

U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO

CLERK OF COURT'S
FISCAL YEAR 2007
ANNUAL REPORT



KENNETH J. HIRZ, CLERK

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO**

Judge Randolph Baxter, Chief Judge
Judge Richard L. Speer
Judge Marilyn Shea-Stonum
Judge Pat E. Morgenstern-Clarren
Judge Russ Kendig
Judge Mary Ann Whipple
Judge Arthur I. Harris
Judge Kay Woods

TABLE OF CONTENTS

Introduction.....	1
Information Technology.....	3
Human Resources.....	5
Table of Organization.....	8
Statistical Analysis.....	9
Statistical Charts.....	10
Case Filings Charts.....	11
Case Closings Charts.....	15
Pending Cases Charts.....	17
Unclaimed Funds.....	19
Fiscal Year 2007 Revenue.....	20
Fiscal Year 2007 Operating Budget.....	21

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO**

FISCAL YEAR 2007 ANNUAL REPORT

Introduction

The United States Bankruptcy Court for the Northern District of Ohio serves close to six million citizens in the northern 40 counties within the State of Ohio with court locations in Akron, Canton, Cleveland, Toledo, and Youngstown. The 26,444 bankruptcy cases filed in this district in FY 2007 account for a 35% decrease in cases filed compared to FY 2006. The continued decrease in filings is directly attributable to the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BAPCPA), which became effective October 17, 2005. Case filing figures, as compiled by the Administrative Office of the U.S. Courts, depict the Northern District of Ohio as the fifth largest of ninety-four bankruptcy courts nationally during this fiscal year. Despite the decreased filing rates, the court continues to be in the top 10 bankruptcy courts nationally with respect to total cases filed.

The judges serving during this fiscal year are listed by the city in which they serve: Honorable Randolph Baxter, Chief Judge, Cleveland; Honorable Richard L. Speer, Toledo; Honorable Marilyn Shea-Stonum, Akron; Honorable Pat E. Morgenstern-Clarren, Cleveland; Honorable Russ Kendig, Canton; Honorable Mary Ann Whipple, Toledo; Honorable Arthur I. Harris, Cleveland; and Honorable Kay Woods, Youngstown.

The Honorable Mary Ann Whipple was appointed to the Sixth Circuit Bankruptcy Appellate Panel on January 1, 2004. She continues to serve a four-year term.

The clerk's office began the fiscal year with 100 deputy clerks located in five court locations as reflected in the attached Table of Organization. In recent years, the clerk's office was staffed with 116 deputies and has reduced staffing in response to limited resources and filing rates. As the caseload increases, a limited expansion of staff is expected in FY 2008. The clerk's office operated on a budget of \$6.9 million and collected revenue of \$11.3 million as identified in this report. These figures demonstrate that the revenues collected far exceed the operating costs of the court. All fees collected are transferred to the Federal Reserve and enure to the benefit of the entire judiciary. \$746,144 was deposited with the court as unclaimed monies following trustees' distribution of the estate. \$645,378 of the total unclaimed funds, which included prior year amounts, was redistributed in FY 2007. Unclaimed fund accounts are searchable on our website at www.ohnb.uscourts.gov, where additional information can be found on case filing statistics, general orders, local rules, administrative orders, and judges' opinions.

Bankruptcy petitions and pleadings have been filed with the court electronically since

2002, through the Case Management/Electronic Case Filing (CM/ECF) system. There are more than 38,000 open cases, almost a half million closed cases and over eighteen million documents contained on the CM/ECF server that documents cases back to 1990. There are currently more than 4,500 registered attorneys and 1,000 creditors signed up for electronic filing of documents. More than a million documents were filed in the CM/ECF system this fiscal year. Thirty percent of these documents were entered by court staff. Almost 50% of the documents were entered by attorneys and trustees. Ninety percent of the more than 120,000 claims were filed electronically. The number of cases filed by pro se filers as a percentage of all cases filed declined from 6% to just over 3% during the course of the fiscal year.

In the following pages, you will be introduced to further detail about our Human Resource and Information Technology activities. Additional information includes data on case filing, closing, adversary and pending caseload data followed by a report on revenue and operating expenses confirmed by Cheryl Simon, Director of Administrative Services. The clerk's office remains committed to providing the highest level of service to the bench, bar and public. To that end, we welcome suggestions toward the improvement of services.

Kenneth J. Hirz
Clerk of Court

Information Technology

Our CM/ECF system went through several application upgrades this past year: v3.1.2, v3.1.3, v3.1.4, and v3.1.5. Some of these upgrades were small bug-fix patches and did not involve major effort. We implemented a new Conflict Checking Module that enables the judges to evaluate if there may be a potential conflict for them on a case. We continue to add functionality to the E-Orders application based upon requests from the seven judges in our district who are utilizing the software. Many other modifications have been made to the system to enhance or add functionality. We have used approximately 209GB of disk space on the system in the past year and project that we will need to add disk drives to our system in August 2008. Due to the hard work of the systems administrators, the system exhibited excellent availability; the system had unannounced down time only one time this year and it was only a few minutes in duration.

IT staff began a lengthy project to evaluate the docket events available on our ECF system with the goal to reduce the number available without eliminating any functionality from the system. Information was gathered regarding how many times particular docket events have been used and the last date of usage. This information was reviewed with court staff and attorney and trustee representatives to determine whether an event could be eliminated, and to ensure that case filing could still be completed with the remaining events. While this project is continuing through calendar year 2007, there have been 400 of 1,728 events eliminated in an effort to streamline case filing.

A subcommittee of the National Conference of Bankruptcy Clerks was formed to collect information to define requirements in the bankruptcy courts needed to develop the next generation of an ECF system. Six staff members of the clerk's office participated on this committee. The document produced by this committee will serve as a starting point for discussion by a newly formed committee at the Administrative Office of the U.S. Courts. The committee will begin meeting in the latter part of 2007, and will lead to eventually replacing the current legacy system.

The IT department conducted several rigorous tests this year to evaluate the capability of the backup systems and processes to sustain court operations in the event of a disaster that disabled or destroyed some of our automation systems. We gained valuable insight and have made critical changes to some of our plans based upon the lessons learned. Ongoing disaster recovery testing will be conducted. The systems tested during the 2007 fiscal year include CM/ECF, our website, and remote access systems. The remote access systems provide staff the ability to access their data files from a remote site in the event their home office is no longer available. An additional remote access server was acquired and installed to allow a larger number of staff to work from a remote location, and to provide a backup to the original remote access server in case it is affected by a disaster. We are in the process of installing and testing

secondary network circuits that would take over in the event we lose a primary circuit in our wide area network.

Members of the IT department consider educational opportunities essential to staff development and commit themselves to continuous learning. IT staff prepared and conducted in-house classes for employees across our district. These include Government Office Equipment, and Microsoft Word 2003 Intermediate and Advanced classes. The IT staff attended many hours of technical training and industry conferences to learn new skills. These include Managing and Maintaining Windows 2003 Servers, VMWare, VB.NET programming, ASP.NET programming, PERL programming, Design Concepts for Websites, Advanced HTML Design Elements, PowerPoint software, Excel spreadsheet software, Business Continuity processes, and Customer Service. We also continued our efforts to train each other in different areas of technical expertise. The two individuals who were accepted into the Federal Court Leadership Program (FCLP) last year have continued to excel in this two-year program. Their FCLP projects are improving court capabilities in the Business Continuity and CM/ECF system areas. One member of the IT staff is working on a PhD at the University of Akron and should to complete the program in 2008. A second staff member has begun the MBA program with an Information Technology concentration at Kent State University. On-line training programs are being developed for attorneys in a district-wide effort and will be posted on our website.

A variety of other projects were completed throughout the year. We replaced 60 PCs throughout the district that were more than five-years old with Dell GX745 PCs, and provided management staff with laptops so they can easily move from office to office and connect to the court's network. A new sound system was installed in Judge Whipple's courtroom and additional courtroom technology equipment was installed in Judge Kendig's courtroom this year. We began to monitor temperature, humidity levels, and power variances in the server rooms at all of our courthouses and in many data closets. As we collect the data over time we should be able to identify and correct environmental issues before serious damage occurs to court servers and courtroom technology equipment. Internet access for attorneys and trustees via wireless access points has been made available in all five of our courthouses this year. This service does require a login, and instructions for utilizing this service are available on our website.

Lori McLaughlin-Nelson
Director, Information Technology

Human Resources

Personnel

The following presents a statistical perspective of the status of court personnel and events that shaped the court's employee workforce during Fiscal Year 2007.

Court staff continued to operate efficiently as in the past with a reduced staffing level. The court began this fiscal year with a staffing level of 100, which is below the level of the three previous years. Judges' chambers were staffed by 19 individuals. They include 10 full-time and three part-time law clerks, three temporary law clerks and three secretaries/judicial assistants.

Human Resources continued to ensure that all employee evaluations were completed and processed within the month the evaluation was due. Employee evaluation notifications were sent to managers one month prior to the evaluation due date. In FY 2007, there were no outstanding evaluations as of September 30. As part of the performance evaluation process, several position descriptions, performance evaluations and performance standards were developed, reviewed and revised to reflect the changing work environment brought about by the onset of CM/ECF.

The Human Resources Department completed a review of the Employee Handbook, which resulted in two policy revisions, the Family Friendly Leave and the Training Program policies. In addition to the policy revisions, appointment and separation checklists for chambers and clerk's office staff were developed and approved for implementation.

The Office of Human Resources (OHR) implemented the second phase of Remote Data Entry (RDE). RDE allows court users to submit a wide variety of personnel and payroll actions electronically. Transaction entries done internally are in the following areas:

- Benefits
- Classification Changes
- Compensation Adjustments and Increases
- Personal Data Updates
- Work Status

Professional Development/Training

In response to staff expectations and the demands placed on the court by an increasingly complex and unpredictable environment, the court fully implemented the Individual Development Plan (IDP), an ambitious program launched in 2006 to improve the development of staff skills and the management of case assignments.

Due to this plan, the court saw a jump in the number of courses that were provided and the number of attendees. The accumulative total of training hours for the fiscal year

totaled 3,150.45 hours.

Training opportunities were offered through sources such as:

- long distance training via broadcasts from the Federal Judicial Television Network (FJTN). Training topics offered through FJTN included automation application usage, customer service, leadership skills, communication skills, legal and procedural information, management-related issues and general federal judiciary information.
- Tuition Assistance Program (TAP), in which employees attended TAP-sponsored programs on automation skills, interpersonal skills, written and oral communication skills, college level programs and specialized information technology skills. Terri McBee, case administrator at the Toledo office, earned a B.S. degree, in part through the use of the TAP.
- participation in the National Conference of Bankruptcy Clerks' annual educational conference, which offered general and court-specific seminars as well as the opportunity to complete college credit programs.
- workplace safety training including emergency evacuation and recovery procedures and CPR/AED.
- ergonomic workplace training in which health issues were addressed that could possibly arise in staff members working extensively on the computer.

The court continues to place a high emphasis on technical and automation training to help employees develop and maintain their level of technical knowledge. Training in this area that was provided to court staff on an as-needed basis included: Excel 2003, Lotus Notes, and PowerPoint 2003.

Other training included:

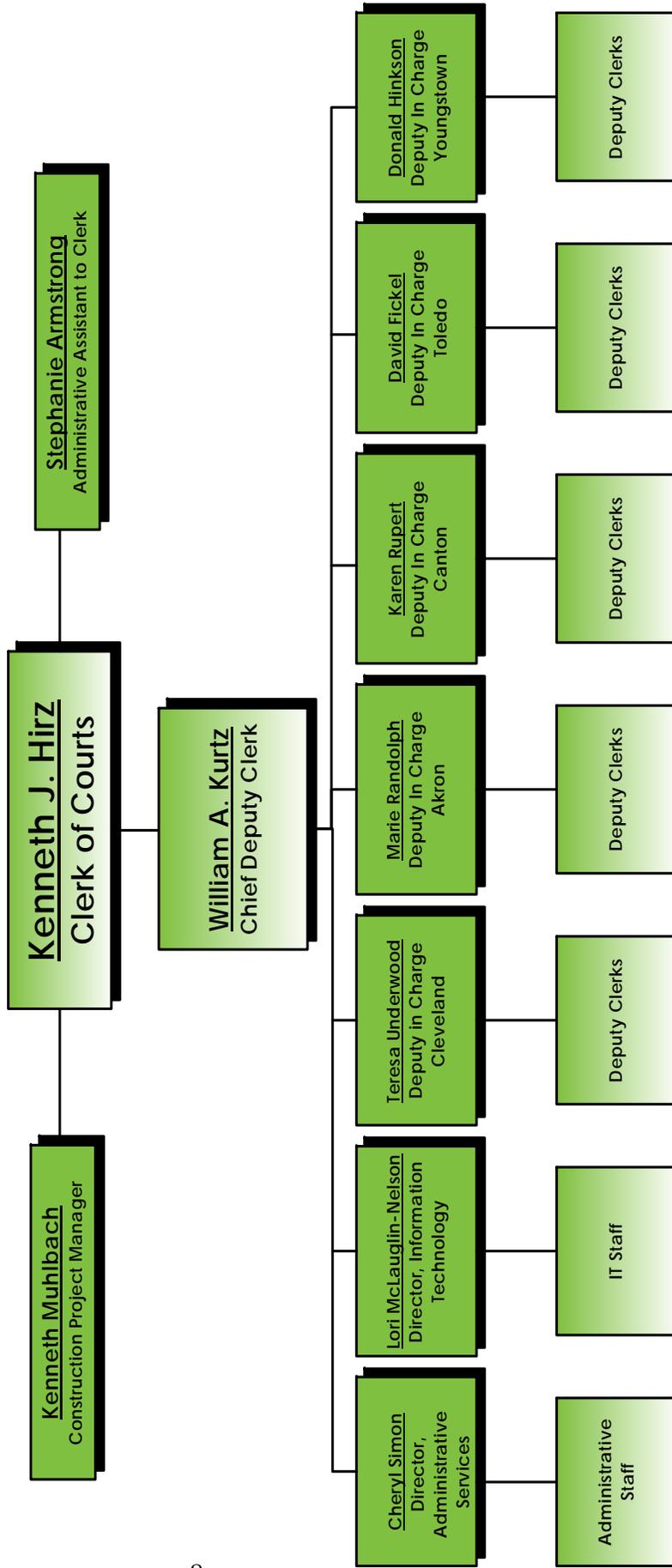
- in-house training to external ECF users.
- a district-wide leadership program for the deputy clerks in charge and their respective supervisors.
- e-learning programs for new law clerks along with updated orientation material.
- district-wide retirement training seminars.
- internal training on "Closing Chapter 7 Cases."
- Judicial Administration Program at Michigan State University (MSU)

We are proud to announce that April Colling, case administrator at the Canton court, was the first graduate of the *Judicial Administration Certificate Program*, under the direction of Dr. Maureen Conner, Michigan State University Judicial Administration Program. April began the program in 2004 at the NCBC conference and had completed online courses through MSU. Her capstone experience paper was entitled *Help Desk Service Center (HDSC)*. We congratulate April on her accomplishment and look forward to the completion of many others to follow.

Overall, the Human Resources Department is in excellent condition. We have experienced a workload increase due to the implementation of HRMIS RDE II and the mandate for continuous professional development/training programs.

Penny Hoffman
Training and Personnel Specialist

**United States Bankruptcy Court
Northern District of Ohio**



Northern District of Ohio Statistical Analysis

A total of 26,444 cases were filed in this District in Fiscal Year 2007. (All references to Fiscal Year (FY) figures for the District throughout the balance of this report are based on the period of October 1 through September 30.) This total figure represents a decrease of 35% compared to FY 2006. A comparison of the percentage filings, by Chapter, during this time reveals the following:

	FY 2007	% of Total
Chapter 7	18,104	68.46%
Chapter 11	64	0.24%
Chapter 12	0	0.00%
Chapter 13	8,276	31.30%
Total	26,444	100.00%

This court is comprised of five divisional offices: Akron, Canton, Cleveland, Toledo and Youngstown. The distribution of the total filings referred to above, and the percentage of increase/decrease in filings for each office, are as follows:

	FY 2006	FY 2007	% of Change
Akron	6,181	4,118	-33%
Canton	5,279	3,939	-25%
Cleveland	14,997	9,577	-36%
Toledo	8,630	5,680	-34%
Youngstown	5,416	3,130	-42%
Total	40,503	26,444	-35%

These filing figures are unweighted and do not take into account the size of the cases filed. Therefore, they may not precisely represent the judicial workload in any particular division.

This mix of cases, by Chapter, in each office reveals the following:

AKRON

	FY 2006	FY 2007	% of Change
Chapter 7	5,134	2,879	-44%
Chapter 11	7	9	29%
Chapter 12	0	0	---
Chapter 13	1,040	1,230	18%

CANTON

	FY 2006	FY 2007	% of Change
Chapter 7	4,488	2,962	-34%
Chapter 11	16	16	0%
Chapter 12	2	0	---
Chapter 13	773	961	24%

CLEVELAND

	FY 2006	FY 2007	% of Change
Chapter 7	11,781	5,708	-52%
Chapter 11	37	15	-59%
Chapter 12	0	0	---
Chapter 13	3,179	3,854	21%

TOLEDO

	FY 2006	FY 2007	% of Change
Chapter 7	7,677	4,630	-40%
Chapter 11	13	17	31%
Chapter 12	2	0	---
Chapter 13	938	1,033	10%

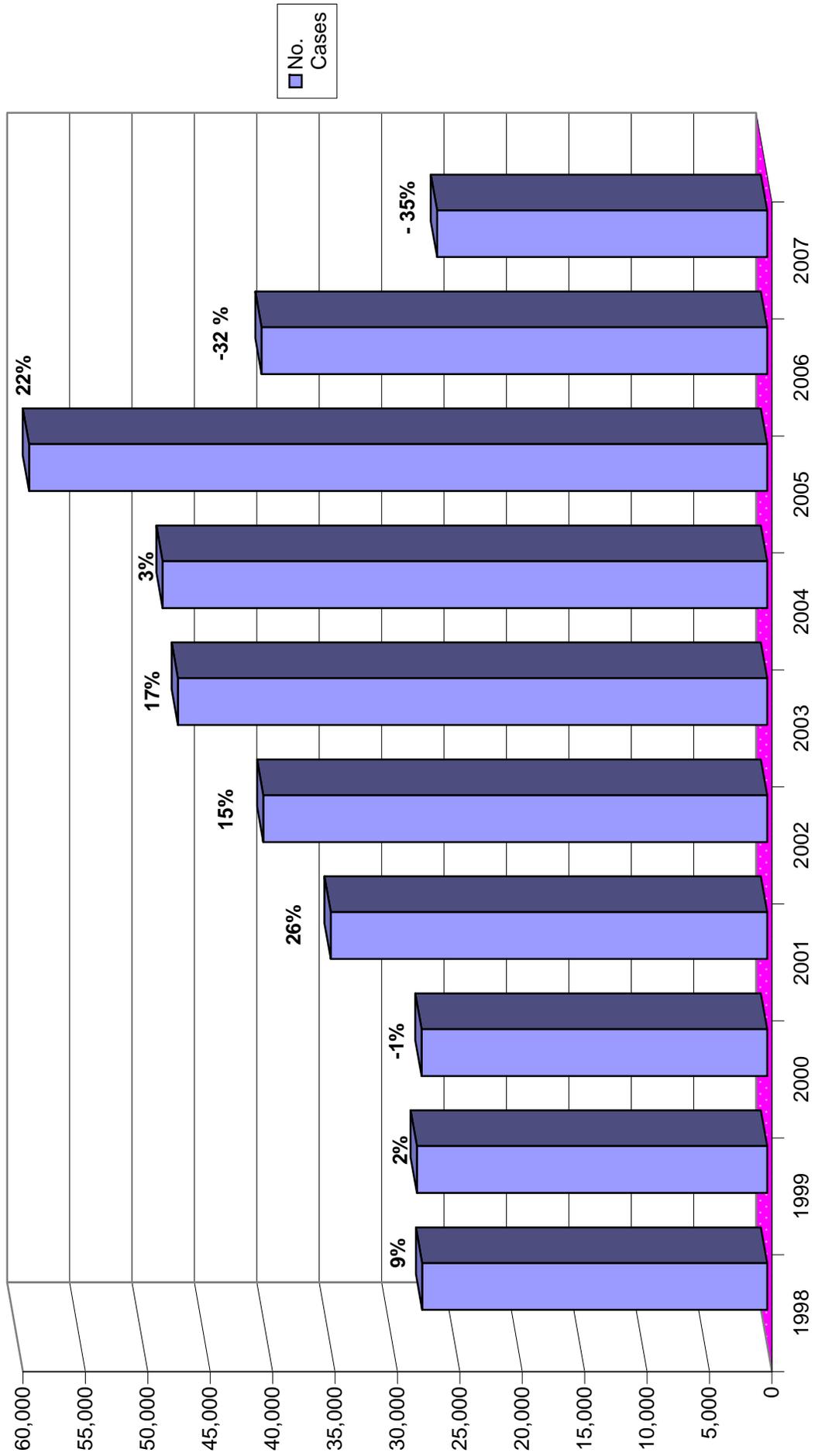
YOUNGSTOWN

	FY 2006	FY 2007	% of Change
Chapter 7	4,277	1,925	-55%
Chapter 11	20	7	-65%
Chapter 12	2	0	---
Chapter 13	1,117	1,198	7%

DISTRICT TOTAL

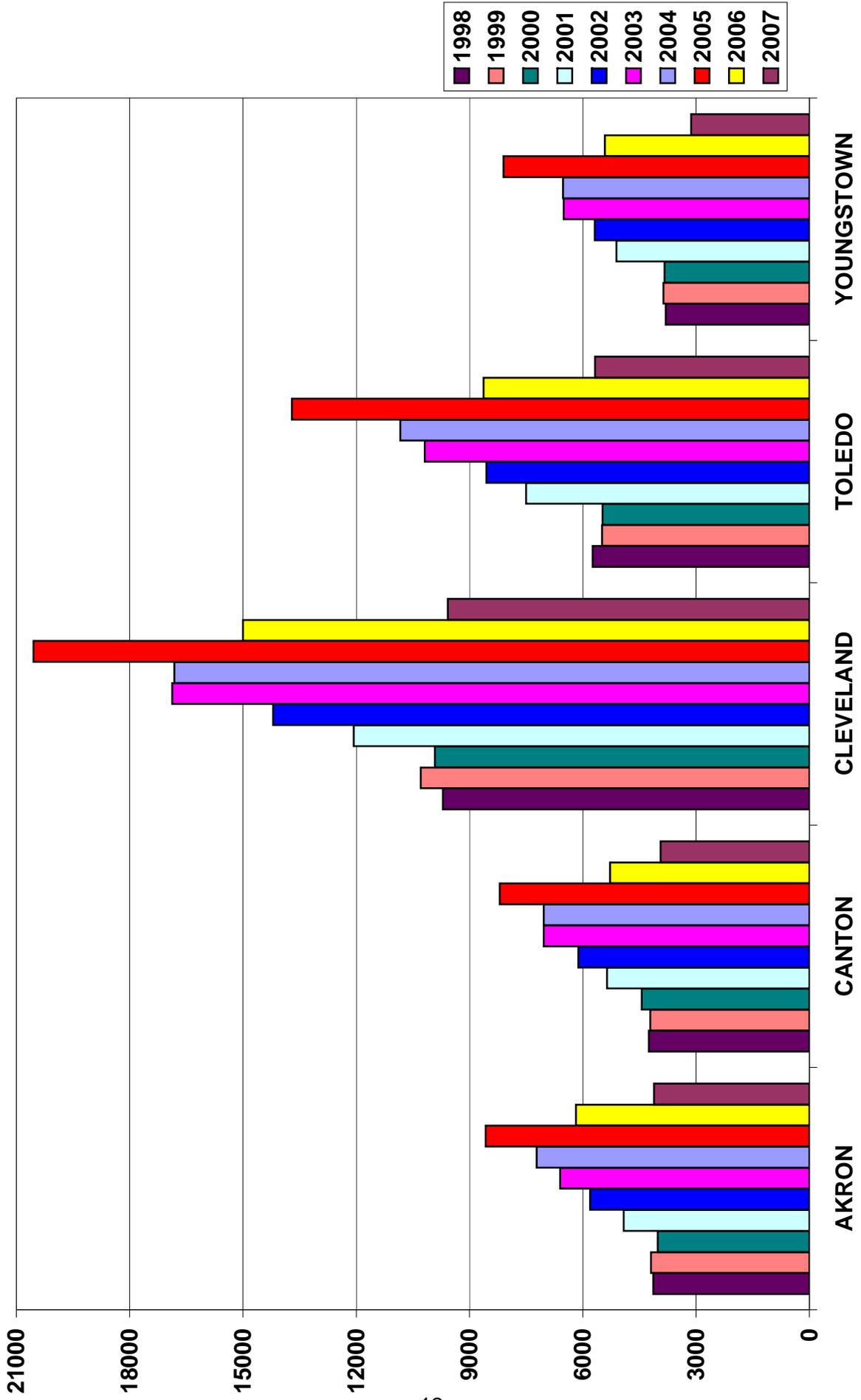
	FY 2006	FY 2007	% of Change
Chapter 7	33,357	18,104	-46%
Chapter 11	93	64	-31%
Chapter 12	6	0	---
Chapter 13	7,047	8,276	17%

**CASE FILINGS
FY 1998 - 2007
PERCENTAGE OF CHANGE**



Note: Statistics are for all court offices.

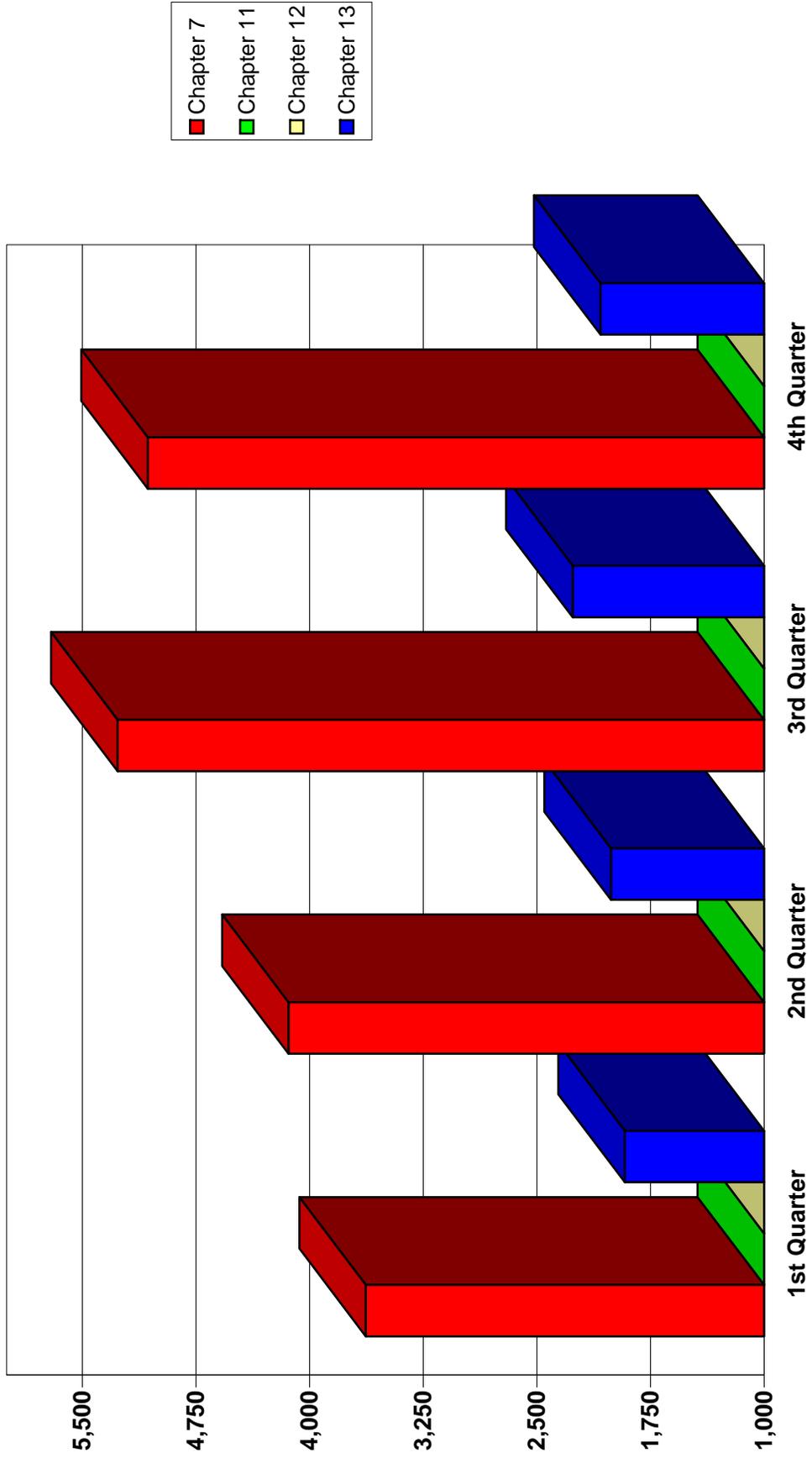
**FILINGS PER OFFICE
FY 1998 - 2007**



**FILING COMPARISON
FY 1998 - 2007**

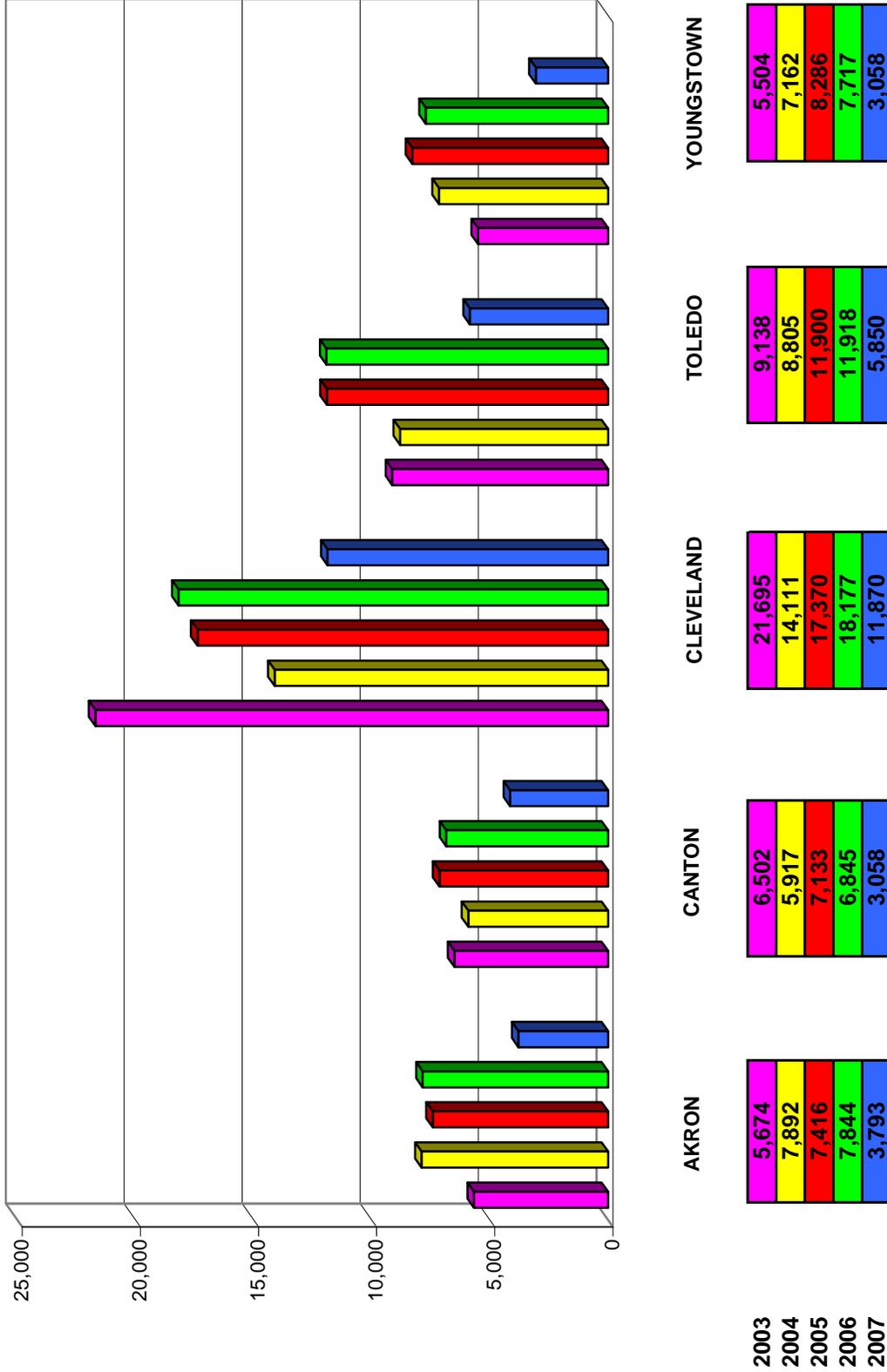


QUARTERLY FILINGS
FY 2007

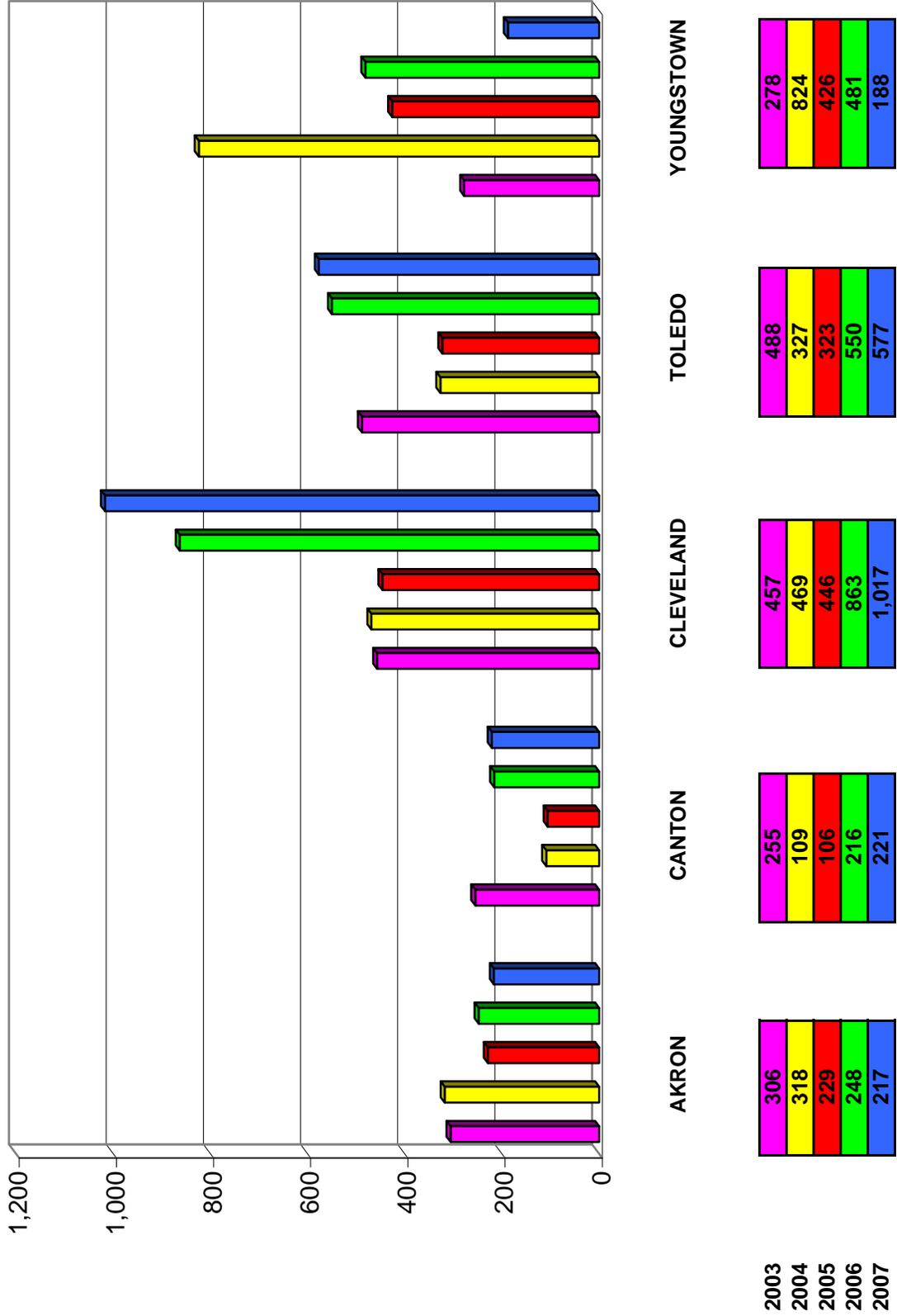


Note: Statistics are for all court offices.

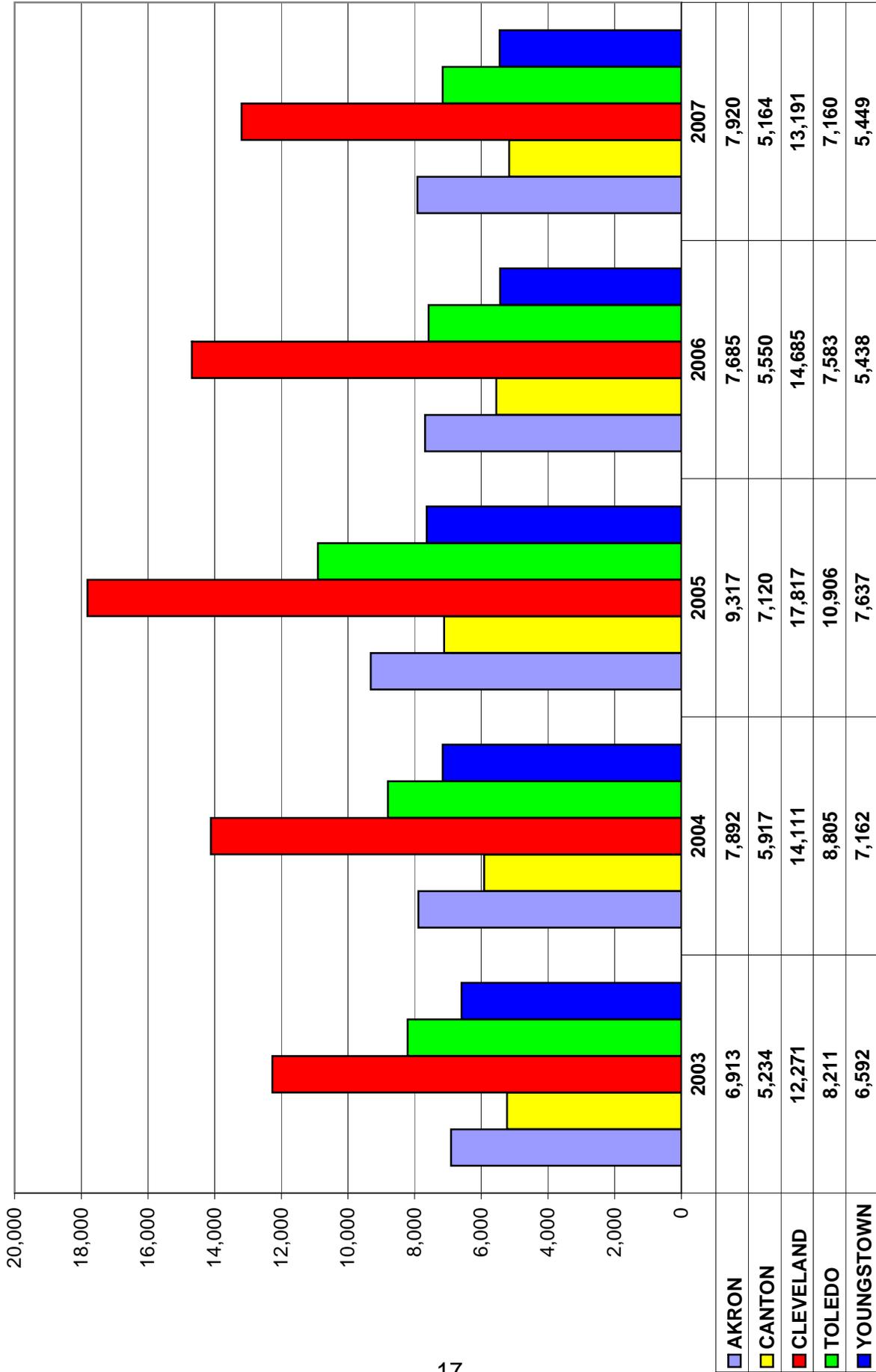
**CASE CLOSINGS
FY 2003-2007**



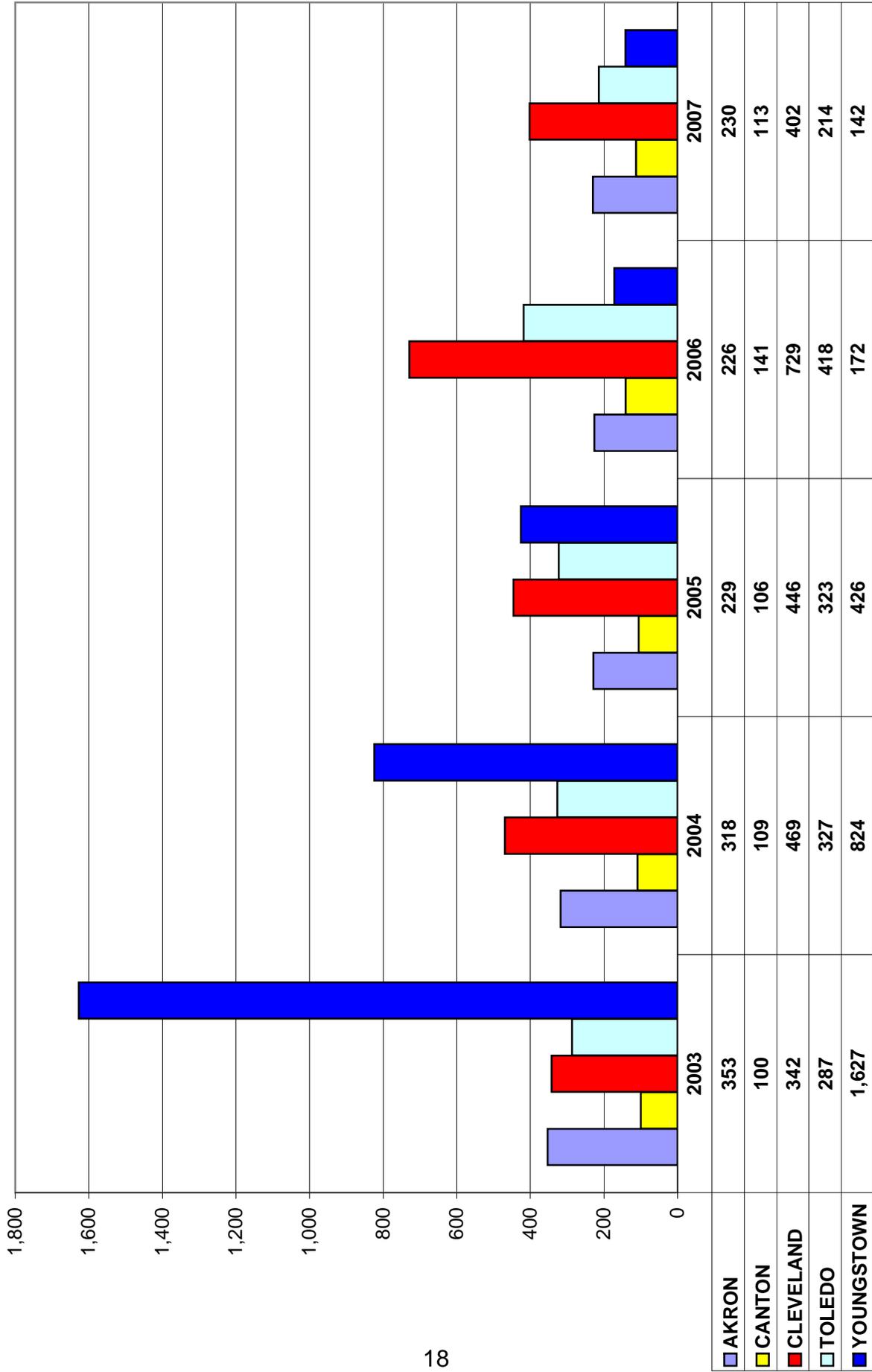
**ADVERSARY CLOSINGS
FY 2003 - 2007**



**PENDING CASES
FY 2003 - 2007**



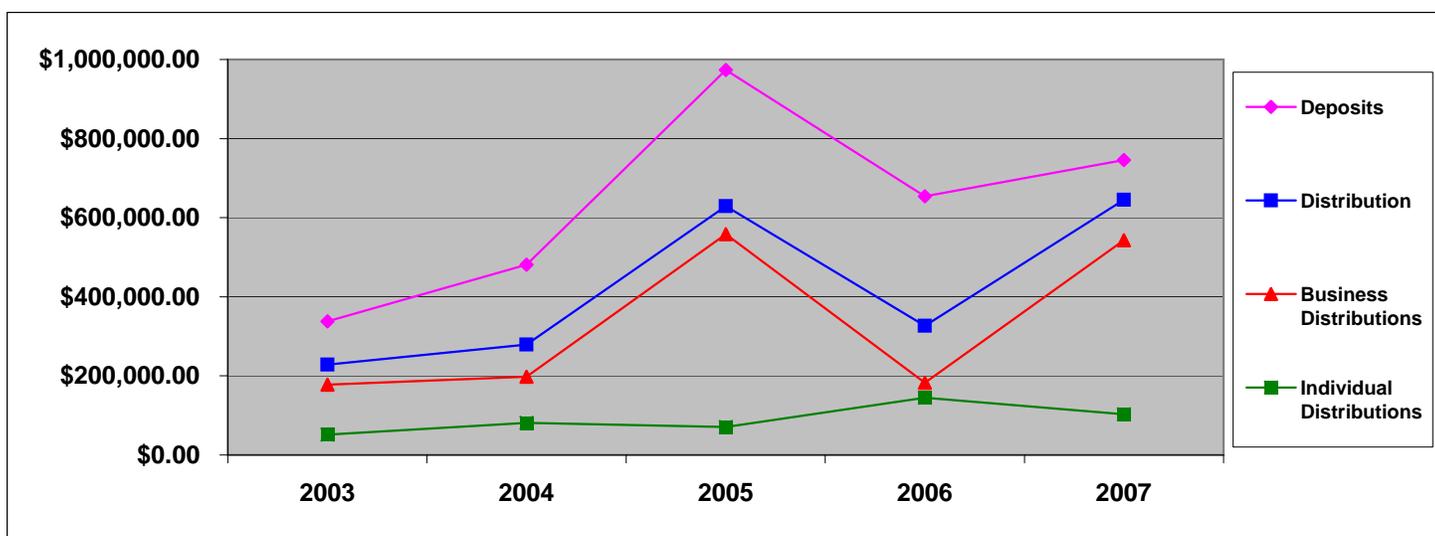
**PENDING ADVERSARIES
FY 2003 - 2007**



UNCLAIMED FUNDS

Pursuant to 11 U.S.C. § 347 (a) and 28 U.S.C. Chapter 129, property of a bankruptcy estate unclaimed ninety days after final distribution shall be paid into the registry of the court. The court receives the unclaimed monies from the case trustee following receipt of distribution checks that had been returned. The court deposits these unclaimed funds into Treasury deposit fund 6047BK. Following a period of five years, these funds are transferred into either fund 106000, for amounts less than \$25.00, or fund 6133BK for amounts of \$25.00 or more. Deposits of less than \$25 are forfeited as unclaimed money. Deposits of \$25 or more are held by the U.S. Treasury pending future requests of the unclaimed money.

During Fiscal Year 2007, the trustees deposited unclaimed funds in the amount of \$746,143.79 (includes 6047BK, 6133BK and 106000). The court has prepared 447 court-ordered distributions of these funds, that resulted in the disbursement of \$645,378.49 for the same period.



Fiscal Year	2003	#of Dist	2004	#of Dist	2005	#of Dist	2006	#of Dist	2007	#of Dist
Deposits	\$ 338,201.98	0	\$ 481,000.82	0	\$ 973,096.52	0	\$ 653,907.18	0	\$ 746,143.79	0
Distributions	\$ 228,684.80	71	\$ 279,332.85	234	\$ 629,155.25	207	\$ 326,947.76	178	\$ 645,378.49	447
Business Distributions	\$ 177,524.31	47	\$ 197,992.17	198	\$ 558,083.35	168	\$ 182,417.60	119	\$ 542,746.24	380
Individual Distributions	\$ 51,160.49	24	\$ 81,330.68	36	\$ 71,071.90	39	\$ 144,530.16	59	\$ 102,632.25	67

FISCAL YEAR 2007 REVENUE

1)	086400	\$	1,108,195.07
2)	086900		1,068,857.85
3)	092037		0.00
4)	106000		3,630.22
5)	109900		247.50
6)	143500		0.00
7)	332340		0.00
8)	322350		6,928.79
9)	322360		12,037.23
10)	322380		0.00
11)	387500		300.00
12)	3875CC		0.00
13)	5073XX		1,980,865.29
14)	510000		5,212,803.50
15)	510100		0.00
16)	5514CR		3,090.90
17)	6047BK		444,727.26
18)	6133BK		297,786.31
19)	6855BK		16,302.71
20)	6855TT		1,129,640.77
		\$	11,285,413.40

- 1) 086400 Increase to fees that were authorized by the passage of PL 109-171
- 2) 086900 Filing Fees (portion of Ch. 7, 13 and adversary filing fees, motions, etc.)
- 3) 092037 Fees for Bankruptcy Notices
- 4) 106000 Forfeitures of Unclaimed Money less than \$25.00 and held over 5 years
- 5) 109900 Miscellaneous Fines, Penalties and Forfeitures
- 6) 143500 Interest earned on all registry funds deposited into interest-bearing accounts in local financial institutions
- 7) 322340 Sale of Publications
- 8) 322350 Copy Fees
- 9) 322360 Miscellaneous Fees (certifications, searches, amendments to schedules, retrieval, service charges, claims and notices).
- 10) 322380 Recoveries of Court Costs
- 11) 387500 Clearing Account
- 12) 3875CC Clearing Account / Credit Card Transactions
- 13) 5073XX Portion of Ch. 11 non-railroad filing fee credited as offsetting collections to the United States Trustee System Fund
- 14) 510000 Civil Filing Fees (portion of Ch. 7 and 13 filings, relief from stay, adversaries and abandonments)
- 15) 510100 Registry Fees Handling Charges (fees assessed on funds deposited into interest-bearing accounts in local depositories).
- 16) 5514CR Printing Fees for Electronic Records
- 17) 6047BK Unclaimed Funds
- 18) 6133BK Forfeitures of Unclaimed Money of \$25.00 or more, and held over 5 years
- 19) 6855BK Deposit Funds, U.S. District Court (account is used for receipts held in suspense temporarily and later refunded, transferred or disbursed)
- 20) 6855TT Deposit Fund (Bankruptcy Trustee Account)

**FISCAL YEAR 2007
OPERATING BUDGET**

<u>Fund</u>	<u>Budget Object Code</u>	<u>Expenditures</u>	<u>% of Total Budget</u>
092000	Salary Budget		
	1100 PERSONNEL COMPENSATION	\$6,057,700.76	87.39%
092000	Operating Budget		
	1226 TRANSIT SUBSIDY	\$24,035.25	0.35%
	2120 TRAVEL	16,403.56	0.24%
	2125 TRAVEL	24,633.81	0.36%
	2203 MOVING OF COURT PROPERTY	3,372.74	0.05%
	2209 TRANSPORTATION OF THINGS	8,004.02	0.12%
	2341 OVERTIME UTILITIES	12,733.60	0.18%
	2343 U.S. POSTAL SERVICE ITEMS (COMMERCIAL METERS)	7,600.00	0.11%
	2345 POSTAGE METER RENTAL	2,070.00	0.03%
	2359 RENTAL OF MISC. ITEMS	720.29	0.01%
	2403 MISC. PRINTING	4,759.15	0.07%
	2509 POSTAGE EQUIPMENT MAINTENANCE	3,622.51	0.05%
	2510 CYCLICAL REPLACEMNT/MAINTENANCE PROGRAM	41,919.76	0.60%
	2513 EQUIPMENT REPAIR/MAINTENANCE	18,580.22	0.27%
	2515 TENANT ALTERATIONS & REPAIR	61,307.69	0.88%
	2518 FURNITURE REPAIR/REFURBISHING	1,547.74	0.02%
	2531 CONTRATCUTAL COURT REPORTERS	4,698.27	0.07%
	2543 TRAINING	27,464.97	0.40%
	2559 OTHER CONTRACTED SERVICES	33,076.32	0.48%
	2601 CONSUMABLE SUPPLIES	41,961.38	0.61%
	3101 GENERAL OFFICE EQUIPMENT	10,630.91	0.15%
	3111 FURNITURE AND FIXTURES	37,893.06	0.55%
	Operating Budget Subtotal	\$387,035.25	5.58%
	Non-automation Subtotal	\$6,444,736.01	92.98%
51140X	Automation Budget		
	2120 AUTOMATION TRAVEL	\$6,571.35	0.09%
	2125 AUTOMATION TRAINING TRAVEL	\$12,199.54	0.18%
	2331 COMMUNICATION - LOCAL	\$69,010.30	1.00%
	2332 COMMUNICATION - LONG DISTANCE	4,717.50	0.07%
	2335 RENT-DATA LINES	1,511.86	0.02%
	2337 CELLULAR TELEPHONE SERVICE	10,896.79	0.16%
	2512 INTRASITE WIRING	15,409.48	0.22%
	2513 ADP REPAIR	37,740.28	0.54%
	2543 AUTOMATION TRAINING	25,212.29	0.36%
	2559 OTHER CONTRACTUAL SERVICES (NOC)	830.13	0.01%
	2606 OFFICE AUTOMATED SUPPLIES	28,900.25	0.42%
	3102 SERVERS	15,792.46	0.23%
	3103 OFFICE AUTOMATION EQUIPMENT	178,061.68	2.57%
	3104 TELEPHONE PURCHASE	942.92	0.01%
	3108 PRINTERS	17,249.39	0.25%
	3109 DIGITAL COPY EQUIPMENT	17,454.00	0.25%
	3110 SCANNERS	418.00	0.01%
	3112 SOFTWARE PACKAGES	40,051.79	0.58%
	3159 OTHER EQUIPMENT (NOC)	3,840.97	0.06%
	Automation Subtotal	\$486,810.98	7.02%
GRAND TOTAL		\$6,931,546.99	100%