

U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF OHIO

CLERK OF COURT'S  
FISCAL YEAR 2011  
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  
Judge Jessica E. Price Smith

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# UNITED STATES BANKRUPTCY COURT NORTHERN DISTRICT OF OHIO FISCAL YEAR 2011 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 32,478 bankruptcy cases filed in this district in FY2011 is a 17% decrease compared to the previous fiscal year. This decrease follows increases in filings in FY2010 and FY2009 (of 3% and 29%, respectively). Case filing figures (as compiled by the Administrative Office of the U.S. Courts) depict the Northern District of Ohio as the eleventh largest of 94 bankruptcy courts nationally during this fiscal year.

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; Honorable Kay Woods, Youngstown; and Honorable Jessica E. Price Smith, Cleveland.

Chief Judge Marilyn Shea-Stonum was appointed to the Sixth Circuit Bankruptcy Appellate Panel on January 1, 2008, to a four-year term, which was extended through 2012. Judge Baxter retired in August, 2011 after serving as bankruptcy judge for 25 years. Judge Arthur I. Harris was appointed to a four-year term to the Sixth Circuit Bankruptcy Appellate Panel on January 1, 2009, which has been extended through 2013. He is also 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. Jessica E. Price Smith was sworn in as bankruptcy judge on August 22, 2011 and is serving her first year.

The clerk's office has 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 increased efficiencies. The clerk's office operated on a budget of \$7.9 million and collected revenue of \$11.5 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 \$517,892 was deposited with the court as unclaimed monies, following trustees' distribution of the estate. In FY2011, the court redistributed \$385,301 to claimants (including prior year amounts). Unclaimed fund accounts are searchable on our website at

[www.ohnb.uscourts.gov](http://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. In FY 2011, there were more than 31,700 open cases, more than a half-million closed cases, and more than 32.5 million documents contained on the CM/ECF server (the server maintains cases from 1990). There are 6,780 attorneys and 2,176 creditors registered for electronic filing of documents. Nearly 895,000 documents were filed in the CM/ECF system during the fiscal year. Of these documents, 28% were entered by court staff, 44% were entered by attorneys and trustees, and 4% were filed by other parties such as creditors, claim agents, and other professionals. The remaining 24% of documents filed were a combination of automatic and other administrative processing. Ninety-two percent of the 119,667 claims were filed electronically. During the fiscal year, 2.4% of all cases were from pro se filers.

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 the Administrative Services Department. 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 to v4.1, which was a significant undertaking that consumed six months of IT staff time. Preparations are under way to incorporate into the ECF system the bankruptcy rules changes that are scheduled to become effective December 1, 2011. More than 72,000 E-Orders were uploaded (an 11% increase over the previous year), and almost 61,000 were signed during the past year.

Our court continued to have representation on the national project team that was formed by the Administrative Office of the U.S. Courts (AO) to define requirements for a new CM/ECF system. During the past year the business process documents developed for the district, bankruptcy, and appellate courts were compared and consolidated when possible. The project team began the process of working with the AO's Technology Division to translate the requirements into documents that will be used by programmers to create the NextGen system. Additionally, the requirements are currently being prioritized to determine where the programming work will start. This is a massive project and it will be several years before the full results of this project are realized.

The AO project to upgrade the wide area data network used by the courts so that voice, video, and data can be converged onto one network, was completed this year. The court's phone systems were upgraded in December 2010 to take advantage of this technology and eliminate the long distance phone call costs for phone calls made between our court locations.

The IT department completed the large project to upgrade all of the court's Windows servers to the Windows 2008 R8 operating system and all desktop computers to the Windows 7 operating system. The department's disaster recovery documentation for this environment will have to be updated this coming year. The disaster recovery information for all other IT systems was updated in the past year to reflect the Canton court's move into the Ralph Regula U.S. Courthouse. The diligence by the court's IT department and construction project manager in preparing a computer room disaster recovery plan was rewarded in February 2011 when the Canton courthouse lost power due to a severe ice storm. The power was not restored until two days later but the court's ECF system, and other servers, did not experience any down time related to this problem.

During the past year the IT department made special attempts to trim court automation expenses. Some support and maintenance contracts were renegotiated resulting in lower costs, and an evaluation of the AO's cyclical replacement program for automation equipment was completed. The AO's official cyclical replacement program for automation equipment is defined to be on a four-year cycle. Our court has regularly purchased a small batch of new equipment every year with the result that the computers on the desks of staff adhered to the AO's four-year cyclical replacement plan. The staff's old machines were then moved to training rooms and other areas within the court. Equipment has typically been removed from service once it reached six to eight years old. The evaluation

we conducted this year recommends replacing staff equipment approximately every six years instead of every four years. This should help the court in the fiscally restrained environment we are entering. The AO does not have a defined cyclical replacement program for courtroom technology, so the court has contracted with the vendor that maintains our courtroom technology equipment to evaluate all of the courtroom systems and provide a written report with replacement recommendations and estimated costs for this program. This is important because the court has experienced a rash of electronic equipment breakdowns and would prefer to better plan for the replacement of this type of equipment. Another cost-containment program which IT participated in this year was analyzing the court's noticing practices and preparing recommendations for improvements. These recommendations have been presented to the Clerk of Court for further evaluation. There is a potential to save the court significant costs on noticing while still meeting requirements. The IT department has additional initiatives identified to research in the coming year to determine if costs can be trimmed even more.

Members of the IT department continue to commit themselves to continuous learning and development. Two IT staff members attended Lotus Notes 8.5.2 administration; one staff member attended Project Procurement Planning, Contracts in Commercial Transactions, and Project Solicitation; one staff member attended ECF Data Dictionary training; one attended Compellent Advanced Systems Administration; one attended the Courtroom Technology and Telecommunications sessions at the 6<sup>th</sup> Circuit Space and Facilities Conference; one attended VMWare systems administration training. The IT department prepared and conducted in-house training throughout the district for these topics: Windows 7/Navigating your PC, Lotus Notes 8.5.2, and the Microsoft Office 2010 Ribbon. Three IT staff members attended the National Conference of Bankruptcy Clerks national conference, two attended the 4<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> joint circuit IT conference, and two attended the Bankruptcy Courts Operational Practices Forum. Two IT staff members provided a training session to their IT colleagues on Perl Programming with HSGS as part of our programming standardization effort.

A variety of other projects were completed throughout the year including cyclical replacements of eight multifunction digital copiers, replacement of five printers, replacement of 120 monitors that were approximately eight years old, and replacement of seven laptop PCs and 24 desktop PCs. Some of our judges elected to adopt tablets this year so they could easily access proposed orders that have been uploaded into the system, review, and sign them if appropriate. IT effectively transferred almost 4,000 cases in the ECF system to other judges in our district upon the retirement of Judge Randolph Baxter.

Lori McLaughlin-Nelson  
Director, Information Technology

## ***Human Resources***

### **Personnel**

The 2011 fiscal year somewhat mirrored FY2008 in its recruiting, selection and placements efforts. There were unanticipated open positions due to retirements, and unexpected terminations. In an effort to fill these positions, one Docket Clerk, three Case Administrators, and one Courtroom Deputy were hired.

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

Judges' chambers were staffed by 26 individuals. They include sixteen full-time and five part-time law clerks, two 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 FY 2011, there were no evaluations outstanding as of the end of the fiscal year.

There were two policy revisions to the Employee Handbook, The Telework and the Employee Recognition Program policies. In addition, modifications to the EDR Plan and the Government Automation Equipment Handbook were implemented and included as updates to the Employee Handbook. To adjust to the requirements established by the Administrative Office of the U.S. Courts, the Performance Management Plan was developed and implemented this fiscal year.

The Business Technology Optimization Division (BTOD) performed a major upgrade to HRMIS. The program was migrated to a more robust and current computing architecture.

BTOD continued its training for HRMIS Leave Tracking. Training for the court's HR Specialist was conducted in August, 2011. The court will "Go-Live" during the second half of FY2012.

### **Professional Development/Training**

The court fully supported and continued its Individual Development Plan (IDP) for staff during FY2011. A training needs assessment survey was conducted separately for managers and supervisors which resulted in more job specific training.

The court experienced a rise in the total number of training hours for the fiscal year. Training hours for FY2011 totaled 2,719 hours which is a 27% 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
- 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 EAP 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: Windows 7, Lotus Notes 8.5.2, and The Ribbon.

Other training included:

- in-house training to external ECF users
- Bankruptcy local rules
- Famous Bankruptcies
- iBot Webinar
- What's New in BK Release 4.1
- e-learning programs
- Federal Court Leadership Program (FCLP)
- Judicial Administration Program at Michigan State University (MSU).

In conclusion, the Human Resources Department continues to remain in excellent condition. Skill-building and professional development provided through the Human Resources Academy: the CPMD; the BTOD; and the Benefits and Retirement Division of the Administrative Offices of the U.S. Courts continues to allow human resources to operate above acceptable levels of performance.

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

**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 32,478 cases were filed in this District in Fiscal Year 2011. (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 decrease of 17% compared to FY2010. A comparison of the percentage filings, by chapter, during this time reveals the following:

	<b>FY2011</b>	<b>% of Total</b>
<b>Chapter 7</b>	26,382	81%
<b>Chapter 11</b>	88	<1%
<b>Chapter 12</b>	2	<1%
<b>Chapter 13</b>	6,006	18%
<b>Chapter 15</b>	0	<1%
<b>Total</b>	32,478	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:

	<b>FY2010</b>	<b>FY2011</b>	<b>% of Change</b>
<b>Akron</b>	6,238	5,114	-18%
<b>Canton</b>	5,716	4,441	-22%
<b>Cleveland</b>	12,882	11,667	-9%
<b>Toledo</b>	9,207	7,293	-21%
<b>Youngstown</b>	4,944	3,963	-20%
<b>Total</b>	38,987	32,478	-17%

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**

	<b>FY2010</b>	<b>FY2011</b>	<b>% of Change</b>
<b>Chapter 7</b>	4,875	3,992	-18%
<b>Chapter 11</b>	12	9	-25%
<b>Chapter 12</b>	0	0	*
<b>Chapter 13</b>	1,351	1,113	-18%
<b>Chapter 15</b>	0	0	*

**CANTON**

	<b>FY2010</b>	<b>FY2011</b>	<b>% of Change</b>
<b>Chapter 7</b>	4,837	3,660	-24%
<b>Chapter 11</b>	38	21	-45%
<b>Chapter 12</b>	1	1	0%
<b>Chapter 13</b>	840	759	-10%
<b>Chapter 15</b>	0	0	*

**CLEVELAND**

	<b>FY2010</b>	<b>FY2011</b>	<b>% of Change</b>
<b>Chapter 7</b>	10,373	9,254	-11%
<b>Chapter 11</b>	67	31	-54%
<b>Chapter 12</b>	1	0	-100%
<b>Chapter 13</b>	2,441	2,382	-2%
<b>Chapter 15</b>	0	0	*

**TOLEDO**

	<b>FY2010</b>	<b>FY2011</b>	<b>% of Change</b>
<b>Chapter 7</b>	8,320	6,508	-22%
<b>Chapter 11</b>	21	23	10%
<b>Chapter 12</b>	1	0	-100%
<b>Chapter 13</b>	864	762	-12%
<b>Chapter 15</b>	1	0	-100%

**YOUNGSTOWN**

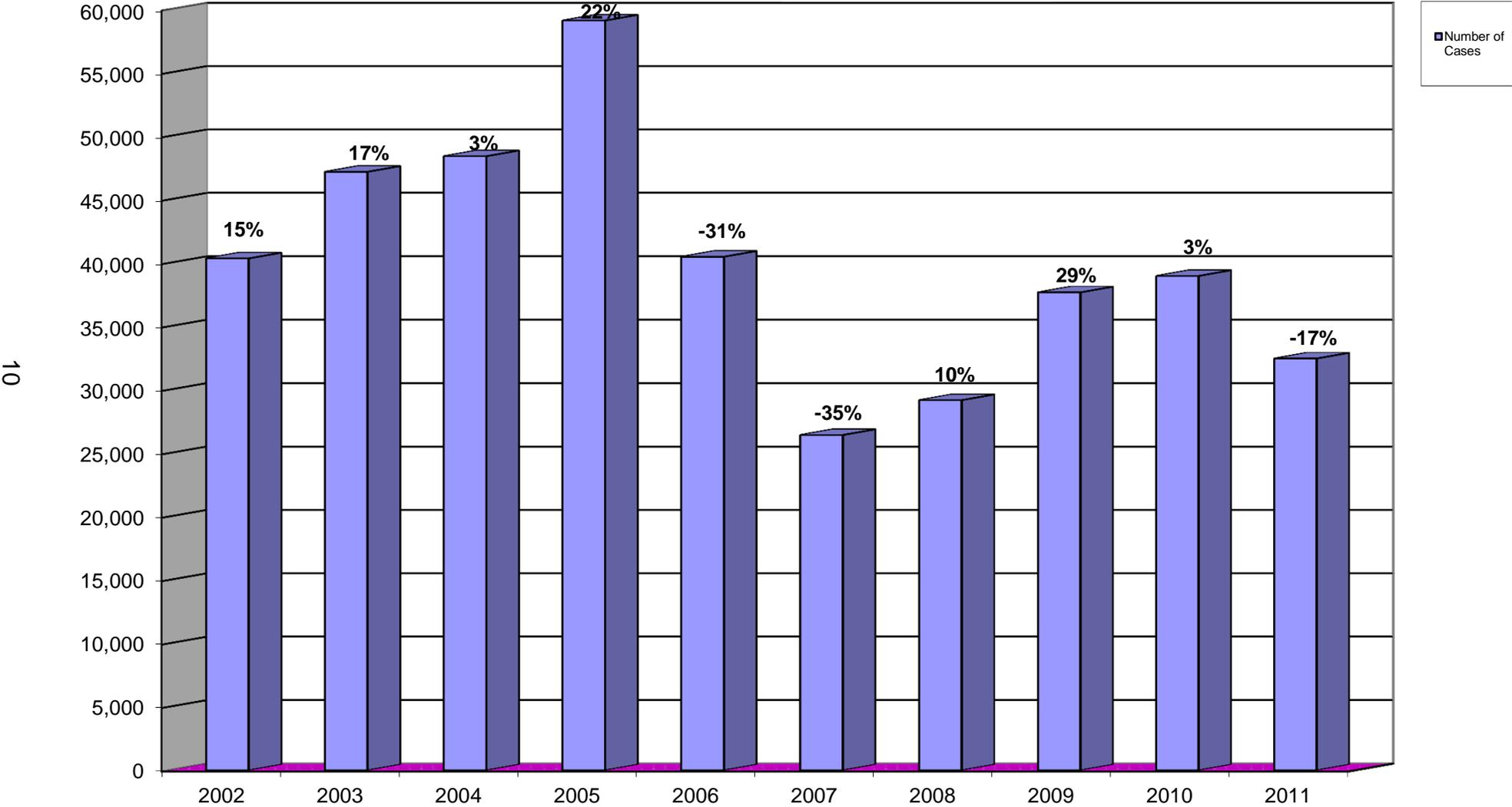
	<b>FY2010</b>	<b>FY2011</b>	<b>% of Change</b>
<b>Chapter 7</b>	3,710	2,968	-20%
<b>Chapter 11</b>	6	4	-33%
<b>Chapter 12</b>	2	1	-50%
<b>Chapter 13</b>	1,226	990	-19%
<b>Chapter 15</b>	0	0	*

**DISTRICT TOTAL**

	<b>FY2010</b>	<b>FY2011</b>	<b>% of Change</b>
<b>Chapter 7</b>	32,115	26,382	-18%
<b>Chapter 11</b>	144	88	-39%
<b>Chapter 12</b>	5	2	-60%
<b>Chapter 13</b>	6,722	6,006	-11%
<b>Chapter 15</b>	1	0	-100%

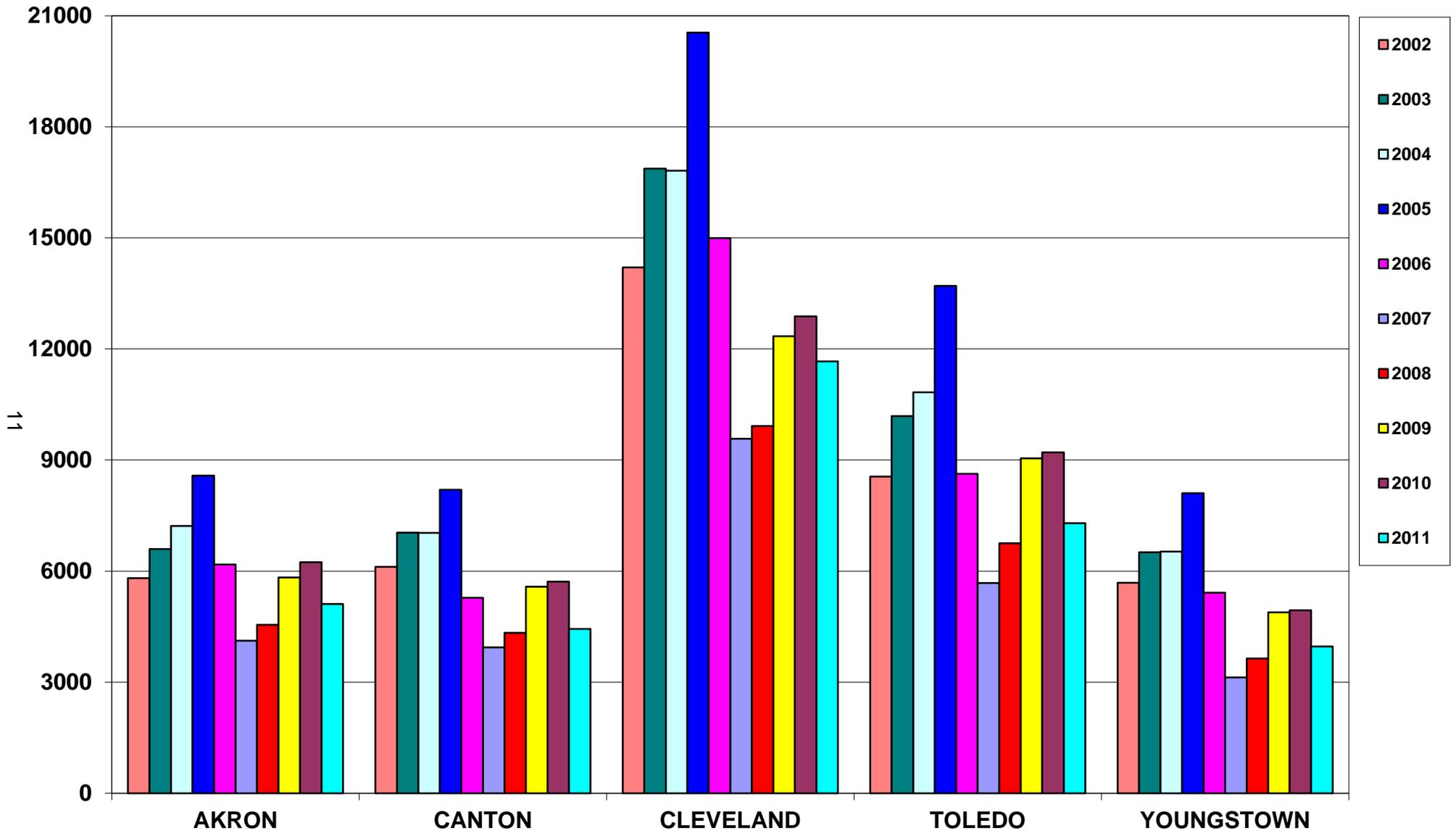
\*Prior fiscal year is zero; percentage is incalculable.

**CASE FILINGS**  
**FY2002 - 2011**  
**PERCENTAGE OF CHANGE FROM PRIOR FISCAL YEAR**

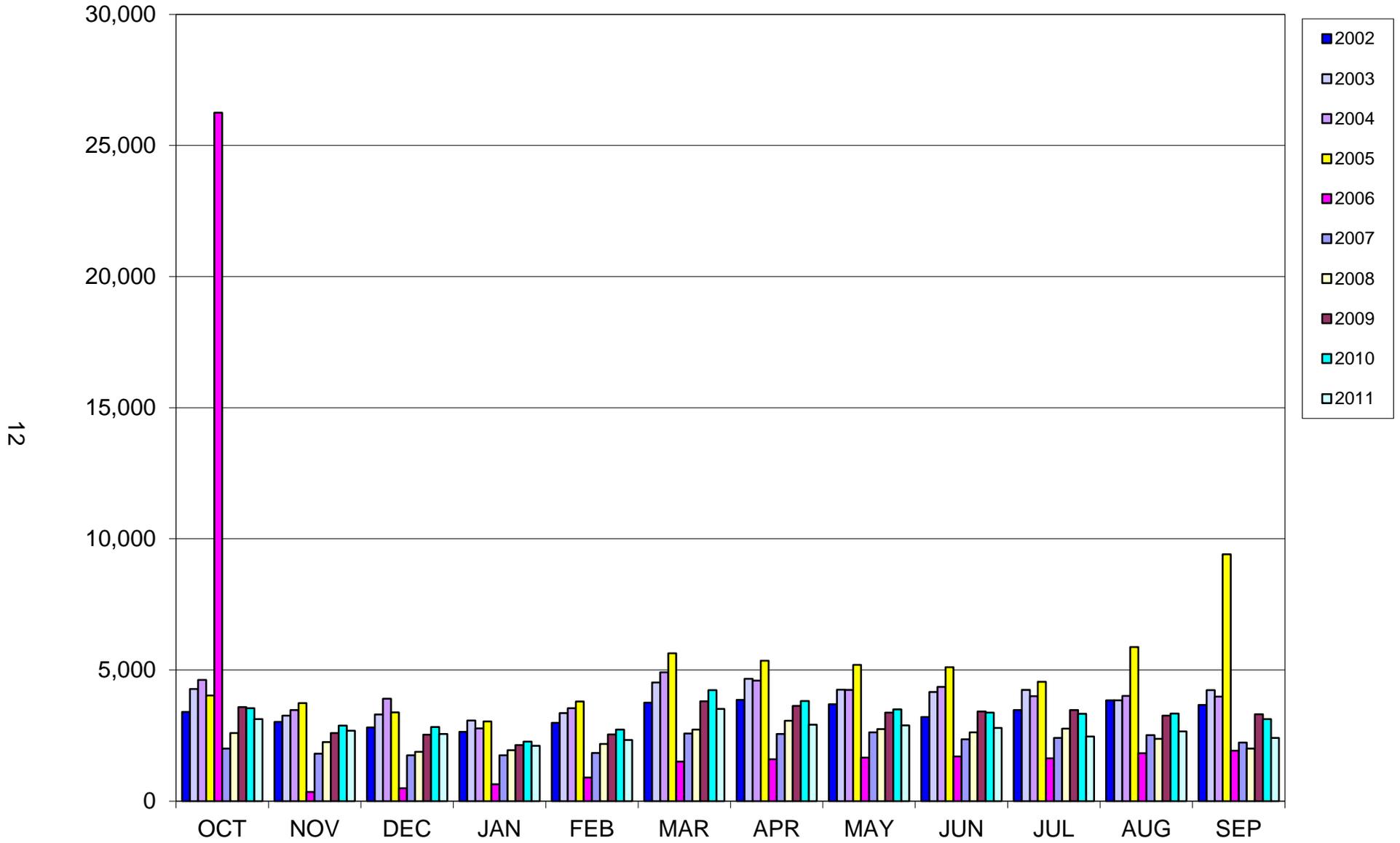


*Note: The fiscal year is from October 1 through the following September 30. Statistics shown are for all court offices.*

FILINGS PER OFFICE  
FY2002 - 2011

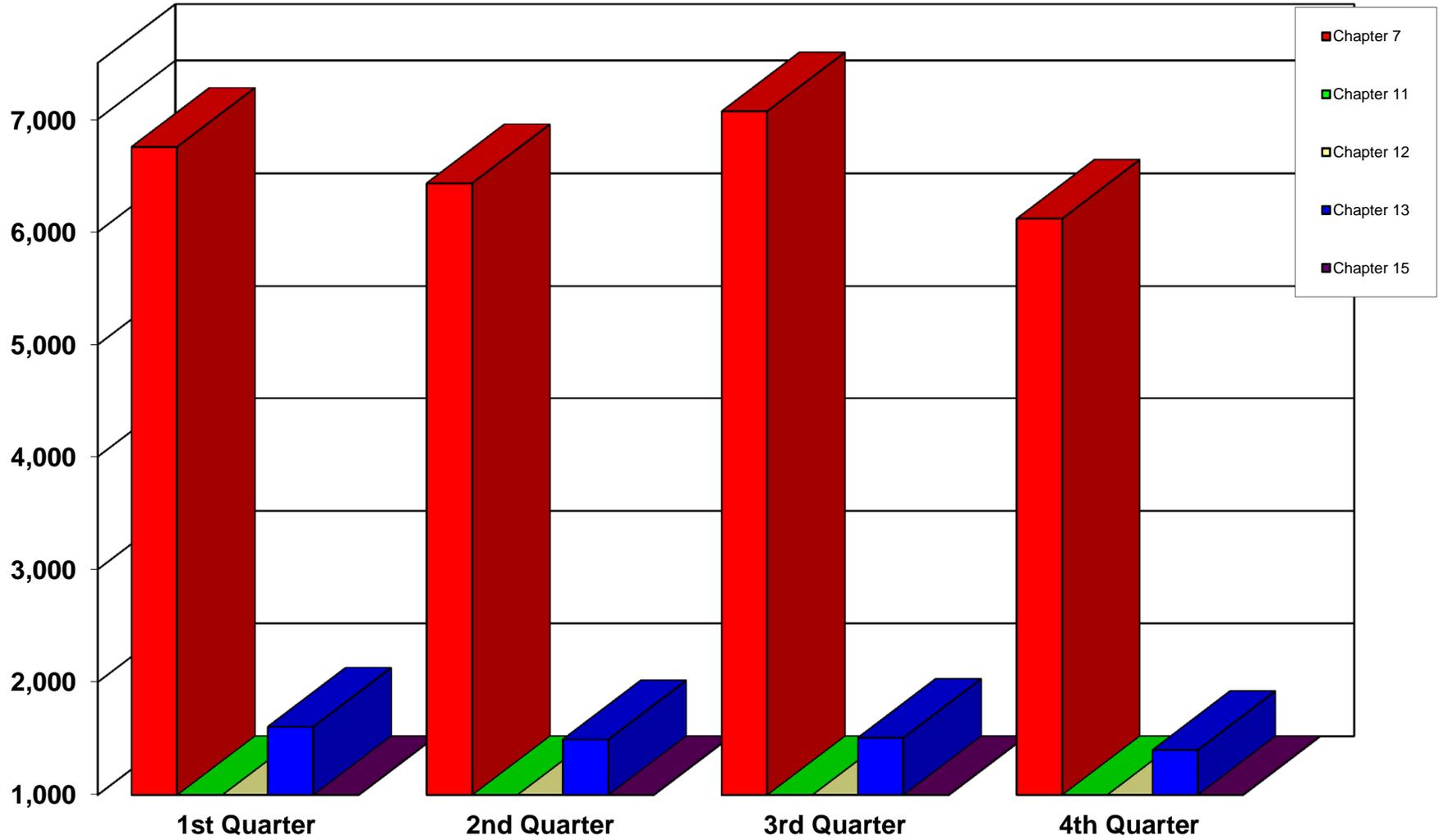


FILING COMPARISON  
FY2002 - 2011

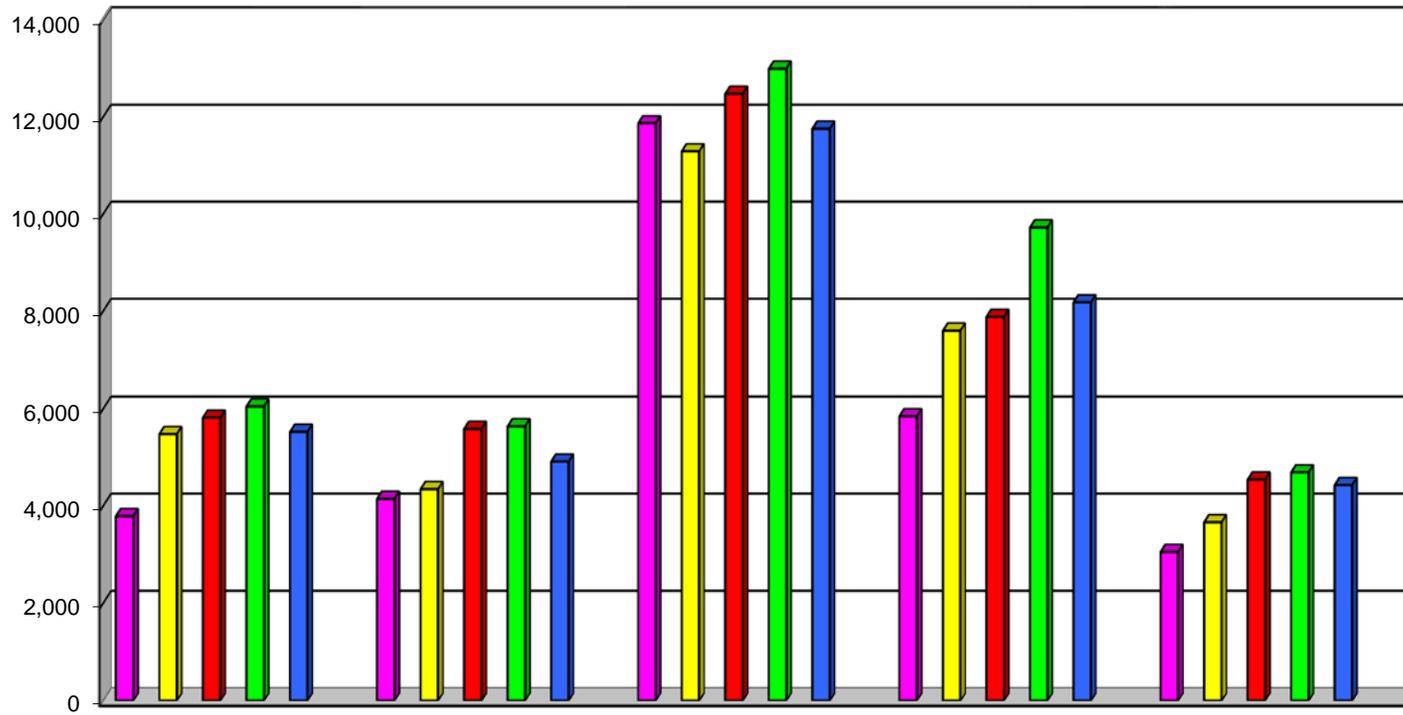


# QUARTERLY FILINGS FY2011

13



## CASE CLOSINGS FY2007 - 2011



14

**AKRON**

**CANTON**

**CLEVELAND**

**TOLEDO**

**YOUNGSTOWN**

**2007**  
**2008**  
**2009**  
**2010**  
**2011**

3,793
5,483
5,820
6,051
5,527

4,149
4,347
5,589
5,642
4,916

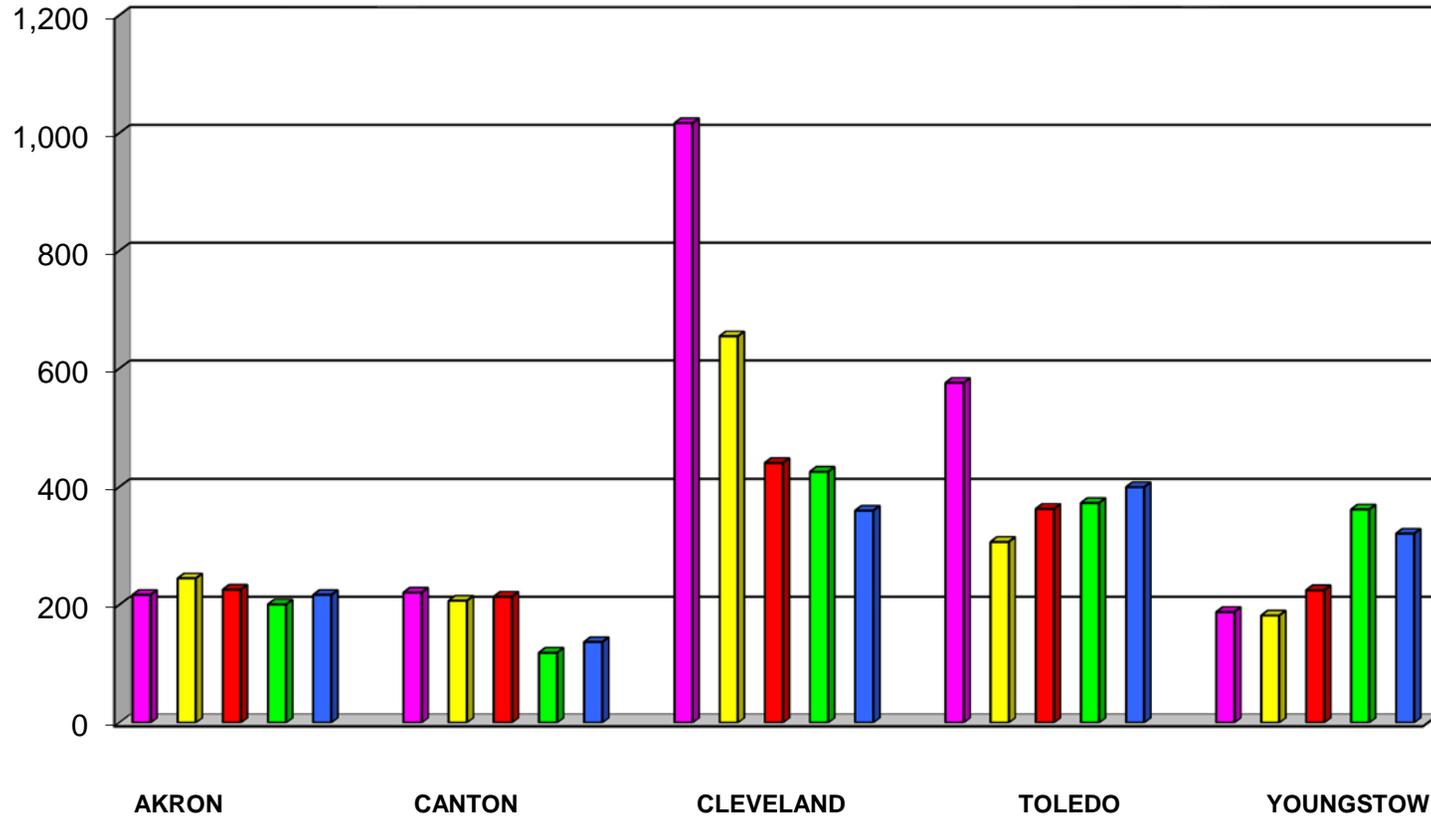
11,870
11,293
12,478
12,994
11,758

5,850
7,598
7,884
9,725
8,183

3,058
3,666
4,544
4,693
4,433

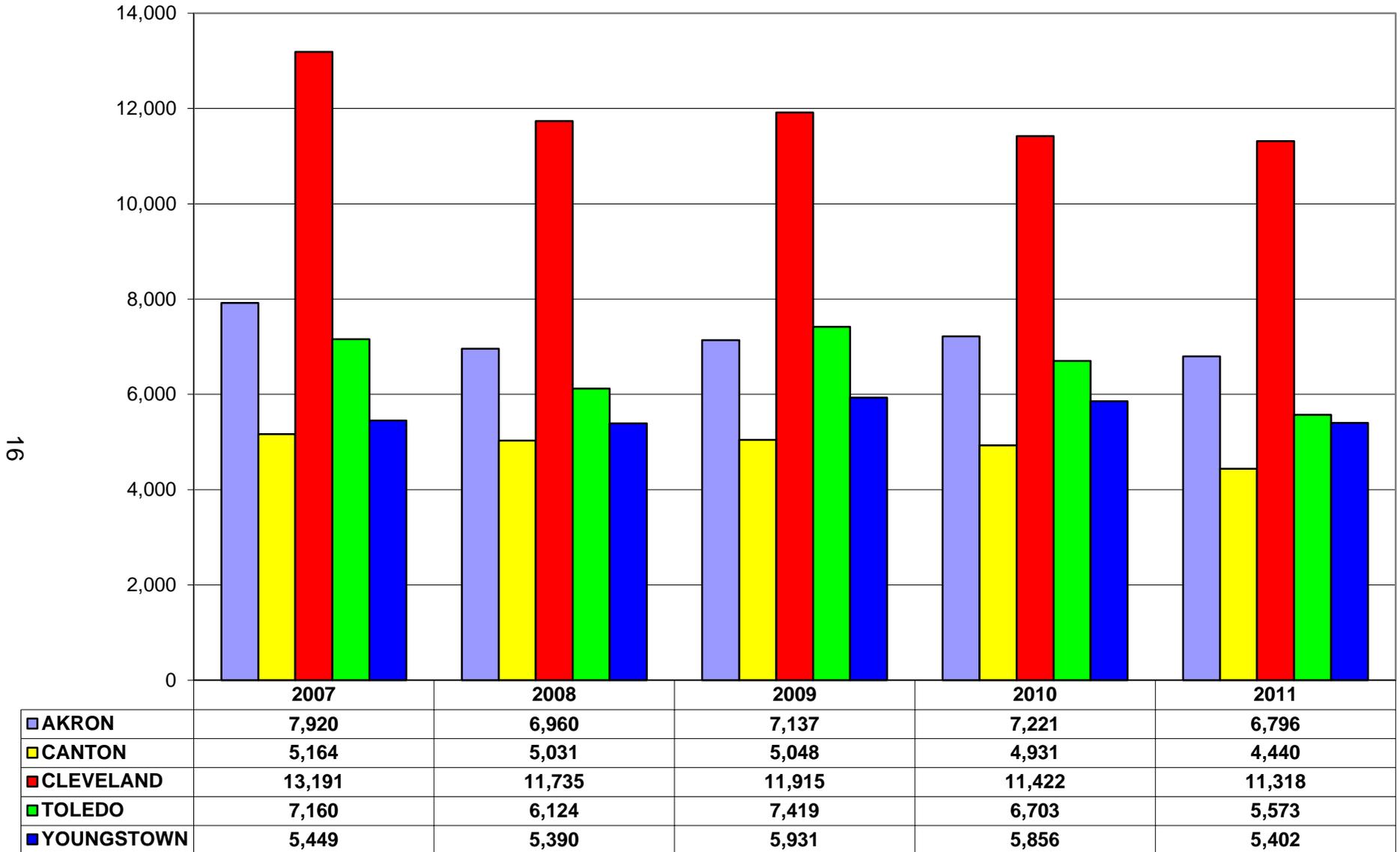
## ADVERSARY CLOSINGS FY2007 - 2011

15

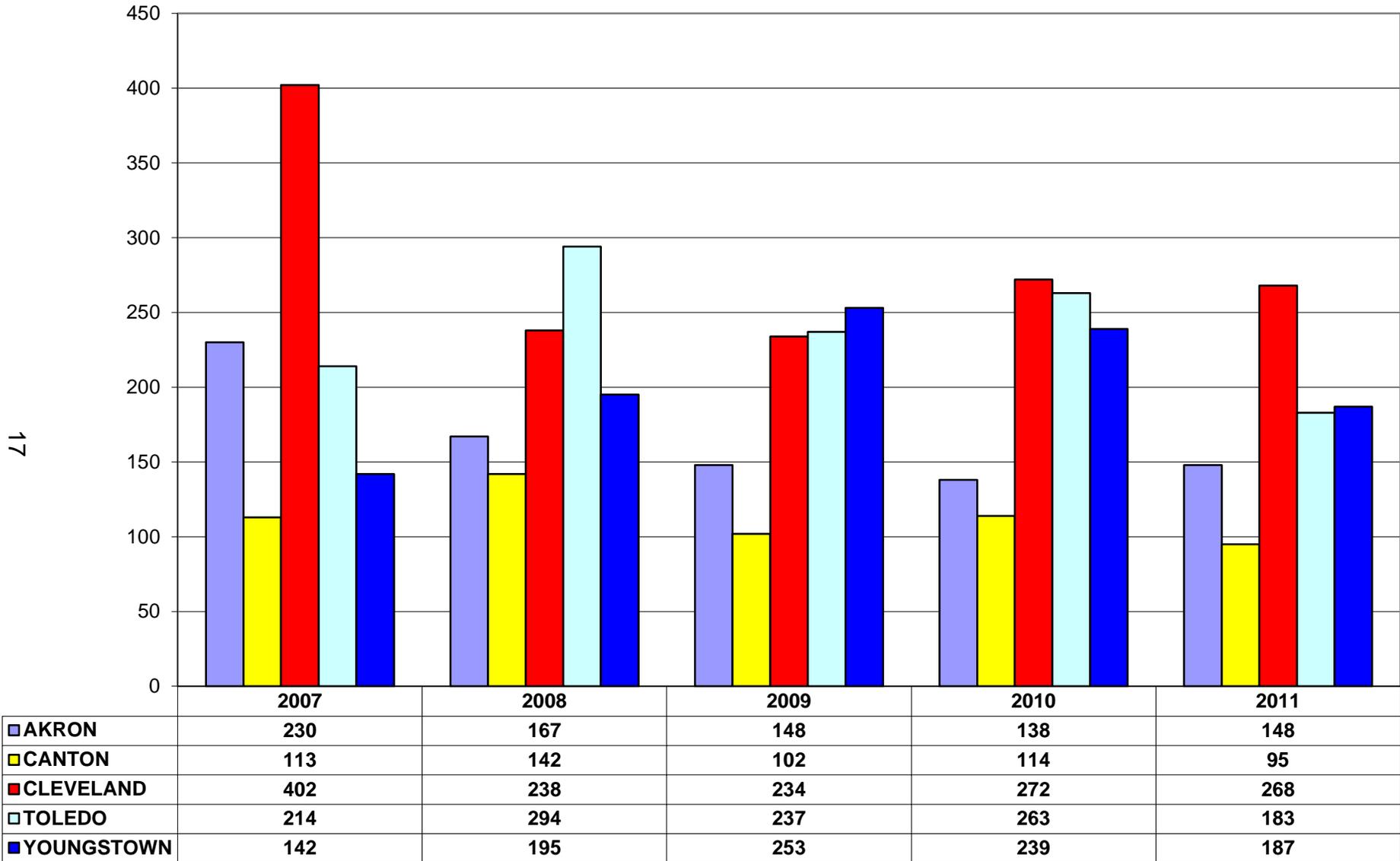


2007	217	221	1,017	577	188
2008	245	207	655	307	182
2009	226	214	441	363	225
2010	201	119	426	373	362
2011	217	137	360	400	321

**PENDING CASES  
FY2007 - 2011**



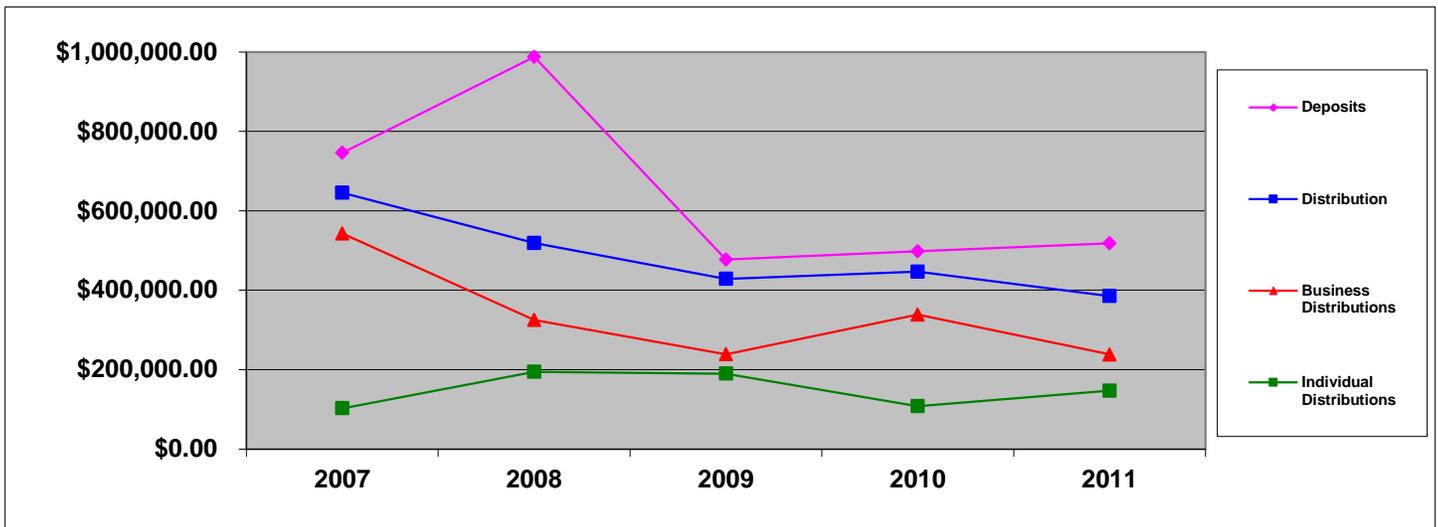
**PENDING ADVERSARIES  
FY2007 - 2011**



## 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 2011, the trustees deposited unclaimed funds in the amount of \$517,891.54 (includes Funds 6047BK, 6133BK and 106000). The court has prepared 204 court-ordered distributions of these funds, which resulted in the disbursement of \$385,301.29 for the same period.



Fiscal Year	2007	#of Dist	2008	#of Dist	2009	#of Dist	2010	#of Dist	2011	#of Dist
<b>Deposits</b>	\$ 746,143.79	0	\$ 987,415.60	0	\$ 477,205.05	0	\$ 498,238.45	0	\$ 517,891.54	0
<b>Total Distributions</b>	\$ 645,378.49	447	\$ 519,018.18	336	\$ 428,549.57	348	\$ 446,652.46	391	\$ 385,301.29	204
<b>Business Distributions</b>	\$ 542,746.24	380	\$ 324,741.49	253	\$ 238,601.10	270	\$ 338,746.69	322	\$ 238,147.48	139
<b>Individual Distributions</b>	\$ 102,632.25	67	\$ 194,276.69	83	\$ 189,948.47	78	\$ 107,905.77	69	\$ 147,153.81	65

## FISCAL YEAR 2011 REVENUE

Fund	086400	\$	1,088,015.66
Fund	086900		1,058,289.37
Fund	106000		7,583.57
Fund	109900		1,150.00
Fund	322350		1,808.00
Fund	322360		6,965.00
Fund	5073XX		2,586,211.65
Fund	510000		4,683,327.95
Fund	510100		21.29
Fund	5514CR		2,735.30
Fund	6047BK		231,850.62
Fund	6133BK		274,093.89
Fund	6855BF		430.00
Fund	6855BK		28,880.20
Fund	6855TT		1,546,245.27
<b>TOTAL</b>			<b>\$ 11,517,607.77</b>

Notes:

- 1) Funds with a zero balance are not shown.
- 2) 086400 Increase to fees that were authorized by the passage of PL 109-171
- 3) 086900 Filing Fees (portion of Ch. 7, 13 and adversary filing fees, motions, etc.)
- 4) 092037 Fees for Bankruptcy Notices
- 5) 106000 Forfeitures of Unclaimed Money less than \$25.00 and held over 5 years
- 6) 109900 Miscellaneous Fines, Penalties and Forfeitures
- 7) 143500 Interest earned on all registry funds deposited into interest-bearing accounts in local financial institutions
- 8) 322340 Sale of Publications
- 9) 322350 Copy Fees
- 10) 322360 Miscellaneous Fees (certifications, searches, amendments to schedules, retrieval, service charges, claims, and notices)
- 11) 322380 Recoveries of Court Costs
- 12) 387500 Clearing Account
- 13) 3875CC Clearing Account / Credit Card Transactions
- 14) 5073XX Portion of Ch. 11 non-railroad filing fee credited as offsetting collections to the United Trustee System Fund
- 15) 510000 Civil Filing Fees (portion of Ch. 7 and 13 filings, relief from stay, adversaries and abandonments)
- 16) 510100 Registry Fees Handling Charges (fees assessed on funds deposited into interest-bearing accounts in local depositories)
- 17) 5514CR Printing Fees for Electronic Records
- 18) 6047BK Unclaimed Funds
- 19) 6133BK Forfeitures of Unclaimed Money of \$25.00 or more, and held over 5 years
- 20) 6855BF Clearing Account
- 21) 6855BK Deposit Funds, U.S. District Court (account is used for receipts held in suspense temporarily and later refunded, transferred, or disbursed)
- 22) 6855TT Deposit Fund (Bankruptcy Trustee Account)

# FISCAL YEAR 2011 OPERATING EXPENSES

(as of 10/21/11, shown in \$1,000's)

