

U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO

CLERK OF COURT'S
FISCAL YEAR 2009
ANNUAL REPORT



KENNETH J. HIRZ, CLERK

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

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

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UNITED STATES BANKRUPTCY COURT NORTHERN DISTRICT OF OHIO

FISCAL YEAR 2009 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 37,692 bankruptcy cases filed in this district in FY2009 account for a 29% increase in cases filed compared to FY2008. This increase in FY2009 follows decreases in filings in previous years that were 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 seventh largest of 94 bankruptcy courts nationally during this fiscal year. 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 Marilyn Shea-Stonum, Chief Judge, Akron; Honorable Randolph Baxter, Cleveland; Honorable Richard L. Speer, Toledo; 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.

Chief Judge Marilyn Shea-Stonum was appointed to the Sixth Circuit Bankruptcy Appellate Panel on January 1, 2008. She continues to serve a four-year term. Judge Arthur I. Harris was appointed to a four-year term to the Sixth Circuit Bankruptcy Appellate Panel on January 1, 2009.

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 FY2010. The clerk's office operated on a budget of \$7.5 million and collected revenue of \$14.1 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. A total of \$477,205 was deposited with the court as unclaimed monies following trustees' distribution of the estate. In FY2009, \$428,550 of the total unclaimed funds (including prior year amounts) was redistributed. 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 3,700 open cases, more than a half-million closed cases and over 25 million documents contained on the CM/ECF server, which documents cases back to 1990. There are currently more than 5,200 registered attorneys and 1,400 creditors signed up for electronic filing of documents. More than 1.2 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 140,000 claims were filed electronically. The number of cases filed by pro se filers as a percentage of all cases filed was just over 2% 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

During this past year our CM/ECF application was upgraded multiple times (3.2, 3.3, 3.3.1) to the current v3.3.2. The Informix database was upgraded to version 10 and the application was migrated to a new set of servers. The new servers moved our environment to a 64-bit architecture from the 32-bit architecture we were utilizing. More than 79,000 E-Orders were processed on the system during the past year. An effort was completed to streamline case processing duties in the Toledo court by automating the case discharge tasks. A review of all ECF account privileges was conducted, and a new security structure for all accounts was implemented; this standardized and strengthened account security.

The Administrative Office of the U.S. Courts began a project to gather requirements for a new CM/ECF system. The Steering Committee for the project authorized three Functional Requirements Groups (FRGs) that will collect requirements for their respective area of responsibility; the three FRGs are Clerk's Office, Chambers, and External Users. Additionally, an Architecture Committee was formed to examine performance characteristics of the current CM/ECF systems, review proposals from the FRGs, and formulate recommendations regarding new systems architecture for the Next Generation of ECF system. The FRGs are composed of court employees from districts across the country. I was appointed as a member of the Clerk's Office FRG and will also be actively participating in providing information to the Architecture Committee. After this phase of the project is complete, design and development phases will be initiated. This is a massive project and it will be several years before the results of this project are realized.

The IT department continued with the multi-year project to replace our aging server environment. At the end of FY2008 ten servers in the Canton server room were replaced with two "virtualized" servers and a storage area network. At the end of FY2009 a similar project was initiated to replace multiple servers in the Cleveland courthouse. The systems in the Canton and Cleveland courthouses are designed to provide us with the ability to sustain court operations in the event of a disaster that disables or destroys one or more of our automation systems. The local servers in the Akron, Toledo, and Youngstown courthouses will be replaced in FY2010 to complete this large project.

The IT department worked very closely with the court's construction manager to define requirements for the data center in the new Canton courthouse that is now under construction. This facility will provide better physical security as well as much improved mechanical systems (electrical, HVAC, fire suppression) and work spaces for the court's automation systems.

Members of the IT department continue to commit themselves to continuous learning and development. One IT staff member - Ritch Hartmann - completed his PhD in Electrical Engineering at the University of Akron this year. Another IT staff member - Evan Streb - is working on his MBA at Kent State University. IT staff attended many hours of technical training and industry conferences to learn or enhance skills including Microsoft Windows

2008 Server Administration, MySQL programming and administration, Perl Programming with HSGS, VMWare systems administration, and AutoCad Fundamentals. The IT department prepared and conducted in-house classes for employees across our district, including Adobe Acrobat 8 and Lotus Notes 8.0.2. Preparations are currently in process to present a Quickr class to court employees. Five IT staff members attended the National Conference of Bankruptcy Clerks national conference, two attended the 4th, 6th and 7th joint circuit IT conference, and two attended the Operational Practices Forum. One IT staff member - Tony Horton - has applied for and been accepted to participate in the Federal Court Leadership Program that begins in 2010.

A variety of other projects were completed throughout the year. Monitoring systems were installed in the server rooms and data closets of all the district's courthouses that monitor for fire, smoke, water, heat, and humidity. If any of these elements are detected an alert is sent to the IT department so that a follow-up review can be conducted. This allows us to mitigate any serious problems that could happen to the court's automation systems. The design phase was completed for a new PC and Windows server environment consisting of the Windows 7 and Windows Server 2008 operating systems. These platforms will be rolled out to the court's PCs and Windows servers in 2010. New travel laptops were ordered for our judges and some laptops located in courtrooms were replaced as well. We replaced 52 aging PCs throughout the district with Dell Optiplex 960 PCs.

Lori McLaughlin-Nelson
Director, Information Technology

Human Resources

Personnel

This past fiscal year was a changing one for the court. Improvements to our recruitment, selection and placement practices rendered a more structured process in hiring staff. Unlike FY2008, the turnover rate and recruiting efforts were minimal for FY2009. There were two Case Administrators hired, one for the Cleveland office and one for the Youngstown office.

Court staff continued to operate efficiently as in the past. The court began this fiscal year with 100 staff, the same staffing level as last year. However, this level is below the level of the four years prior to FY2007.

Judges' chambers were staffed by 21 individuals. They include eleven full-time and four part-time law clerks, three temporary law clerks and three secretaries/judicial assistants.

Human Resources (HR) 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 FY2009, there were no evaluations outstanding as of the end of the fiscal year.

During this fiscal year, service award pins were distributed to judges and staff with 5, 10, 15, 20, 25 and 30 years of service.

Changes were made to the Court Personnel System benchmarks and qualifications. In addition to the new benchmarks, the development of a Performance Management Plan which describes the court unit's policy and procedures for planning, monitoring, developing, appraising, and rewarding employee performance, was approved for the court.

A thorough review of policies and procedures was completed. A written procedure for recruitment, selection and placement was implemented and has resulted in a smoother and more efficient process. Several policies and procedures were developed this fiscal year along with many revisions to the employee handbook, mostly to adjust to the HR enhancements and requirements established by the Administrative Office of the U.S. Courts.

Human Resources experienced enhancements in data integrity through several automated programs and updates from the Office of Human Resources (OHR) Business Technology Optimization Division (BTOD). Employee self-service (eService) and employee access to the electronic official personnel file (eOPF) were deployed. Also, employee life insurance and health benefit enrollments on the Judiciary Benefits Center website became available for judges and Judiciary employees.

Professional Development/Training

Human Resources experienced an exciting year in its Training and Development area. The court continued its Individual Development Plan (IDP) for staff during FY2009 in addition to developing a Training and Development Competency Checklist, which assesses the effectiveness of training for each employee.

A training needs assessment survey was conducted separately for managers and supervisors, which resulted in more job-specific training for managers and supervisors.

The court continued to see a rise in the total number of staff training hours for the fiscal year. Training hours for FY2009 total 2,377.9 hours, which is a 40% increase from last year.

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
- Professional Educational Institute (PEI)
- CourtsLearn
- 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
- 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 ergonomics and CPR/AED.

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 included: Lotus Notes 8.0.2 and Adobe Acrobat 8 Standard.

Other training included:

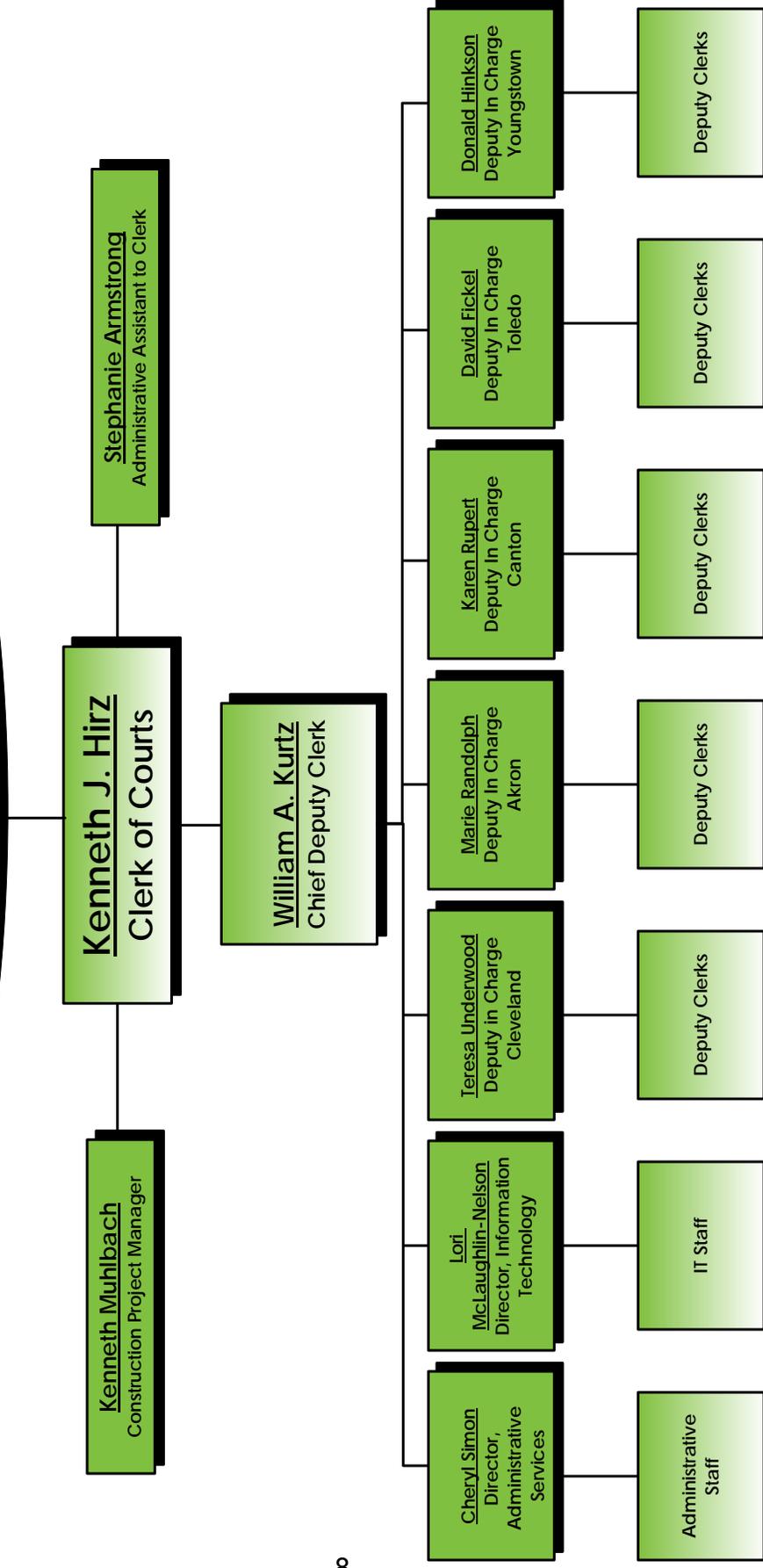
- in-house training to external ECF users
- Cleveland Intake training
- Bankruptcy local rules
- e-learning programs
- customer support in a CM/ECF environment
- Judicial Administration Program at Michigan State University (MSU).

In conclusion, the Human Resources Department remains flexible and open to the constant changes of its resources and the needs of the court staff. The HR Academy, an in-person training that provided HR representatives with hands-on practical skills in areas

such as: writing position descriptions and vacancy announcements, qualifying and compensating employees under the JSP and CPS, preparing retirement estimates and retirement packages, presentation techniques, and the basics of HR processing for chambers proved to be a strengthening force in accomplishing human resources goals and objectives.

Penny Hoffman
Training and Personnel Specialist

**Judges of the
United States Bankruptcy Court
Northern District of Ohio
Marilyn Shea-Stonum, Chief Judge**



Northern District of Ohio Statistical Analysis

A total of 37,692 cases were filed in this District in Fiscal Year 2009. (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 an increase of 29% compared to FY 2008. A comparison of the percentage filings, by Chapter, during this time reveals the following:

	FY 2009	% of Total
Chapter 7	30,907	82%
Chapter 11	118	<1%
Chapter 12	2	<1%
Chapter 13	6,663	18%
Chapter 15	2	<1%
Total	37,692	100%

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 2008	FY 2009	% of Change
Akron	4,548	5,832	28%
Canton	4,330	5,579	29%
Cleveland	9,922	12,347	24%
Toledo	6,752	9,045	34%
Youngstown	3,639	4,889	34%
Total	29,191	37,692	29%

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 2008	FY 2009	% of Change
Chapter 7	3,343	4,628	38%
Chapter 11	18	27	50%
Chapter 12	0	0	*
Chapter 13	1,187	1,177	<1%
Chapter 15	0	0	*

CANTON

	FY 2008	FY 2009	% of Change
Chapter 7	3,382	4,657	38%
Chapter 11	10	23	130%
Chapter 12	0	1	*
Chapter 13	938	898	-4%
Chapter 15	0	0	*

CLEVELAND

	FY 2008	FY 2009	% of Change
Chapter 7	6,736	9,801	46%
Chapter 11	28	21	-25%
Chapter 12	0	0	*
Chapter 13	3,158	2,525	-20%
Chapter 15	0	0	*

TOLEDO

	FY 2008	FY 2009	% of Change
Chapter 7	5,666	8,181	44%
Chapter 11	15	20	33%
Chapter 12	2	1	-50%
Chapter 13	1,069	841	-21%
Chapter 15	0	2	*

YOUNGSTOWN

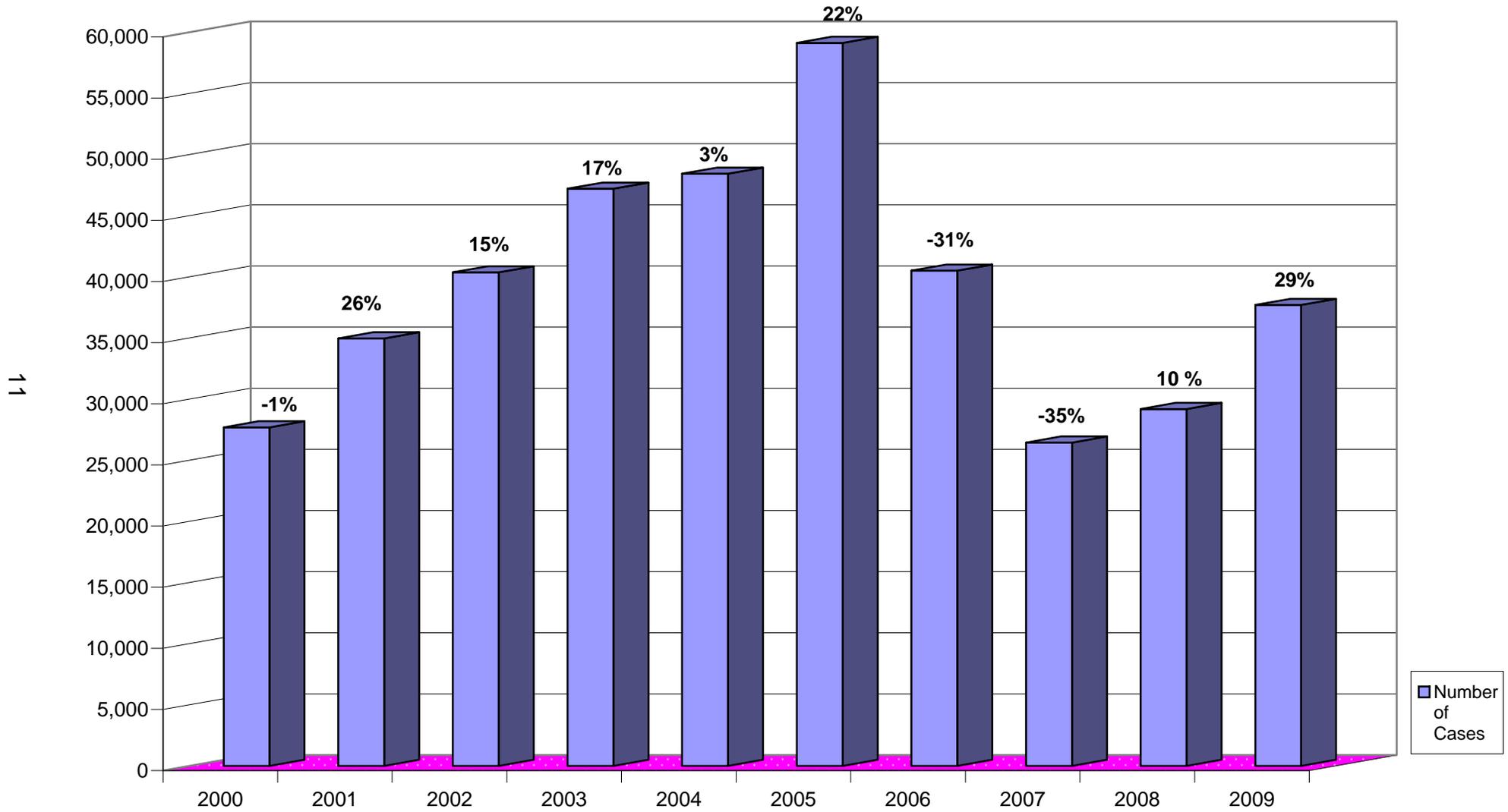
	FY 2008	FY 2009	% of Change
Chapter 7	2,335	3,640	56%
Chapter 11	9	27	200%
Chapter 12	1	0	-100%
Chapter 13	1,294	1,222	-6%
Chapter 15	0	0	*

DISTRICT TOTAL

	FY 2008	FY 2009	% of Change
Chapter 7	21,462	30,907	44%
Chapter 11	80	118	48%
Chapter 12	3	2	-33%
Chapter 13	7,646	6,663	-13%
Chapter 15	0	2	*

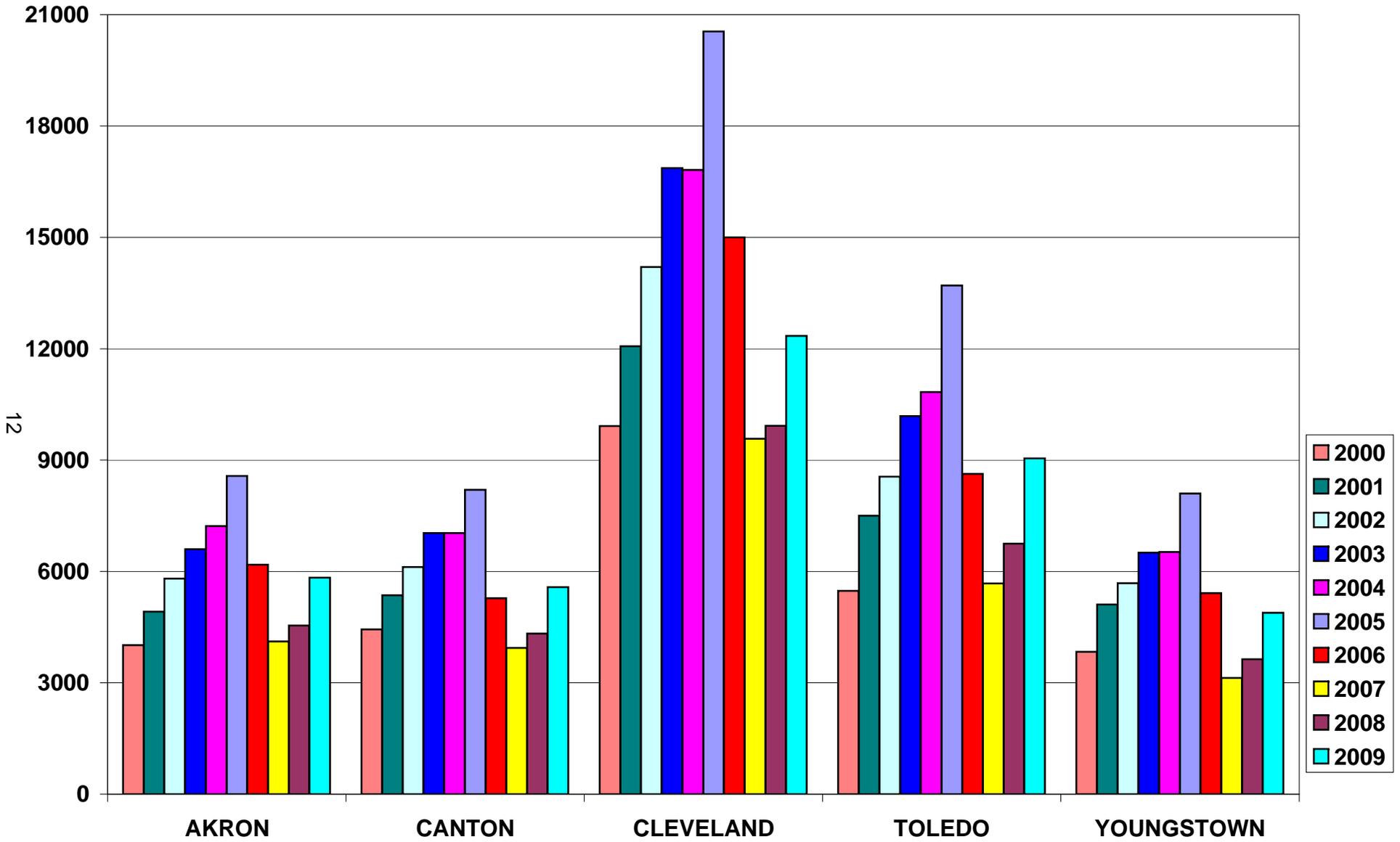
*Prior fiscal year is zero; percentage is incalculable.

**CASE FILINGS
FY 2000 - 2009
PERCENTAGE OF CHANGE**

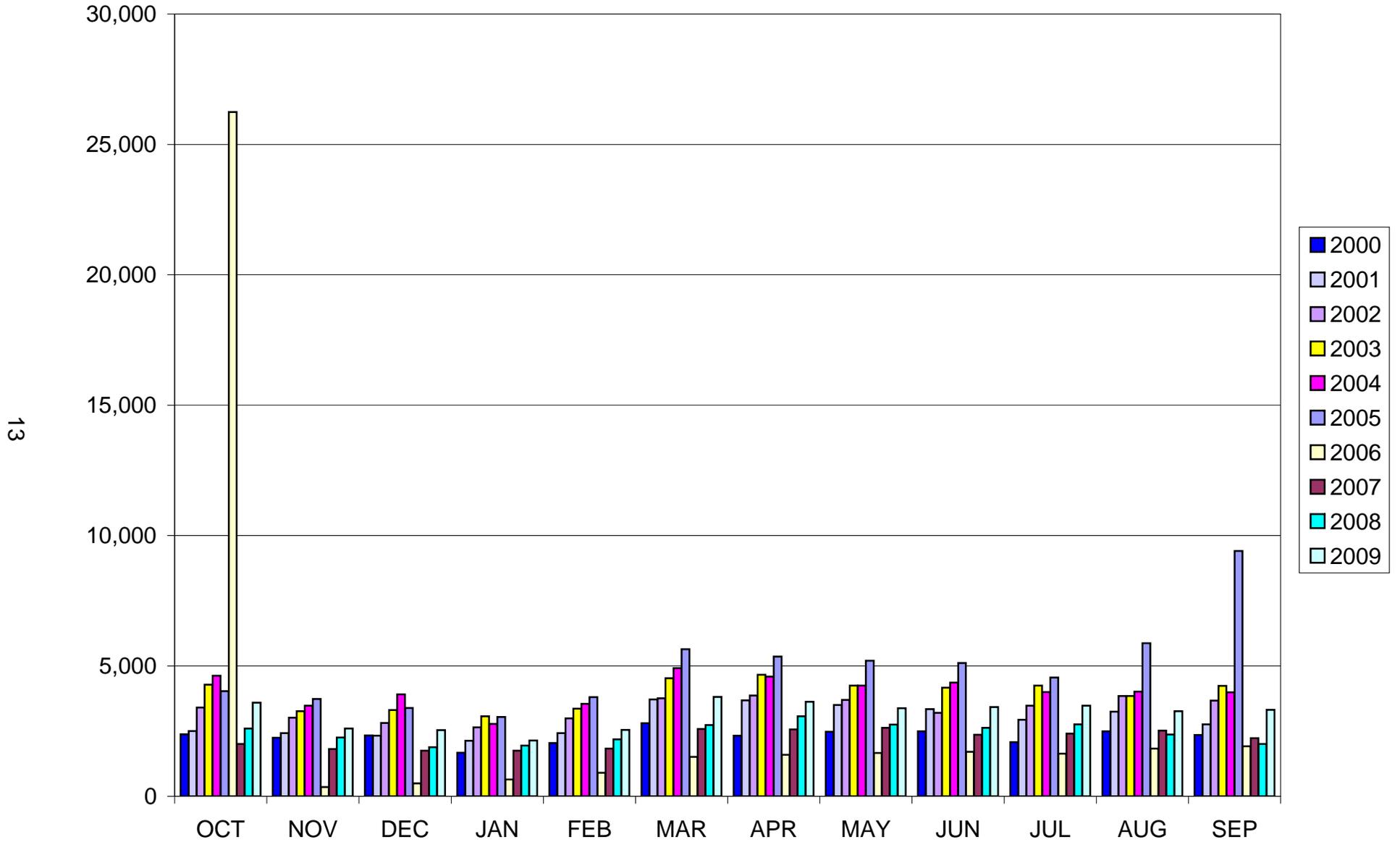


Note: Statistics are for all court offices.

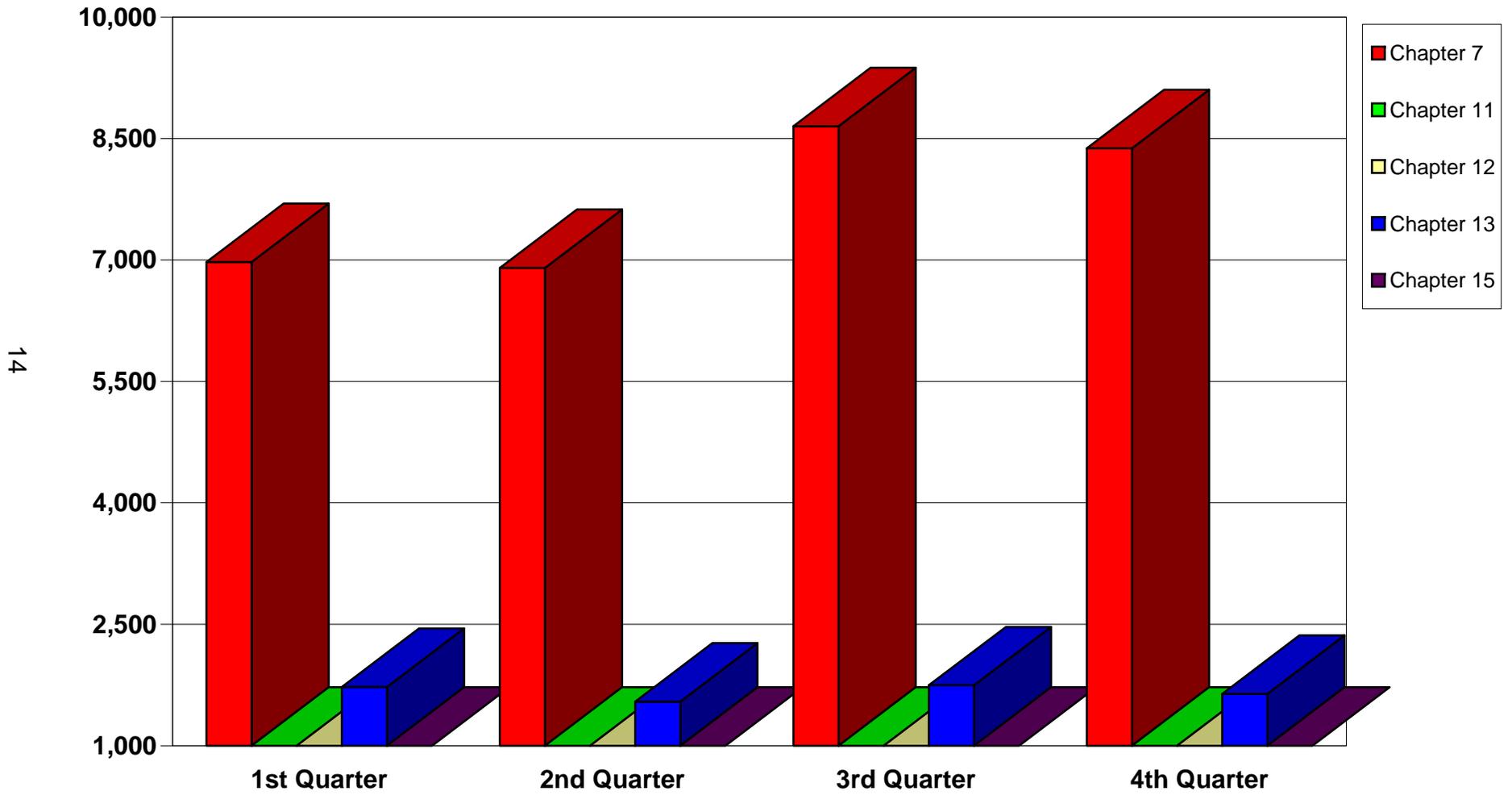
FILINGS PER OFFICE
FY 2000 - 2009



**FILING COMPARISON
FY 2000 - 2009**

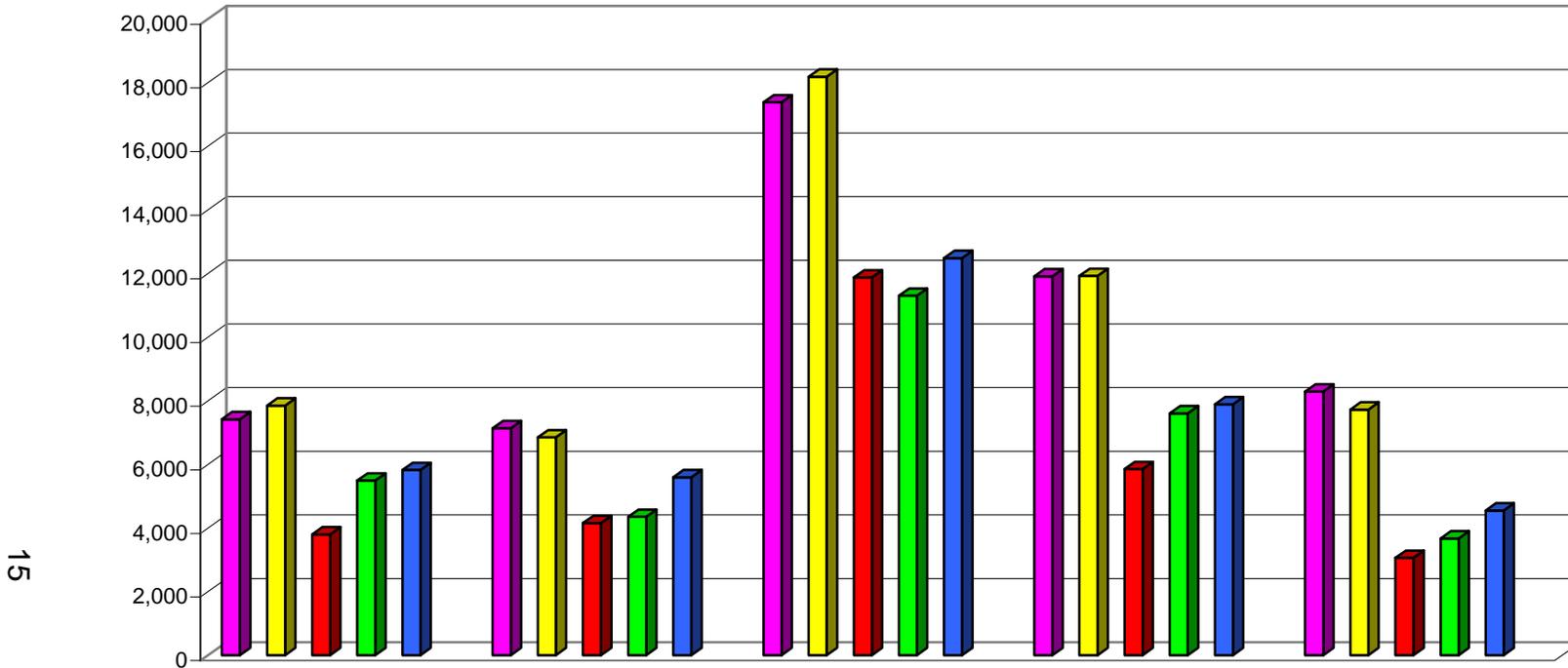


QUARTERLY FILINGS
FY 2009



Note: Statistics are for all court offices.

CASE CLOSINGS FY 2005-2009



15

AKRON

CANTON

CLEVELAND

TOLEDO

YOUNGSTOWN

2005
2006
2007
2008
2009

7,416
7,844
3,793
5,486
5,820

7,133
6,845
4,149
4,347
5,589

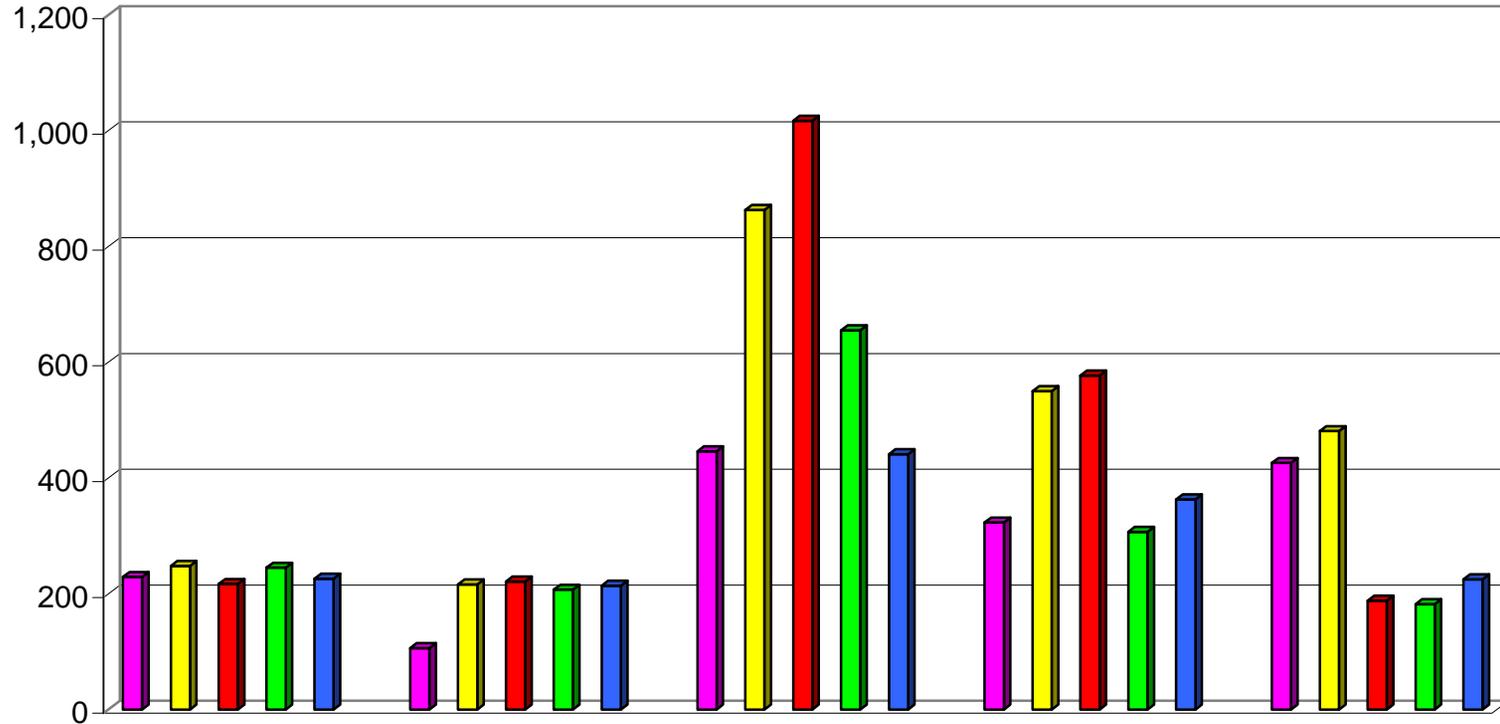
17,370
18,177
11,870
11,293
12,478

11,900
11,918
5,850
7,598
7,884

8,286
7,717
3,058
3,666
4,544

ADVERSARY CLOSINGS FY 2005 - 2009

16



AKRON

CANTON

CLEVELAND

TOLEDO

YOUNGSTOWN

2005
2006
2007
2008
2009

229
248
217
245
226

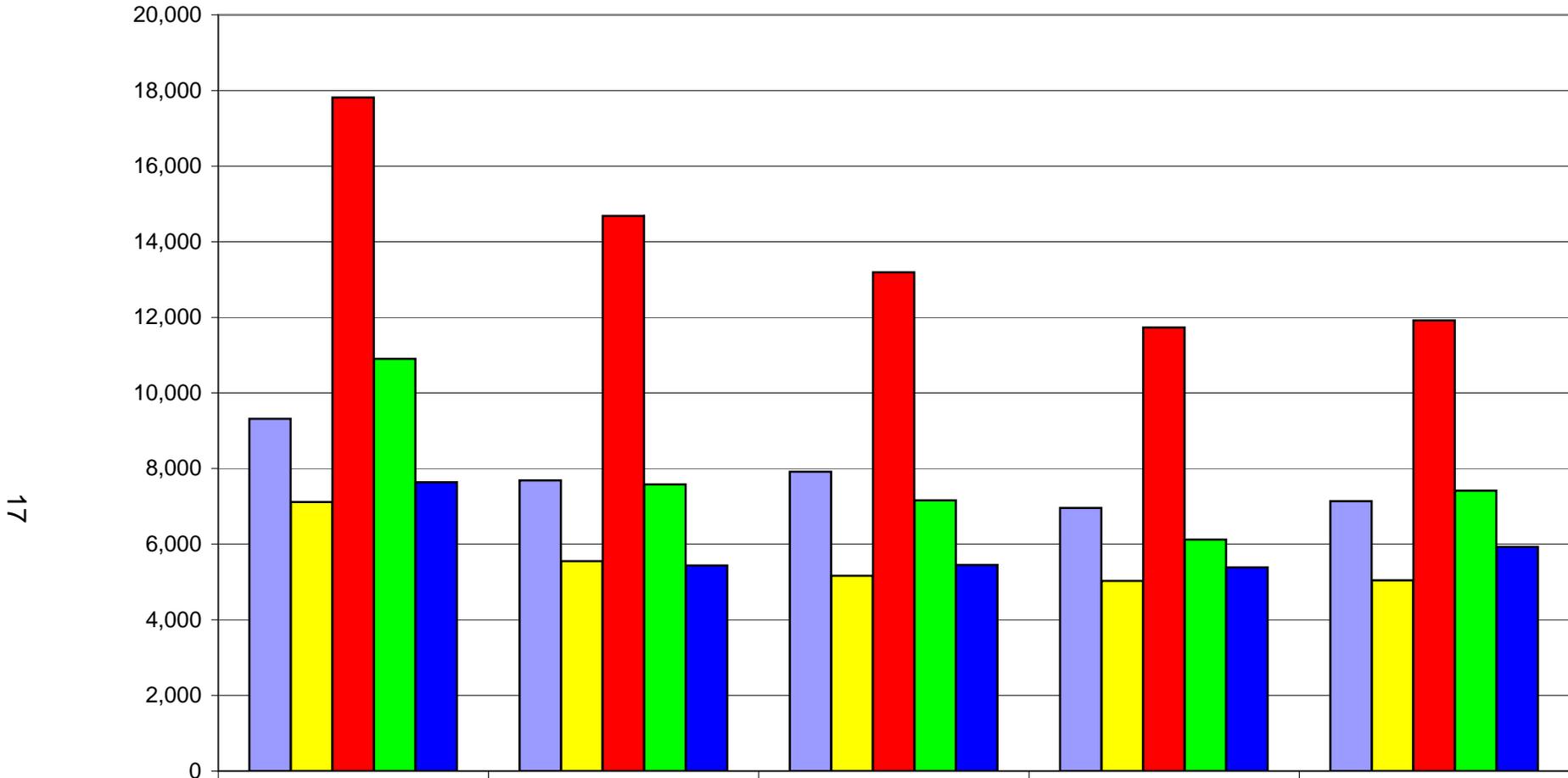
106
216
221
207
214

446
863
1,017
655
441

323
550
577
307
363

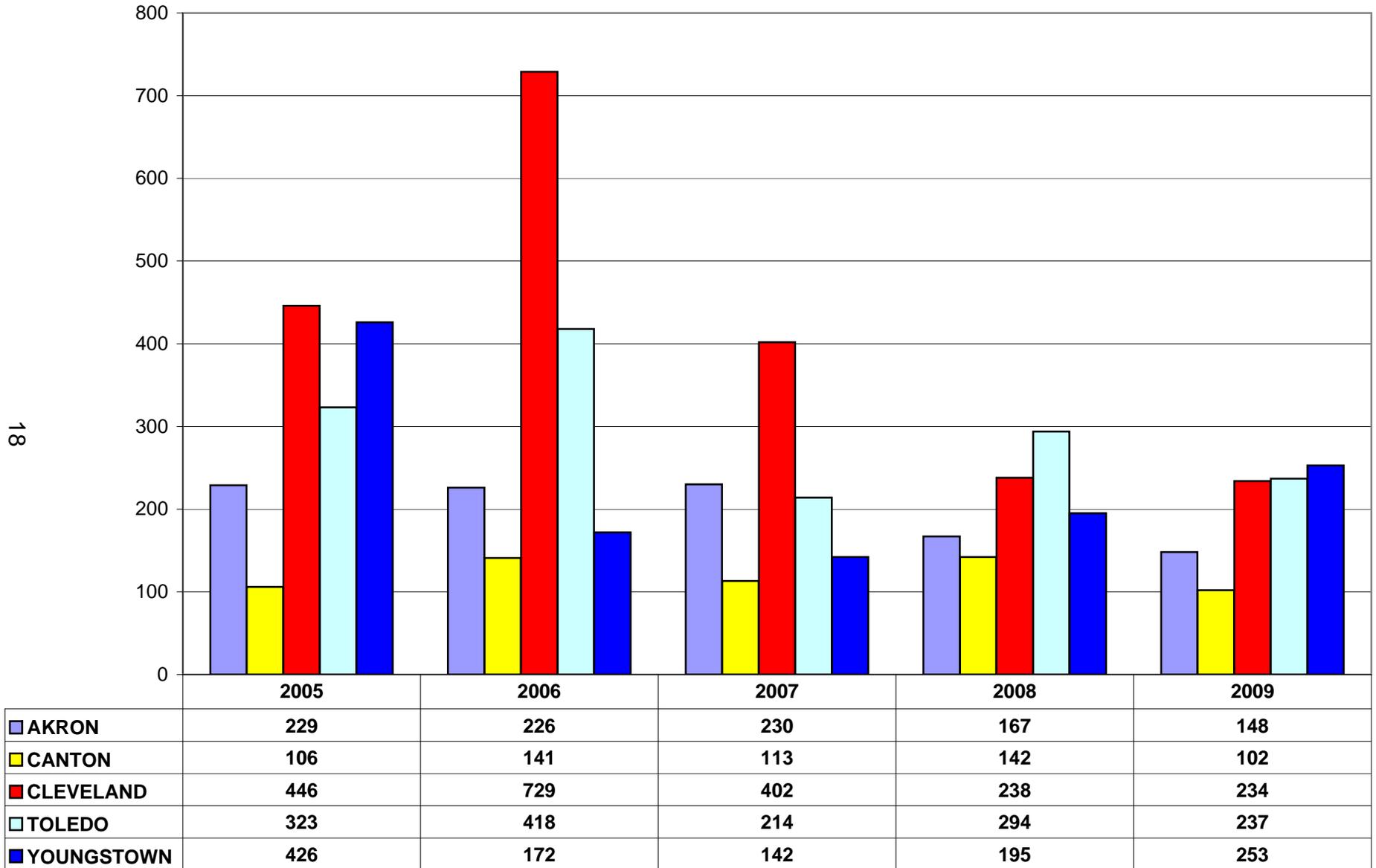
426
481
188
182
225

**PENDING CASES
FY 2005 - 2009**



	2005	2006	2007	2008	2009
AKRON	9,317	7,685	7,920	6,960	7,137
CANTON	7,120	5,550	5,164	5,031	5,048
CLEVELAND	17,817	14,685	13,191	11,735	11,915
TOLEDO	10,906	7,583	7,160	6,124	7,419
YOUNGSTOWN	7,637	5,438	5,449	5,390	5,931

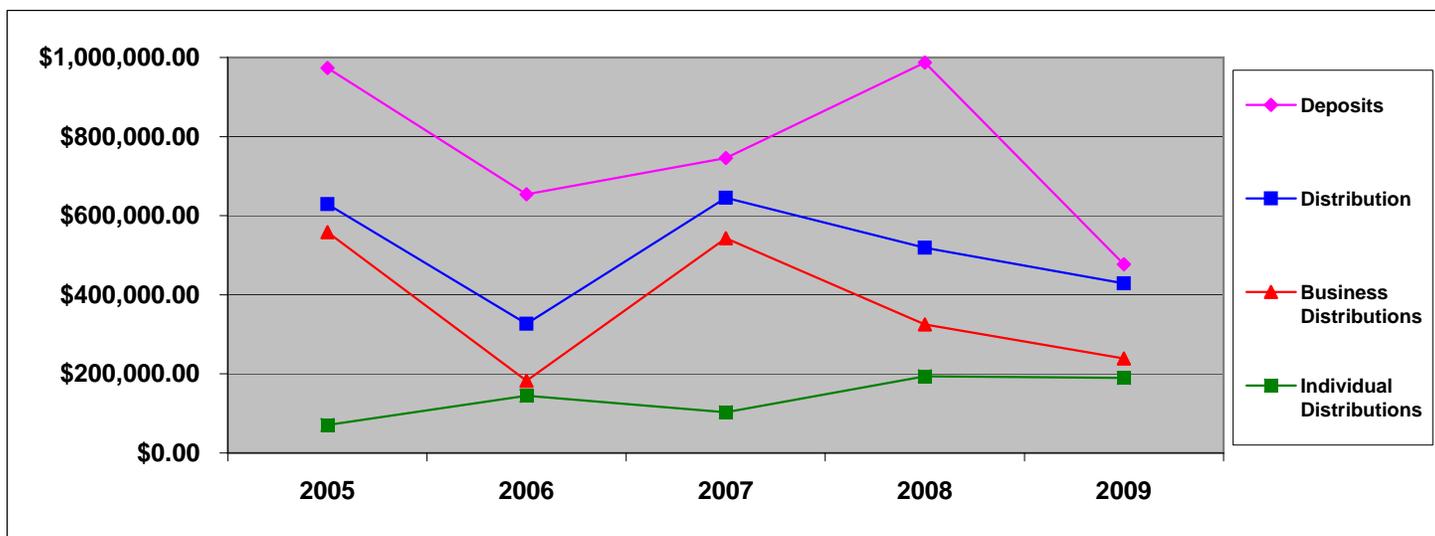
**PENDING ADVERSARIES
FY 2005 - 2009**



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 2009, the trustees deposited unclaimed funds in the amount of \$477,205.05 (includes 6047BK, 6133BK and 106000). The court has prepared 348 court-ordered distributions of these funds, which resulted in the disbursement of \$428,549.57 for the same period.



Fiscal Year	2005	#of Dist	2006	#of Dist	2007	#of Dist	2008	#of Dist	2009	#of Dist
Deposits	\$ 973,096.52	0	\$ 653,907.18	0	\$ 746,143.79	0	\$ 987,415.60	0	\$ 477,205.05	0
Total Distributions	\$ 629,155.25	207	\$ 326,947.76	178	\$ 645,378.49	447	\$ 519,018.18	336	\$ 428,549.57	348
Business Distributions	\$ 558,083.35	168	\$ 182,417.60	119	\$ 542,746.24	380	\$ 324,741.49	253	\$ 238,601.10	270
Individual Distributions	\$ 71,071.90	39	\$ 144,530.16	59	\$ 102,632.25	67	\$ 194,276.69	83	\$ 189,948.47	78

FISCAL YEAR 2009 REVENUE

1)	086400	\$	1,265,068.82
2)	086900		1,222,421.37
3)	092037		0.00
4)	106000		5,988.68
5)	109900		4,500.00
6)	143500		0.00
7)	332340		0.00
8)	322350		4,002.00
9)	322360		5,960.56
10)	322380		0.00
11)	387500		0.00
12)	3875CC		0.00
13)	5073XX		3,032,795.96
14)	510000		6,271,991.73
15)	510100		2.07
16)	5514CR		2,941.90
17)	6047BK		262,660.71
18)	6133BK		207,930.94
19)	6855BF		1,040.00
20)	6855BK		33,599.69
21)	6855TT		1,813,069.86
	TOTAL	\$	<u>14,133,974.29</u>

- 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) 6855BF Clearing Account
- 20) 6855BK Deposit Funds, U.S. District Court (account is used for receipts held in suspense temporarily and later refunded, transferred or disbursed)
- 21) 6855TT Deposit Fund (Bankruptcy Trustee Account)

**FISCAL YEAR 2009
OPERATING BUDGET**

<u>Fund</u>	<u>Budget Object Code</u>	<u>Expenditures</u>	<u>% of Total Budget</u>
092000	Salary Budget		
	1100 PERSONNEL COMPENSATION	\$6,553,047.64	87.65%
092000	Operating Budget		
	1226 TRANSIT SUBSIDY	\$29,922.75	0.40%
	2120 TRAVEL	17,228.55	0.23%
	2125 TRAVEL	24,318.64	0.33%
	2203 MOVING OF COURT PROPERTY	2,650.29	0.04%
	2209 TRANSPORTATION OF THINGS	10,211.87	0.14%
	2341 OVERTIME UTILITIES	11,627.14	0.16%
	2342 LEASED PARKING FACILITIES	6,385.00	0.09%
	2343 U.S. POSTAL SERVICE ITEMS (COMMERCIAL METERS)	7,178.92	0.10%
	2345 POSTAGE METER RENTAL	2,070.00	0.03%
	2359 RENTAL OF MISC. ITEMS	548.04	0.01%
	2403 MISC. PRINTING	4,471.43	0.06%
	2509 POSTAGE EQUIPMENT MAINTENANCE	3,413.67	0.05%
	2510 CYCLICAL REPLACEMNT/MAINTENANCE PROGRAM	64,293.98	0.86%
	2513 EQUIPMENT REPAIR/MAINTENANCE	18,836.86	0.25%
	2515 TENANT ALTERATIONS & REPAIR	30,966.74	0.41%
	2531 CONTRACTUAL COURT REPORTERS	540.00	0.01%
	2543 TRAINING	34,751.47	0.46%
	2544 PUBLIC NOTICES & ADVERTISING	2,268.28	0.03%
	2559 OTHER CONTRACTED SERVICES	3,928.16	0.05%
	2601 CONSUMABLE SUPPLIES	35,874.15	0.48%
	2602 NON MONETARY AWARDS	1,574.18	0.02%
	3101 GENERAL OFFICE EQUIPMENT	3,012.66	0.04%
	3111 FURNITURE AND FIXTURES	22,433.70	0.30%
	Operating Budget Subtotal	\$338,506.48	4.53%
	Non-automation Subtotal	\$6,891,554.12	92.17%
	Automation Budget		
51140X	2120 AUTOMATION TRAVEL	\$6,958.61	0.09%
	2125 AUTOMATION TRAINING TRAVEL	\$5,185.38	0.07%
	2331 COMMUNICATION - LOCAL	\$66,944.03	0.90%
	2332 COMMUNICATION - LONG DISTANCE	3,744.64	0.05%
	2335 RENT-DATA LINES	2,502.08	0.03%
	2337 CELLULAR TELEPHONE SERVICE	16,455.54	0.22%
	2512 INTRASITE WIRING	63,039.08	0.84%
	2513 ADP REPAIR	45,702.28	0.61%
	2543 AUTOMATION TRAINING	9,599.00	0.13%
	2606 OFFICE AUTOMATED SUPPLIES	27,935.66	0.37%
	3103 OFFICE AUTOMATION EQUIPMENT	268,662.70	3.59%
	3104 TELEPHONE PURCHASE	5,364.11	0.07%
	3108 PRINTERS	1,888.42	0.03%
	3112 SOFTWARE PACKAGES	42,707.07	0.57%
	3141 SPACE RELATED EQUIPMENT	2,760.00	0.04%
	3159 OTHER EQUIPMENT (NOC)	15,657.94	0.21%
	Automation Subtotal	\$585,106.54	7.83%
		\$7,476,660.66	100%
GRAND TOTAL			