

United States Bankruptcy Court  
Central District of California

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



## LASAROW AWARDS HONOR PRO BONO VOLUNTEERS

On the evening of Thursday, November 14, Public Counsel hosted the 2019 William J. Lasarow Awards in the lobby of the Edward R. Roybal Federal Building and U.S. Courthouse in Los Angeles. Approximately 60 guests were welcomed by Public Counsel Supervising Attorney Magdalena Reyes Bordeaux, who greeted the crowd with opening remarks.



Attorneys, court staff, and judges attended the awards ceremony, including Chief Judge Maureen A. Tighe, Neil W. Bason, Sheri Bluebond, Julia W. Brand, Sandra R. Klein, Robert N. Kwan, and Vincent P. Zurzolo. Keynote speakers took turns commending the volunteers. Chief Judge Tighe thanked the volunteers for the outstanding service they provide and noted that “ten years of self-help desks is no small accomplishment.” The Judge emphasized that the volunteers are crucial, helping those in need with options and answers and guiding them out of despair.

Representatives of the pro bono organizations that staff the Court’s self-help desks presented awards to volunteer attorneys. The honorees were Lauren Ross (Los Angeles Division/Public Counsel), Christian J. Younger (Northern Division/Legal Aid Foundation of Santa Barbara County), Marshall J. Hogan (Santa

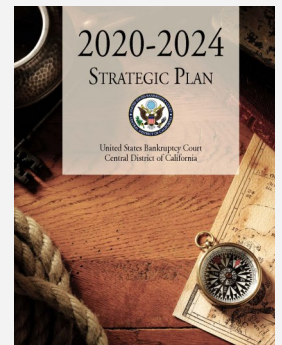


Public Counsel President and CEO Margaret M. Morrow

Ana Division/Public Law Center), Alex Knaub (Riverside Division/Riverside Legal Aid) and Patricia Said (San Fernando Valley Division/Neighborhood Legal Services of Los Angeles County). Public Counsel President and CEO Margaret M. Morrow also presented a special award to the Honorable Vincent P. Zurzolo. President Morrow noted that Judge Zurzolo has been “a champion of access to justice” and cited how his support, persistence, and advocacy over the past 20 years were instrumental in establishing the Debtor Assistance Project. In his acceptance of the award, Judge Zurzolo praised those who have volunteered in the interest of the public and encouraged the attendees to personally thank the volunteers at some point during the evening.

## 2020-2024 STRATEGIC PLAN APPROVED BY COURT AND ISSUED BY CHIEF JUDGE TIGHE

The [Court Strategic Plan](#) has been finalized and published on the Court’s website. Developed in collaboration with judges, executive management, staff, attorneys, and members of the public, the report lays out the Court’s vision for the next five years.



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.

Suggestions and comments are always welcome. Please email us at [editor@cacb.uscourts.gov](mailto:editor@cacb.uscourts.gov).

This issue and back issues of the Court News are available on the Court’s website at <http://www.cacb.uscourts.gov/publications>

## JUDGE JULIA BRAND PROFILED IN DAILY JOURNAL

On October 2, the *Daily Journal* published a profile of Judge Julia Brand. The article describes Judge Brand's pragmatic approach to decisions, patience with those who appear before her, and how her service on the Bankruptcy Appellate Panel for the Ninth Circuit Court of Appeals has made her a better judge.

The profile briefly follows Judge Brand's path to judgeship, including 16 years at Katten Muchin Rosenman LLP where she learned the value of a "practical approach." This bent toward pragmatism was noted by bankruptcy attorney Aram Ordubegian. "I saw her make the right legal decisions, as a judge is supposed to do of course, but I thought she always had the right eye towards the proper practical outcome as well."

Judge Brand finds that serving on the Ninth Circuit bankruptcy appellate panel has helped her cultivate a new perspective. "Here as a bankruptcy judge, you are looking for the truth," Brand noted in the profile. "When you're working on an appeal, you are looking for an error." This approach allows Judge Brand to expand her knowledge of bankruptcy law and the number of errors that can occur in a bankruptcy case, which she hopes will help her avoid errors in her cases.



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## COURT HOSTS ROADWAYS TO THE FEDERAL BENCH: WHO ME? A BANKRUPTCY JUDGE?

On October 24, 2019, the Court, in conjunction with the Judicial Conference Committee on the Administration of the Bankruptcy System, hosted *Roadways to the Federal Bench: Who Me? A Bankruptcy Judge?*. The symposium was for law students and lawyers to foster diversity in the bankruptcy bar and bench. The event was hosted simultaneously in nineteen cities and included a panel discussion on a wide range of topics, including bankruptcy practice, how to succeed as a bankruptcy judge, diversity statistics, why diversity is important, how to improve diversity, and what students and lawyers should do to enhance their chances of one day becoming a bankruptcy or other federal judge.

Following the panel discussion, local lawyers, law clerks, and law students participated in roundtable discussions with Ninth Circuit, District, Magistrate and Bankruptcy judges about pathways to the federal bench for candidates. Circuit Judges Mary H. Murguia, Jacqueline H. Nguyen, and Richard A. Paez participated in the roundtable discussions as did District Judges André Birotte Jr., Dolly M. Gee, Terry J. Hatter, Jr., and Otis D. Wright II; Chief Magistrate Judge Patrick J. Walsh and Magistrate Judges Jean P. Rosenbluth, Autumn D. Spaeth, and Karen L. Stevenson; Chief Bankruptcy Judge Maureen A. Tighe, and Bankruptcy Judges Martin R. Barash, Neil W. Bason, Catherine E. Bauer, Sheri Bluebond, Scott C. Clarkson, Thomas B. Donovan (Ret.), Victoria S. Kaufman, Sandra R. Klein, Robert N. Kwan, Ernest M. Robles, Erithe A. Smith, and Scott H. Yun.

Judge Murguia gave the closing remarks and thanked everyone for coming. The local Roadways Committee was led by Judge Erithe A. Smith and also included Judges Sandra R. Klein and Scott H. Yun. Collectively the Judges headed up a group of very hardworking people in a program designed to broaden the diversity of the pool of people applying for federal judgeships.



## SMALL BUSINESS REORGANIZATION TASK FORCE

The Court is forming a Small Business Reorganization Task Force (SBRTF) beginning in January 2020. The SBRTF will examine how the Court can eliminate obstacles to small business reorganization in the Central District of California. Aligned with the strategic issues within the Court's new 2020-2024 strategic plan, the SBRTF will: 1) investigate and identify barriers that prevent small businesses from accessing available resources; 2) maintain and develop relationships with a diverse range of organizations; and 3) study existing bankruptcy procedures to identify potential barriers to court access. To achieve this, the task force's work will include monthly discussions, some community outreach, a review of both current local rules and any new procedures or forms needed due to the Small Business Reorganization Act of 2019. Members of the SBRTF will be comprised of various agencies and attorneys throughout the Central District of California that have agreed to participate on the SBRTF and work with the Court to complete a report. The task force will be chaired by Chief Judge Maureen Tighe, with Judge Scott Clarkson serving as Vice Chair. A full report is planned by the end of 2020 with any proposed changes to local rules or forms due to the new legislation issued earlier, if appropriate. Comments for the SBRTF's consideration may be sent to [SBRTF@cacb.uscourts.gov](mailto:SBRTF@cacb.uscourts.gov).

## CALIFORNIA CENTRAL BANKRUPTCY COURT TO HOST 2020 NATIONAL CONFERENCE OF BANKRUPTCY CLERKS (NCBC)

On July 6 – 9, 2020 the Central District of California will host the National Conference of Bankruptcy Clerks (NCBC) in Anaheim. With over 1,000 members, the NCBC is dedicated to the professional development of the Clerks of Court and the Deputy Clerks of the federal judiciary. The July 2020 conference will feature an educational program, keynote speakers, annual updates from court leaders and optional off-site activities. The annual event is expected to welcome over 600 Bankruptcy Court clerks, Bankruptcy Judges and Court Executives from across the United States, as well as representatives from the Administrative Office of the U.S. Courts.



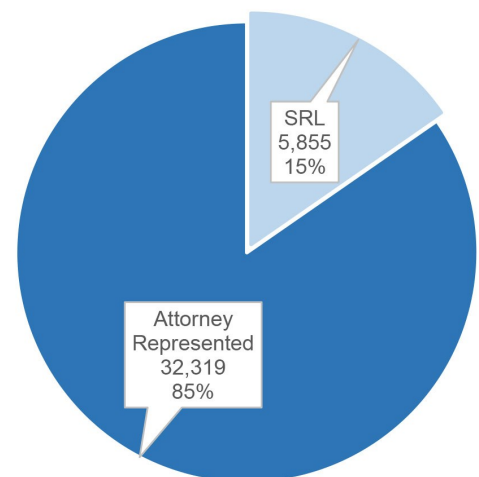
## BANKRUPTCY STATISTICS

The data below represents filings year to date thru December 31, 2019. Statistics based on internal filings data.

Divisional Filings YTD	Ch 7	Ch 11	Ch 13	Total	% change from previous YTD
Los Angeles	11,962	184	3,635	15,781	+0.7%
Northern	1,837	25	363	2,225	+0.7%
Riverside	9,198	40	2,368	11,606	+3.7%
San Fernando Valley	2,525	84	766	3,375	+3.9%
Santa Ana	4,277	93	816	5,186	+6.2%
Total	29,799	426	7,948	38,173	+2.6%

Business Filings	Ch 7	Ch 11	Ch 13	Total
2019 YTD	1,209	264	108	1581
2018 YTD	1,167	308	104	1579

Central District of CA - Filings 2019



The interactive Statistics Dashboard is a new feature of 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 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
Banner Mattress Inc.	RS-19-13381-SC	11	04/22/19	\$1 - \$10 million	\$1 - \$10 million
Eagan Avenatti, LLP	SA-19-13560-CB	7	09/13/19	\$0 - \$50K	\$500K - \$1 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
Kendall Frozen Fruits, Inc.	SA-18-14052-SC	11	11/05/18	\$1 - \$10 million	\$1 - \$10 million
Ruby's Diner, Inc. a California Corp	SA-18-13311-CB	11	09/05/18	\$1 - \$10 million	\$1 - \$10 million
Verity Health Systems of CA, Inc.	LA-18-20151-ER	11	08/31/18	\$500K - \$1 million	\$100 - \$500 million
Visiting Nurse Association of Inland Counties	RS-18-16908-MH	11	08/15/18	\$1 - \$10 million	\$1 - \$50 million
Zacky & Sons Poultry, LLC	LA-18-23361-RK	11	11/13/18	\$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:

### Hernan Martin Rojas

- On January 8, 2019 pled guilty to making false statements in a bankruptcy proceeding. In his guilty plea, Rojas, who was a BPP, admitted to lying about his involvement with the filing of bankruptcy documents and that he misstated the amount of fees he received for his "services". Rojas has also agreed to forfeit assets found to constitute the proceeds of his illegal activities seized by law enforcement officers at the time of his arrest.
- On September 5, 2019 Rojas was sentenced to six months in federal prison and three years of supervised release after he serves his prison sentence. He was also ordered to pay \$5,650 in restitution.

### Michael "Mickey" Henschel, aka Frank Winston, aka Steve Lopez, aka Ron Berman

- On May 13, 2019 pled guilty to one count of mail fraud after spending years filing fraudulent documents on homeowners' properties, and then using the fraudulent filings and fraudulent litigation to steal money from victims, sometimes stealing homes outright, and other times extorting settlement payments in actual or threatened civil litigation. Henschel's scheme relied on the filing of false or "ghost" bankruptcies in an attempt to invoke an automatic stay on distressed properties.
- On September 30, 2019 Henschel, who is 70 years old, was sentenced to 20 years in a federal prison. A restitution hearing is pending. The court records indicate that Henschel generated more than \$17 million in profits from the scheme. [For more information see USAO Press Release.](#)

### Eugene Fulmer

- On May 13, 2019 pled guilty to one count of conspiracy. From at least January 2010 to at least November 2013, Fulmer conspired with others, including Henschel, to commit mail fraud and bankruptcy fraud, in a scheme designed to profit from fraudulent filings on title to homeowners' properties.
- On December 3, 2019 Fulmer, who is 84 years old, was sentenced to two years in a federal prison and three years of supervised release after he serves his prison sentence.