

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA**

In re:)	
)	
AMENDMENT OF LOCAL RULES)	BANKRUPTCY GENERAL
OF THE U.S. BANKRUPTCY COURT)	ORDER NO. 187
)	
_____)	

The Court having considered comments and suggestions provided by the Local Bankruptcy Rules Advisory Committee, implements changes to the Local Bankruptcy Rules. The below revisions are proposed.

Local Bankruptcy Rule 4002-2 is modified to clarify the procedures and notice requirements regarding the compensation of debtor(s) and insiders. Local Bankruptcy Rule 7016-2 brings the Court’s local rules into compliance with the December 1, 2015 revisions to the Federal Rules of Bankruptcy Procedure regarding the timing of the scheduling order for the initial pretrial status conference. Local Bankruptcy Rule 9013-3 is revised to update the list of motions and applications not requiring notice to include motions to reopen for the purpose of filing the financial management education certificate and the certification regarding domestic support obligations. Finally, technical corrections have been identified and will be implemented for Local Bankruptcy Rules 2002-1(b), 2002-2(d), 3015-9, 3017-2(b)(2), 9006-1(b), and 9010-5.

IT IS ORDERED that the Local Bankruptcy Rules are modified as indicated below:

2002-1. Notice to Creditors, Equity Security Holders, Administrators in Foreign Proceedings, Persons Against Whom Provisional Relief Is Sought in Ancillary and Other Cross-Border Cases, the United States and the U.S. Trustee.

(b) Motion to Extend or Impose the Automatic Stay.

The notice required under 11 U.S.C. § 362(c)(3)(B) to extend the automatic must be filed and served within ~~the~~ 7 days after the Petition Date.

2002-2. Notices of Intended Action and Opportunity for Hearing

(d) Response. Except as provided in LBR 4002-2~~(e)(2)(d)(5)~~ (requiring a 14-day response time), any opposition or response to a notice of intended action must be filed and served not more than 21 days after service of the notice of intended action, along with a request and notice for hearing substantially conforming to Local Form CSD 1184. If service of the notice of intended action and opportunity for hearing was by mail or through the System, FRBP 9006(f) applies.

3015-9. Adequate Protection. Adequate protection payments are governed by General Order 175~~(d)(E)~~.

3017-2. Individual Chapter 11 Combined Plan and Disclosure Statement.

(b)(2) Any written opposition must be filed in accordance with LBR 9013-6(a)~~(2)(3)~~.

4002-2. Service of Process. Compensation of Debtor and Insiders.

~~(a)~~ (a) Compensation. Except in chapter 13 cases and as provided in LBR-4002-2(b) in Individual chapter 11 cases, no compensation or other remuneration will be paid from property of the estate to the debtor or any Insider unless approved by the Court, after notice of intended action ~~to all creditors~~ in accordance with LBR-2002-2, ~~but subject to the response times of LBR 4002(d)~~.

~~(b) where applicable. Chapter 13 Cases.~~ In chapter 13 cases, payment of salary and expenses consistent with the debtor's Schedule I and J is appropriate unless an interested party objects and the Court orders otherwise.

~~(b)~~ ~~(c)~~ First 45 Days of Individual Chapter 11 Cases. In an Individual chapter 11 case, provided that the Individual chapter 11 debtor files the Notice described in LBR 4002-2~~(ed)~~ within 7- days of the Petition Date, the Court allows payment of salary and expenses consistent with the debtor's schedules- I and J for 45 days from the Petition Date unless an interested party objects- or the Court orders otherwise.

~~(e)~~ ~~(d)~~ Notice of Setting/Increasing Insider Compensation. No compensation or other remuneration may be paid from the property of the estate to debtor's ~~owners, partners, officers, directors, shareholders, Relatives, or other~~ Insiders, ~~from the time of filing of the Petition~~ until confirmation of a plan, ~~and in the case of~~ unless:

(1) The debtor is an Individual chapter 11 debtor ~~after the seventh day in~~ which case the debtor: (i) may pay salary and expenses consistent with the debtor's schedule I and J within the 7 days following the Petition Date, ~~unless the~~ and (ii) may pay salary and expenses as provided in LBR 4002-(c).

- (2) The debtor serves notice of proposed Insider or proposed Individual chapter 11 debtor compensation in accordance with the procedures in these local rules- and obtains an order approving the compensation or is otherwise entitled to make payment pursuant to LBR 4002-2(d)(5).
- (3) Further, compensation to insiders may not be increased after approval unless the debtor serves a notice of the proposed increase in Insider or Individual chapter 11 debtor compensation.
- (a) ~~(1)~~ (4) The debtor must: file and serve the 4002-2(d)(2) notice on the U.S.- Trustee, and all creditors; and file a Proof of Service. The debtor must file and serve the notice of a request for an increase in compensation on the U.S. Trustee, the creditors committee, or the 20 largest creditors if no committee has been appointed, any other committee appointed in the case, counsel for any of the foregoing, and any secured creditor that claims an interest in the cash collateral; and any party requesting special notice; and file a Proof of Service.
- ~~(b) (2)-5~~ Any Insider may receive compensation or other remuneration from the estate if no objection is received within 14 days after service of the notice. And the Insider may receive an increase in the amount of Insider compensation previously approved if no objection is received within 30 days after service of notice.
- ~~(e) (3)-6~~ Any objecting party must obtain a hearing date and file an objection, a notice of hearing, and a Proof of Service.

7016-2. Setting and Notice. A Pre-Trial Status Conference must be held, unless otherwise ordered by the Court, within the earlier of 90 days after any defendant has been served with the complaint or 60 days after any defendant has appeared. After ~~45~~ 5 days from the date of the first appearance of any defendant, the Clerk will serve on the plaintiff and any parties who have appeared in the matter a Notice of the date and time for a Pre-Trial Status Conference. Plaintiff must give notice of the Pre-Trial Status Conference to any party who makes an appearance thereafter.

9006-1. Time for Motions and Opposition.

(b) Notice of Hearing. FRBP 9006(d) and LBRs 2002-3, 4001-3, 4002-2~~(e)~~(d) and 9013 govern notice of hearing unless the hearing is deemed waived.

9010-5. Substitution of Attorney. Substitution of attorneys is governed by Local Rule 83.3~~(g)~~(f)(2) of the United States District Court for the Southern District of California and, if applicable, LBR 2014-1 and must conform substantially to Local Form CSD 3011.

9013-3. Motions and Applications Not Requiring Notice.

(j) Motions to reopen a case in order to file Debtor's Certification About Personal Financial Management Course (Official Form 423) and Certificate of Debtor(s) Education.

(k) Motions to reopen a case in order to file Certification Regarding Domestic Support Obligations, Section 522(Q), and Eligibility for Discharge (CSD Forms 2120, 2121, 2122).

IT IS FURTHER ORDERED that the period for comment is from now until September 16, 2016. Except as set forth in further order of this Court, the effective date of this order shall be October 3, 2016. Comments concerning these amendments may be submitted by E-mail to LBRcomments@casb.uscourts.gov [please include the name, firm name (if any), E-mail address, and phone number of the person submitting the comment] or by mail to the Clerk of Court at 325 West F Street, San Diego, California 92101-6991. Please note on the envelope "LBR updates".

DATED: August 9, 2016

 s/Laura S. Taylor
LAURA S. TAYLOR
Chief Judge, U.S. Bankruptcy Court

 s/Lousie DeCarl Adler
LOUISE DeCARL ADLER
Judge, U.S. Bankruptcy Court

 s/Margaret M. Mann
MARGARET M. MANN
Judge, U.S. Bankruptcy Court

 s/Christopher B. Latham
CHRISTOPHER B. LATHAM
Judge, U.S. Bankruptcy Court