United States Bankruptcy Court
Middle District of Florida

Congressional Relations Reception/Tampa-Ft. Myers-Ocala — September 18, 2013

Rank by # of Cases

The Middle District of Florida's Bankruptcy Court is the **THIRD busiest *in the nation*** (out of 90 federal judicial districts).

Case-Weighted Rank

The Middle District of Florida's Bankruptcy Judges are the **SECOND busiest *in the nation***. We need four more judges. See p. 4.

Pro Se Filings

The Middle District of Florida's Bankruptcy Court is **SECOND *in the nation*** in the number of *pro se* filers. See p. 4.

Sequestration affecting quality, quantity of justice

Courthouse closing at 5 p.m. and staffing cuts harm litigants, cost them time and money to complete their cases

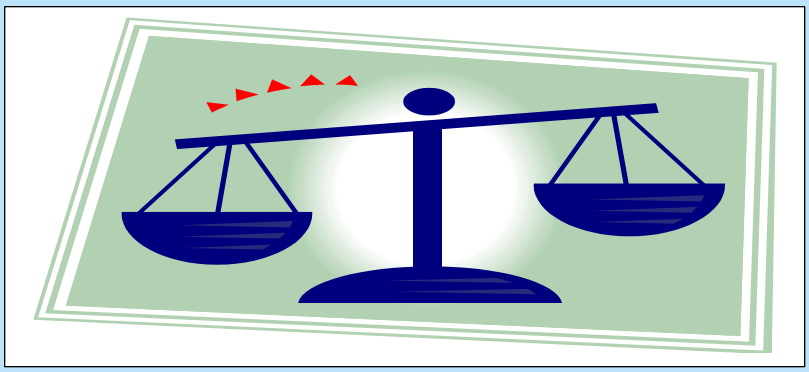
The Federal Rules of Bankruptcy Procedure exist to "**secure the just, speedy, and inexpensive determination of every case and proceeding.**" F.R.B.P. 1001. Yet staffing cuts and the 5 p.m. court-house closing deadline render us unable to deliver on that promise to the public. Here are a few examples:

Heritage Plaza Case

The Chapter 11 confirmation hearing began on May 31, 2013, and went until 5 p.m. The lender's expert, up from Miami, was not able to testify because of the time constraints. The trial was continued to another day; the expert came back then. The lender thus bore the expense of the expert's travel twice. Because of the inability to proceed past 5 p.m. again on the continuation day, the parties were not able to make their closing arguments. Closing arguments were held the following day. Two days later, thirteen days from the start of trial, the Court announced its ruling. The per diem accrual of interest on the loan was clicking away at $1,567 per *day* during this time. Accordingly, the delay of 13 days in completing the trial because of time constraints cost the debtor an additional $20,300+ in interest.

We're focused on cost cutting and efficiencies but yet must maintain basic service to the public

The Bankruptcy Court in the Middle District of Florida is doing what we can by sharing administrative services and resources with other courts, implementing procedures to minimize steps in case processing, and reducing noticing and service costs.



More examples of expense incurred or justice delayed . . .

Gold Properties Case – Part I

When one party's out-of-town expert was on the stand, the 5 p.m. courthouse closing deadline neared, so we had to break for several days right in the middle of her testimony, before cross-exam started. This allowed the opposing party time to get the expert's direct testimony typed up, potentially giving that party an advantage with additional preparation time. The expert had to come back on the continuation day, incurring travel costs for a second day. We easily could have finished by 6-6:30 p.m. on the first day.

Gold Properties Case – Part II

We had to call a halt again at 5 p.m. on the continuation day after the parties had rested and before closing arguments. This harmed one of the litigants because its lead trial counsel was set to be sworn in as a state judge the following week, before we could find open time to schedule the closing arguments.

Reaffirmation hearings delayed

Debtors who wish to reaffirm debts are scheduled for hearing at 4 p.m. in one judge's courtroom so that they do not have to take off too much time from work. Before sequestration, we routinely had hearings after 5 p.m. to get through them all. Now we must limit the number of debtors we can handle from 4-5 p.m. The effect on the debtors is that the progress of their cases is delayed, and they do not know if they should keep paying the lender or look for a substitute for the collateral at issue.

Traumatic Brain Education Adult Community Home Cases

This is a set of related, large Chapter 11 cases involving several lawyers from New York, Boston, and Birmingham. Due to the inability to go past 5 p.m., several hearings had to be continued to a different day and, therefore, these lawyers and their clients will have to incur the time and expense in coming back to Tampa for the continued hearings. Counsel for the debtor's principal stated, "I am confident that all of the hearings could have been completed if we were able to go to 6 or 6:30 pm."

Pro Se Drain on Court and Staff Time

Many of our consumer debtors are not represented by a lawyer. Their filings are harder to decipher and require more handling by our case managers, who are stretched as it is due to layoffs, slowing down the handling of all other filings. Also, unrepresented parties consume a disproportionate amount of court time, which is at a premium given the 5 p.m. closing deadline, thereby impeding our ability to serve as many as timely as we were before sequestration.

We are doing as much as possible with as few employees as possible; additional cuts would be disastrous to the Court and the public.

The Middle District of Florida's Bankruptcy Court has four busy divisions. Indeed, our Court is the **second busiest in the nation** in terms of case-**weighted caseloads** per judge (**third in number of filings**).

In 1988 . . .

Our Court's **Tampa/Fort Myers Divisions** had **30 employees** and 8,015 total bankruptcy case filings. We opened the courthouse on Saturdays and even some Sundays to ensure timely hearings!

Today . . . 25 years and double the cases later

Now, nearly 25 years later, the **Tampa/Fort Myers Divisions** have just **30.5 employees**, and these divisions are on a pace to handle more than double their 1988 filings, with 11,998 bankruptcy cases filed this year through August 31, 2013.

Yes, certainly automation has improved our efficiency, but **we have reduced our staff district-wide by 34.47 percent in less than two years**. Here's how we did it: In anticipation of the reduction in authorized work units and salary allotment, we began reducing all divisions' staff in fiscal year 2012. In June, 2012, the Court had 124 employees which we reduced to 103.5 by the beginning of June, 2013 (**through attrition, buyouts, and involuntary layoffs**). We continued on our path of downsizing during fiscal year 2013. By August 2013, we had lost an additional 11.5 employees for a total loss of 32 employees.

Middle District of Florida facts

☑ 10 million of Florida's 18 million people reside in the Middle District.

☑ 35 of Florida's 67 counties are within the Middle District.

☑ The **foreclosure rate** in Florida in 2012 was the highest in the country. It's still **first in the nation** as of July 2013.

☑ **Six of the top ten metropolitan foreclosure rates in the nation belong to areas within the Middle District, as of July 2013** (1-Jacksonville, 4-Ocala, 5-Palm Bay/Melbourne/Titusville, 7-Tampa Bay, 8-Orlando/Kissimmee, 10-Sarasota/Bradenton/Venice).

☑ The **case managers** for the Tampa and Fort Myers Divisions are responsible for almost **2,000 bankruptcy cases and adversary proceedings each**.

By the numbers:

As of August 31, 2013, the United States Bankruptcy Court for the Middle District of Florida had **64,626** pending bankruptcy cases and another **2,386** pending adversary proceedings.

United States Bankruptcy Court
Middle District of Florida
Pro Se Bankruptcy Cases Filed

	FY 2011	FY 2012	FY 2013*
Fort Myers Division			
Pro Se Bankruptcy Case Filed	279	319	232
Bankruptcy Cases Filed	6091	4441	3269
Percentage of Pro Se Filings	4.58%	7.18%	7.10%
Jacksonville Division			
Pro Se Bankruptcy Case Filed	1037	873	795
Bankruptcy Cases Filed	9918	8675	7280
Percentage of Pro Se Filings	10.46%	10.06%	10.92%
Orlando Division			
Pro Se Bankruptcy Case Filed	2488	2705	3029
Bankruptcy Cases Filed	20755	18355	15247
Percentage of Pro Se Filings	11.99%	14.74%	19.87%
Tampa Division			
Pro Se Bankruptcy Case Filed	2163	1845	1710
Bankruptcy Cases Filed	20268	16071	13402
Percentage of Pro Se Filings	10.67%	11.48%	12.76%
Total District			
Pro Se Bankruptcy Case Filed	5967	5742	5766
Bankruptcy Cases Filed	57032	47542	39198
Percentage of Pro Se Filings	10.46%	12.08%	14.71%

* Fiscal Year 2013 to Date October 1, 2012 through August 31, 2013

Ranking by case-weighted bankruptcy caseloads

1. Eastern Michigan, 2,501 per judge
2. **Middle Florida, 2,239 per judge**
3. Delaware, 2,222 per judge
4. Eastern Missouri, 1,979 per judge
5. Northern Mississippi, 1,950 per judge

2,239 = Middle District of Florida's Bankruptcy Court's weighted filings per judge

1,500 = weighted filings per judge needed for one authorized judgeship

1,225 = national average weighted filings per judge

More by the numbers:

This fiscal year our Court has had 5,766 pro se filings, which puts us 2nd in the nation.

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Our case-weighted filings per judge are 2nd in the nation and more than 1,000 above the national average. Those numbers mean that we should be authorized four more judges to serve the public efficiently.