. To conceal the adverse ruling, Ohanian forged a UST trial attorney's signature on a letter and forged the bankruptcy court judge's signature on purported court orders to convince the client that the claim had been approved. Ohanian engaged in several fraud schemes over many years against other clients, and his victims suffered actual losses exceeding \$4 million. For more information see [USAO press release](#).

### USA vs. Mark Handel

- On January 22, 2021, Calabasas-based real estate developer Mark Handel was indicted and charged with one count of making a false statement in a bankruptcy case, two counts of concealing assets belonging to a bankruptcy estate, one count of falsely testifying under oath at a bankruptcy proceeding, and five counts of money laundering. According to the indictment " [i]n April 2015, Handel filed a chapter 11 petition . . . and subsequently made a series of false statements to avoid debts exceeding \$10 million . . ." Additionally, "Handel allegedly lied by stating that he was unemployed, had been unemployed for many years, and had no business or income. In reality, Handel maintained a financial interest in properties in Los Angeles, Orange, and Alameda counties and, from 2008 to 2016, he received \$4,644,529 in income as "kickbacks" on an easement as part of a real estate deal." For more information see [USAO press release](#).