

U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO

CLERK OF COURT'S
FISCAL YEAR 2010
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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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 38,987 bankruptcy cases filed in this district in FY2010 is a 3% increase compared to the previous fiscal year. Increases in FY2010 and FY2009 follow decreases in filings in previous years. Case filing figures (as compiled by the Administrative Office of the U.S. Courts) depict the Northern District of Ohio as the tenth 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. Judge Randolph Baxter is serving his second year as a member of the Bankruptcy Judges Advisory Group at the Administrative Office of the U.S. Courts. Judge Arthur I. Harris is serving his first years as a member of the Judicial Conference of the United States Advisory Committee on Bankruptcy Rules. Judge Richard L. Speer has now served for 35 years as a bankruptcy judge and Judge Randolph Baxter has served as a bankruptcy judge for 25 years.

The clerk's office has 99 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 increased efficiencies. The clerk's office operated on a budget of \$8.4 million and collected revenue of \$14.2 million as identified in this report. These figures demonstrate that 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 \$498,238 was deposited with the court as unclaimed monies, following trustees' distribution of the estate. In FY2010, the court redistributed \$446,652 to claimants (including prior year amounts). 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 currently more than 35,856 open cases, more than a half-million closed cases, and more than 29.2 million documents contained on the CM/ECF server which documents cases from 1990. There are currently 6,408 attorneys and 1,778 creditors registered for electronic filing of documents. More than 1.2 million documents were filed in the CM/ECF system in this fiscal year. Of these documents, nearly 24% were entered by court staff. More than 54% of the documents were entered by attorneys and trustees. Ninety percent of the 145,090 claims were filed electronically. The number of cases filed by pro se filers as a percentage of all cases filed was 2.1% during the fiscal year.

In the following pages, you will be introduced to further detail about our Information Technology and Human Resources 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

Construction was completed on the new Canton courthouse in 2010. This facility incorporated all new technology equipment in the courtroom as well as new mechanical systems (electrical, HVAC, fire suppression) to support the court's data center. The new data center includes improved physical security, and functional work and meeting spaces for the court's automation personnel. The IT department contracted with multiple vendors that specialize in moving electronics equipment to move the court's automation systems into the new facility. The move was accomplished over multiple weekends to ensure that all systems were fully available to court staff and our customers during the court's business hours.

During this past year our CM/ECF application was upgraded twice (v3.3.3 and v3.4). Almost 65,000 E-Orders were uploaded, and more than 58,000 were signed during the past year. The court continued to streamline case processing duties by implementing the automation of the case closing tasks for the Cleveland court. Preparations are under way to incorporate the bankruptcy rules changes into the ECF system, scheduled to commence in December 2010.

Significant progress was achieved on the project the Administrative Office of the U.S. Courts (AO) initiated to gather requirements for a new CM/ECF system. The Architecture Committee completed its study and published the first draft of its report for court review. The Clerk's Office and Chambers Functional Requirements Groups (FRGs) completed gathering requirements and have starting reconciling the information they collected. The External Users FRG started its work this year. After the requirements gathering phase of the project is complete, design and development work will begin. This is a massive project and it will be several years before the results of this project are realized.

The AO started a project to upgrade the wide area network of the courts so that voice, video, and data can be converged onto one network. This is the prescribed method in the IT industry to save long distance costs. Due to this work, the court has started a project to enhance the court's phone systems and move them to this newly upgraded network in order to eliminate the cost of long distance phone calls made between our court locations. The work is scheduled to begin in December 2010 and be completed in 2011.

The court's Chief Deputy Clerk, Bill Kurtz, and Matt Drechsler, the court's former Web Developer, met with the Attorney Constituent Group (ACG) to discuss how the court's website could be made more user-friendly for the attorneys that practice in our district. Most of the recommendations provided by the ACG have been implemented.

The IT department recently started to upgrade all of the court's Windows servers to the Windows 2008 R8 operating system. Once this project is complete, another project will begin to upgrade all the court's desktop and laptop computers to the Windows 7 operating system.

Members of the IT department continue to commit themselves to continuous learning and development. Two IT staff members attended Dynamics of Leadership training, two IT managers attended management training, multiple IT staffers attended AED/CPR training, and all IT staffers attended Code of Ethics training. IT staff attended many hours of technical training and industry conferences to learn or enhance skills including Compellent Storage Area Network Administration, Voice over IP, MySQL Server, Perl Programming with HSGS, Captivate Advanced, and ASP.NET Webforms. The IT department prepared and conducted in-house Quickr classes for court employees throughout our district. Preparations are currently in process to present training to court employees for the Windows 7 Operating System, PC navigation techniques, and Microsoft Office Suite 2010. Two 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 Bankruptcy Courts Operational Practices Forum. Evan, Systems Analyst Programmer, completed his MBA degree this year. Ritch Hartmann, another Systems Analyst Programmer, earned the Level V Homeland Security certification.

A variety of other projects were completed throughout the year including cyclical replacements of 50 aging personal computers, 22 monitors, and 14 printers.

Lori McLaughlin-Nelson
Director, Information Technology

Human Resources

Personnel

The turnover rate and recruiting efforts continued to be at a minimum for FY2010. There was one Case Administrator hired in the Toledo office, replacing a retiree, and one IT person transferred within the Judiciary.

The court began this fiscal year with 100 staff, the same staffing level as last year, and ended with 99 staff. We have been operating under 90 percent of our Work Measurement Formula and have performed efficiently at this level for the past six years.

Judges' chambers were staffed by 22 individuals. They include fourteen full-time and two 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 FY2010, there were no evaluations outstanding as of the end of the fiscal year.

A thorough review of policies and procedures was completed. 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.

The Office of Human Resources Benefits Division for FY2010 implemented online Employee Benefits Orientation, educational seminars and individual counseling for employees eligible to retire, and automatic enrollment in the TSP for newly or rehired employees. Also, a new Human Resources Management Information System (HRMIS) application, ePerformance, became available for implementation. The ePerformance application provides automation support for developing performance plans, tracking progress, and completing end-of-year evaluations.

Professional Development/Training

The court continued its Individual Development Plan (IDP) for staff during FY2010. Training hours for FY2010 total 2,146 hours. Added to the court's training program is the Courtroom Deputy Academy. The Academy is a professional development opportunity for staff who aspire to the position of courtroom deputy. This curriculum based program allows the completion of any of the curriculum to apply toward the annual IDP requirement.

A training needs assessment was conducted for managers and supervisors which resulted in human resources training that concentrated on building and maintaining excellence through best in class human resources practices. The training was conducted

by Professor Theodore Curry II, Associate Vice President and Associate Provost, Academic Human Resources, Michigan State University.

Classroom training on the Code of Conduct for judicial employees was administered by the FJC. This in-district training provided an opportunity to review the Canons that form the framework for ethical decision making by court managers and staff.

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
- Public libraries
- Judiciary Online University (JOU)
- WebEx
- 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 via Michigan State University (MSU)
- workplace safety training including Stretchware 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: Quicker and Microsoft Suites.

Other training included:

- in-house training to external ECF users
- Bankruptcy local rules
- Appropriate limits use of social media
- e-learning programs
- customer support in a CM/ECF environment
- Judicial Administration Program at Michigan State University (MSU).

In conclusion, the Human Resources Department continues its efforts in staying abreast of the latest programs developed by the FJC, Administrative Office of the U.S. Courts, and the Office of Human Resources (OHR) Business Technology Optimization Division

(BTOD). Skill-building and professional development through the Courts Trainers Conference enabled me to share practices for training in the courts, collaborate to address common training needs, and further develop our capacity to conduct training programs.

Penny Hoffman
Training and Personnel Specialist

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

Kenneth Muhlbach
Construction Project Manager

Kenneth J. Hirz
Clerk of Courts

Stephanie Armstrong
Administrative Assistant to Clerk

William A. Kurtz
Chief Deputy Clerk

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Cheryl Simon
Director,
Administrative
Services

Lori
McLaughlin-Nelson
Director, Information
Technology

Teresa Underwood
Deputy in Charge
Cleveland

Marie Randolph
Deputy In Charge
Akron

Karen Rupert
Deputy In Charge
Canton

David Fickel
Deputy In Charge
Toledo

Donald Hinkson
Deputy In Charge
Youngstown

Administrative
Staff

IT Staff

Deputy Clerks

Deputy Clerks

Deputy Clerks

Deputy Clerks

Deputy Clerks

Northern District of Ohio Statistical Analysis

A total of 38,987 cases were filed in this District in Fiscal Year 2010. (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 3% compared to FY2009. A comparison of the percentage filings, by chapter, during this time reveals the following:

	FY2010	% of Total
Chapter 7	32,115	82%
Chapter 11	144	<1%
Chapter 12	5	<1%
Chapter 13	6,722	17%
Chapter 15	1	<1%
Total	38,987	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:

	FY2009	FY2010	% of Change
Akron	5,832	6,238	7%
Canton	5,579	5,716	2%
Cleveland	12,347	12,882	4%
Toledo	9,045	9,207	2%
Youngstown	4,889	4,944	1%
Total	37,692	38,987	3%

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

	FY2009	FY2010	% of Change
Chapter 7	4,628	4,875	5%
Chapter 11	27	12	-56%
Chapter 12	0	0	*
Chapter 13	1,177	1,351	15%
Chapter 15	0	0	*

CANTON

	FY2009	FY2010	% of Change
Chapter 7	4,657	4,837	4%
Chapter 11	23	38	65%
Chapter 12	1	1	0%
Chapter 13	898	840	-6%
Chapter 15	0	0	*

CLEVELAND

	FY2009	FY2010	% of Change
Chapter 7	9,801	10,373	6%
Chapter 11	21	67	219%
Chapter 12	0	1	*
Chapter 13	2,525	2,441	-3%
Chapter 15	0	0	*

TOLEDO

	FY2009	FY2010	% of Change
Chapter 7	8,181	8,320	2%
Chapter 11	20	21	5%
Chapter 12	1	1	0%
Chapter 13	841	864	3%
Chapter 15	2	1	-50%

YOUNGSTOWN

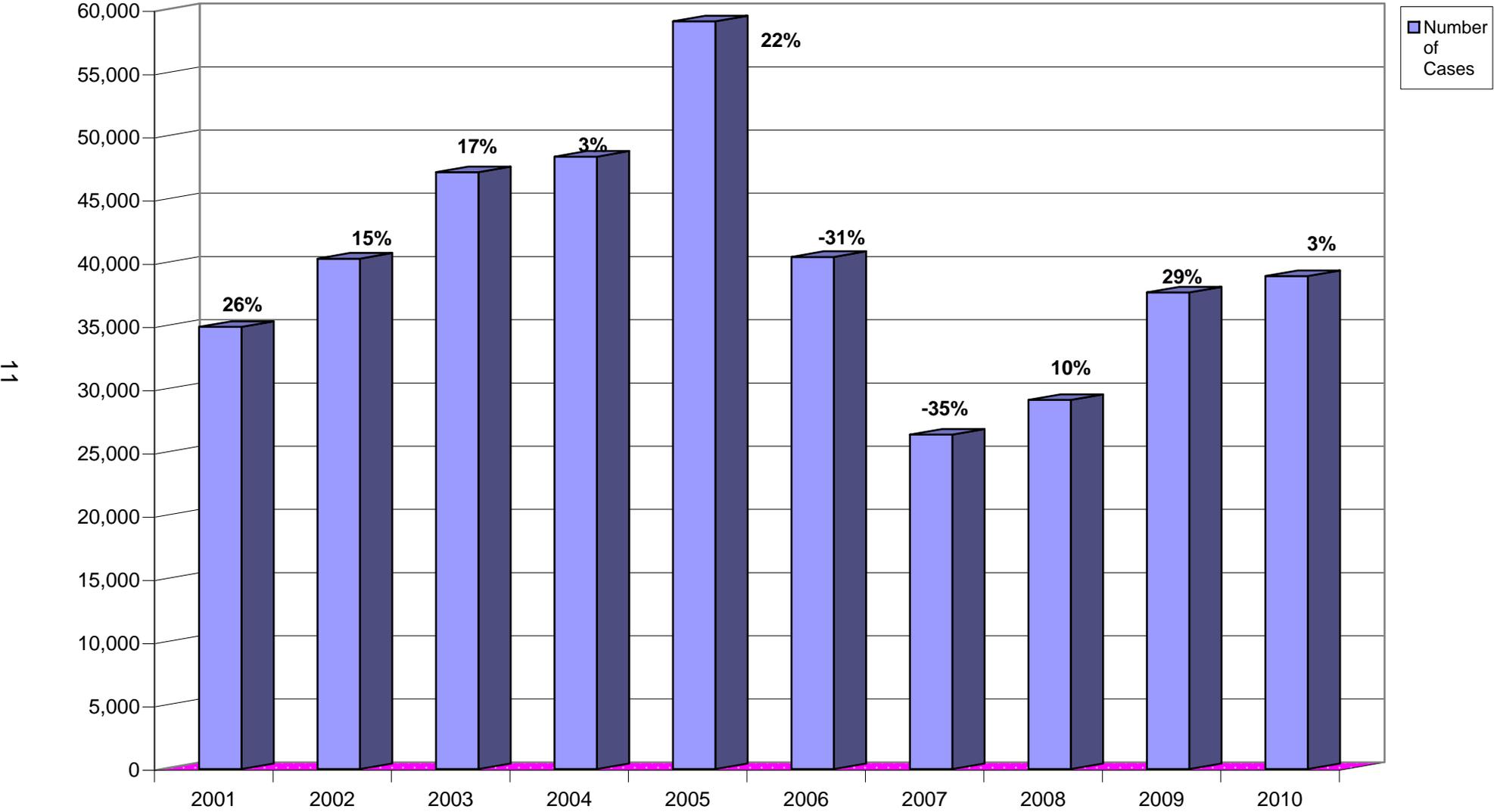
	FY2009	FY2010	% of Change
Chapter 7	3,640	3,710	2%
Chapter 11	27	6	-78%
Chapter 12	0	2	*
Chapter 13	1,222	1,226	0%
Chapter 15	0	0	*

DISTRICT TOTAL

	FY2009	FY2010	% of Change
Chapter 7	30,907	32,115	4%
Chapter 11	118	144	22%
Chapter 12	2	5	150%
Chapter 13	6,663	6,722	1%
Chapter 15	2	1	-50%

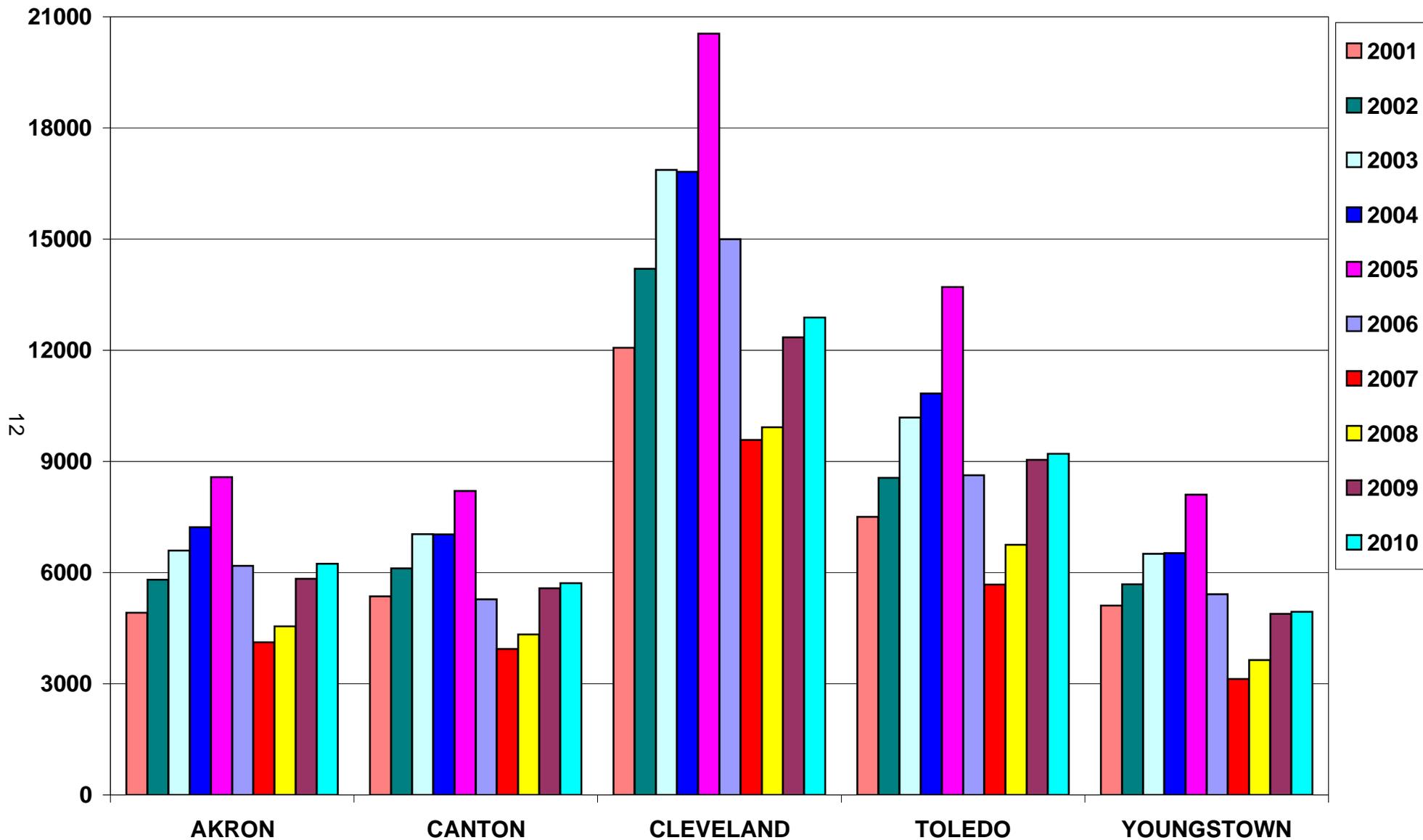
*Prior fiscal year is zero; percentage is incalculable.

**CASE FILINGS
FY2001 - 2010
PERCENTAGE OF CHANGE FROM PRIOR FISCAL YEAR**

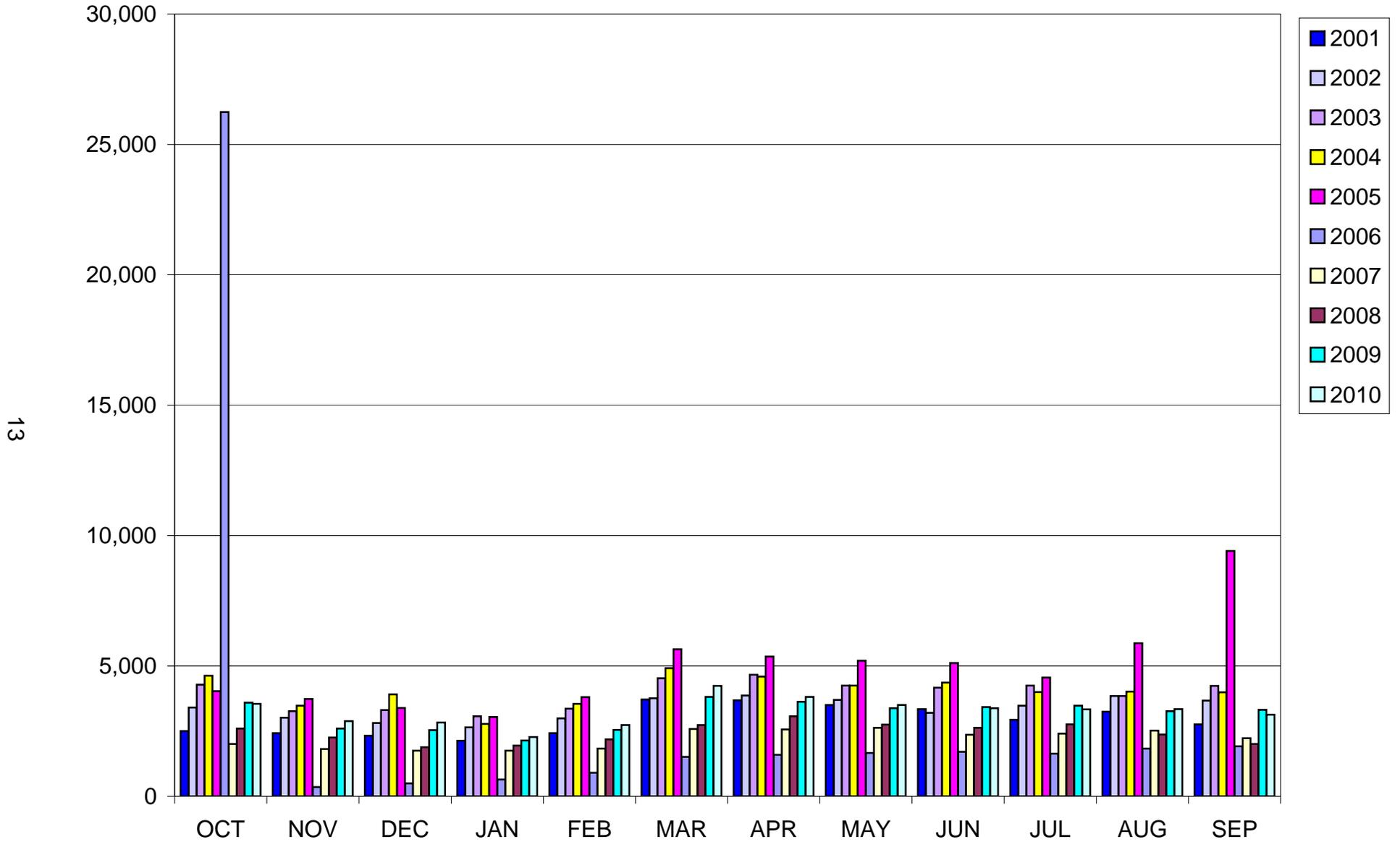


Note: Statistics are for all court offices.

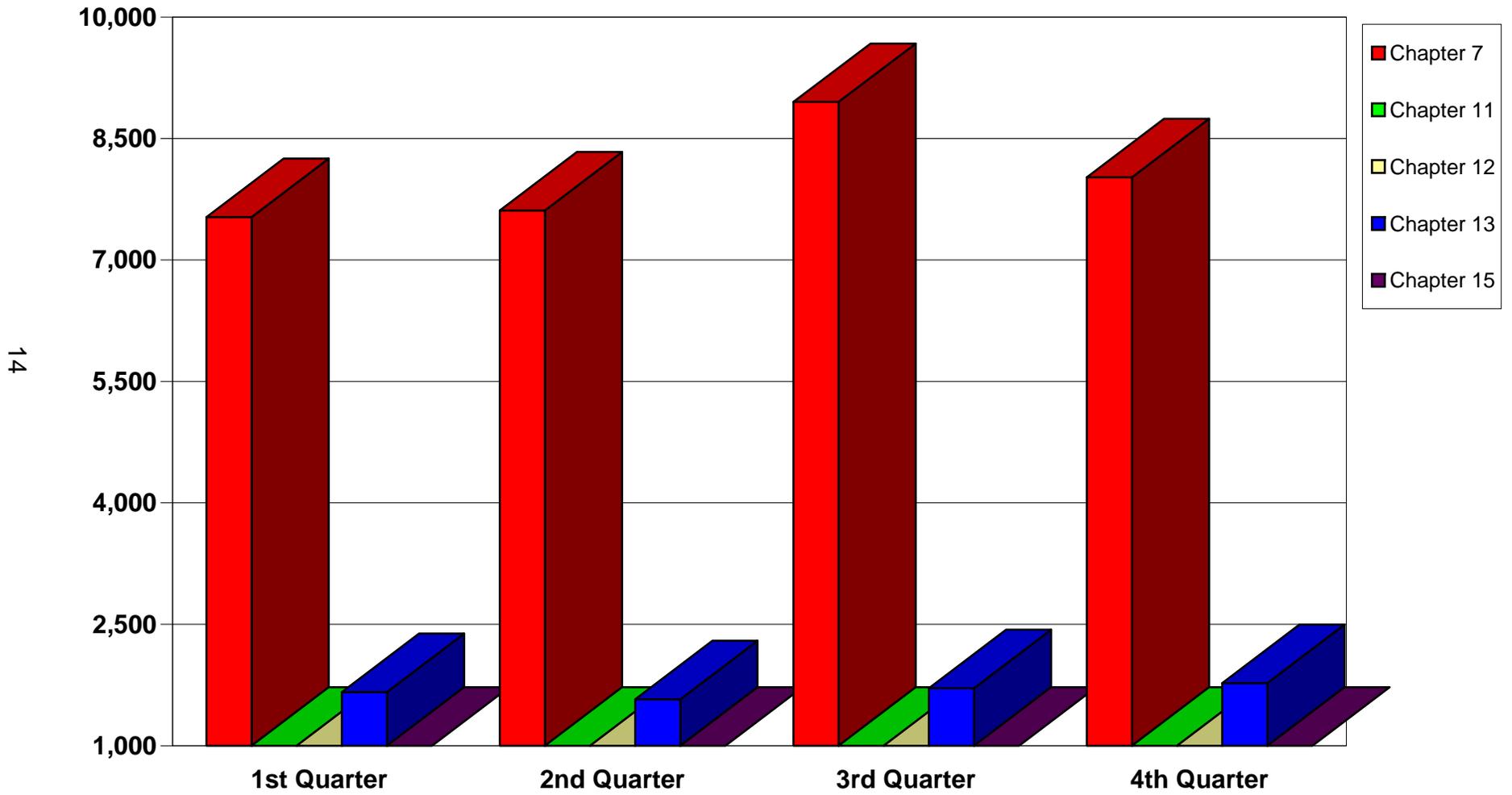
FILINGS PER OFFICE
FY2001 - 2010



FILING COMPARISON
FY2001 - 2010

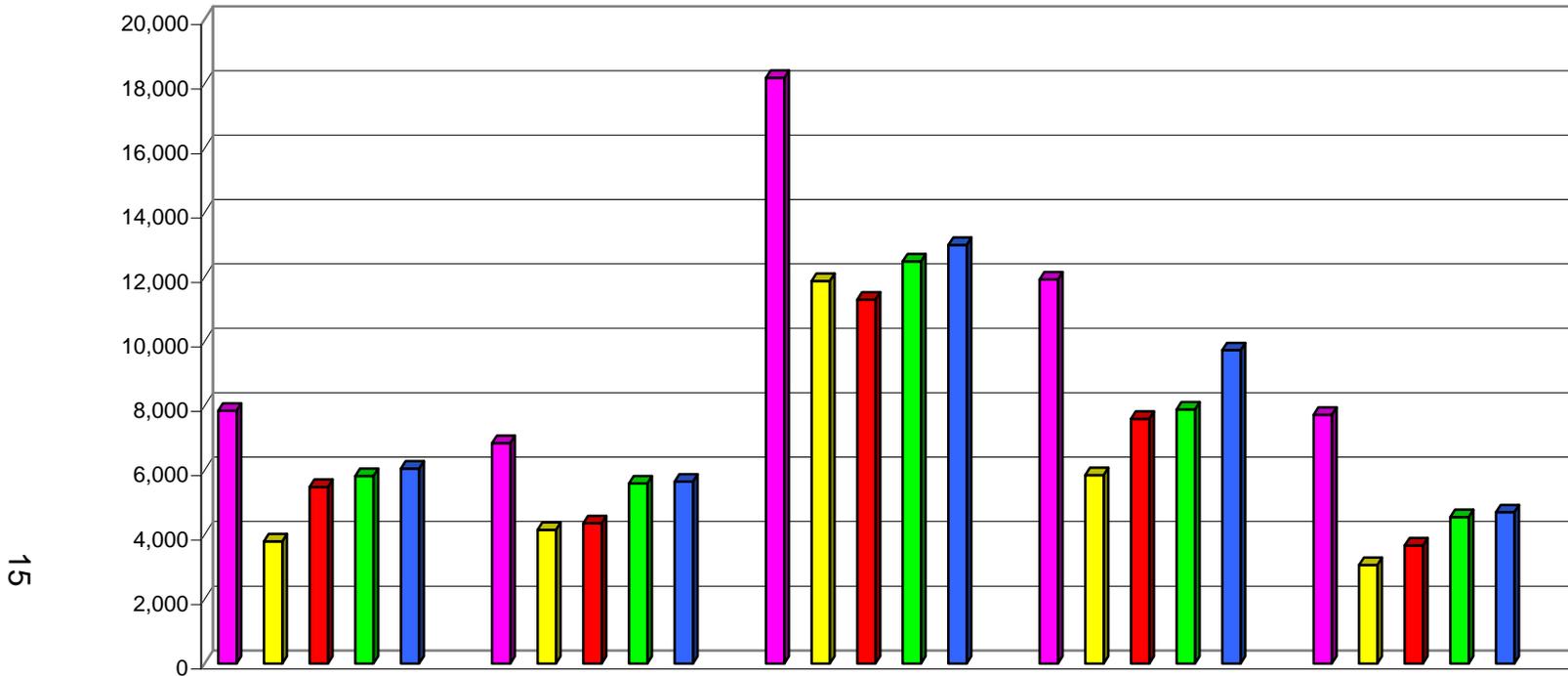


QUARTERLY FILINGS FY2010



Note: Statistics are for all court offices.

CASE CLOSINGS FY2006 - 2010



15

AKRON

CANTON

CLEVELAND

TOLEDO

YOUNGSTOWN

2006
2007
2008
2009
2010

7,844
3,793
5,483
5,820
6,051

6,845
4,149
4,347
5,589
5,642

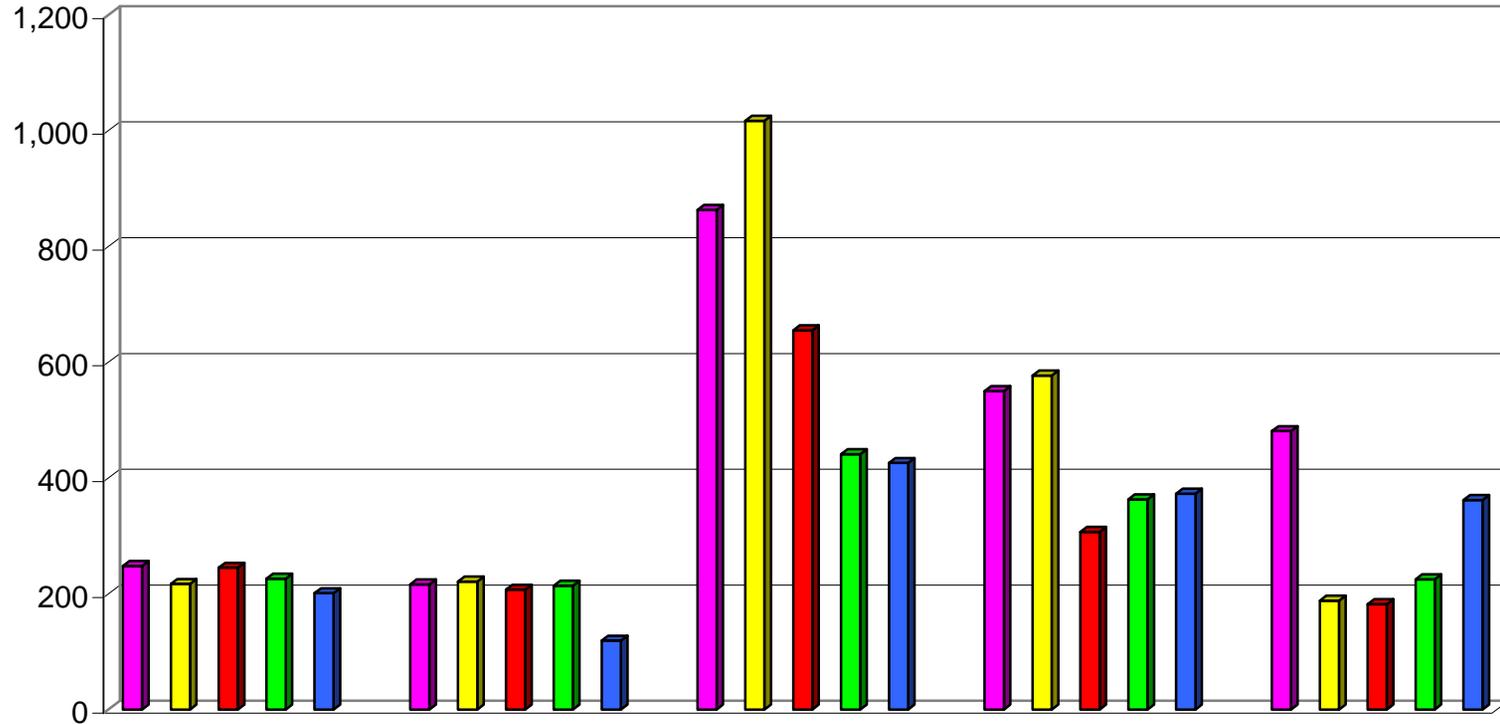
18,177
11,870
11,293
12,478
12,994

11,918
5,850
7,598
7,884
9,725

7,717
3,058
3,666
4,544
4,693

**ADVERSARY CLOSINGS
FY2006 - 2010**

16



2006
2007
2008
2009
2010

248
217
245
226
201

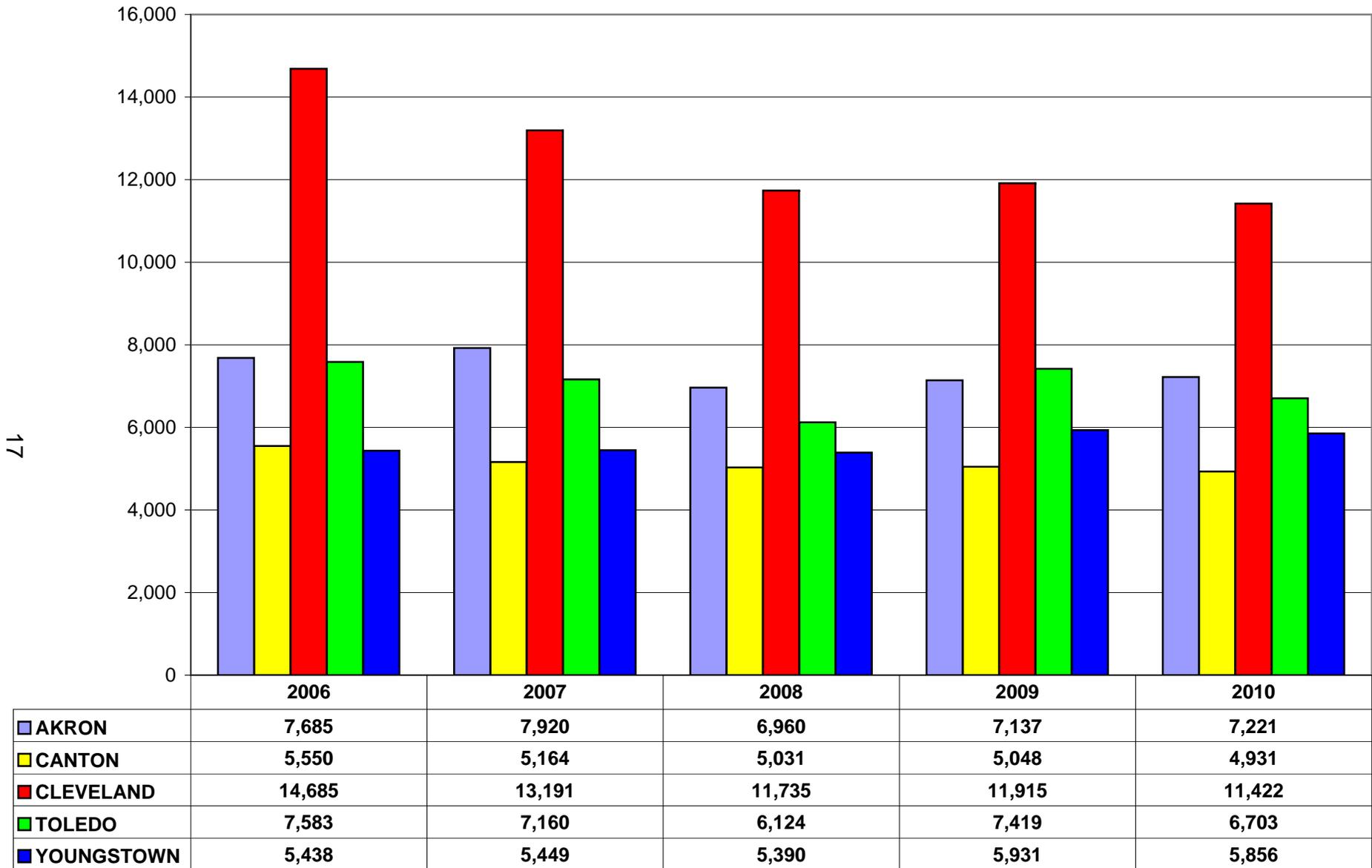
216
221
207
214
119

863
1,017
655
441
426

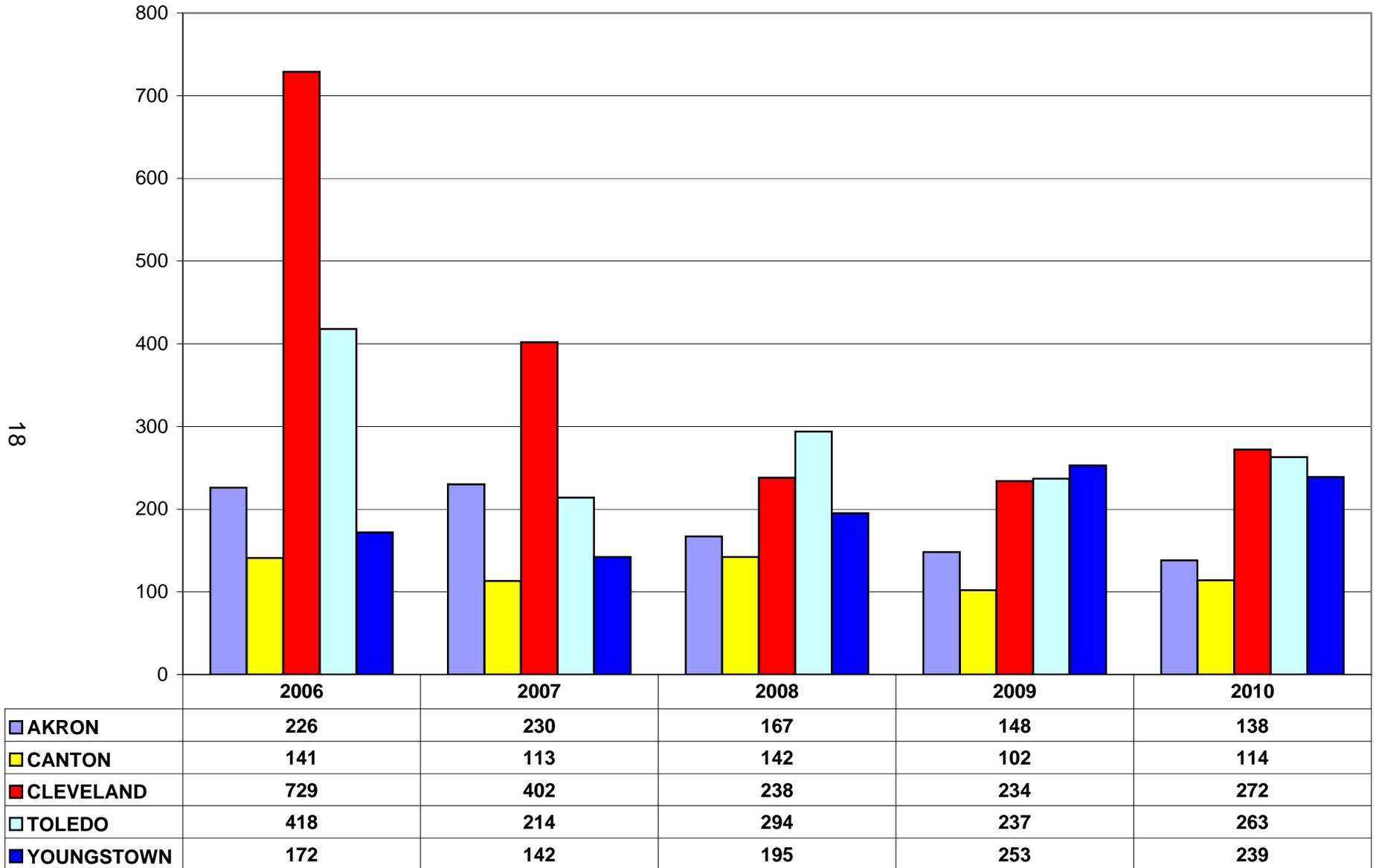
550
577
307
363
373

481
188
182
225
362

**PENDING CASES
FY2006 - 2010**



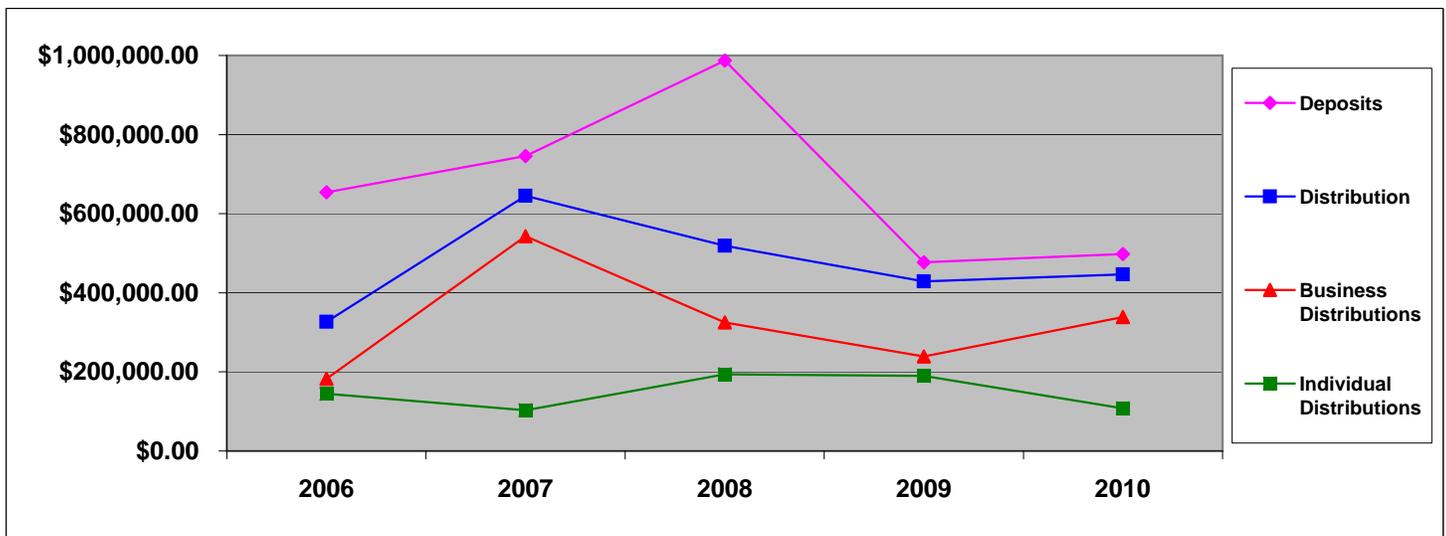
**PENDING ADVERSARIES
FY2006 - 2010**



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 2010, the trustees deposited unclaimed funds in the amount of \$498,238.45 (includes Funds 6047BK, 6133BK and 106000). The court has prepared 391 court-ordered distributions of these funds, which resulted in the disbursement of \$446,652.46 for the same period.



Fiscal Year	2006	#of Dist	2007	#of Dist	2008	#of Dist	2009	#of Dist	2010	#of Dist
Deposits	\$ 653,907.18	0	\$ 746,143.79	0	\$ 987,415.60	0	\$ 477,205.05	0	\$ 498,238.45	0
Total Distributions	\$ 326,947.76	178	\$ 645,378.49	447	\$ 519,018.18	336	\$ 428,549.57	348	\$ 446,652.46	391
Business Distributions	\$ 182,417.60	119	\$ 542,746.24	380	\$ 324,741.49	253	\$ 238,601.10	270	\$ 338,746.69	322
Individual Distributions	\$ 144,530.16	59	\$ 102,632.25	67	\$ 194,276.69	83	\$ 189,948.47	78	\$ 107,905.77	69

FISCAL YEAR 2010 REVENUE

Fund	086400	\$	1,290,573.77
Fund	086900		1,264,589.16
Fund	092037		0.00
Fund	106000		9,082.57
Fund	109900		3,850.00
Fund	143500		0.00
Fund	332340		0.00
Fund	322350		1,907.00
Fund	322360		6,198.00
Fund	322380		0.00
Fund	387500		0.00
Fund	3875CC		0.00
Fund	5073XX		3,177,435.79
Fund	510000		6,063,865.12
Fund	510100		0.25
Fund	5514CR		2,614.40
Fund	6047BK		252,961.25
Fund	6133BK		236,194.63
Fund	6855BF		950.00
Fund	6855BK		40,706.93
Fund	6855TT		1,892,730.30
TOTAL			\$ 14,243,659.17

Notes:

- 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 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 2010 OPERATING EXPENSES

(shown in \$1,000's)

