



# **HISTORY OF THE UNITED STATES BANKRUPTCY COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA IN JOHNSTOWN**





The Johnstown Bankruptcy Court traces its roots back to at least the 1950s. Under the Bankruptcy Act of 1898, the United States District Courts sat as “courts of bankruptcy” and appointed Referees “to assist in expeditiously transacting the bankruptcy business.” Bankruptcy Referees performed the bulk of the judicial and administrative work on bankruptcy cases, including conducting the “first meetings of creditors.” Referees’ decisions on substantive matters were subject to review by the District Court.

Gerald Gibson of Ebensburg became a Referee in 1955 and William Washabaugh of Erie became a Referee in 1959. Referee Gibson and Referee Washabaugh served on a part-time basis and conducted first meetings of creditors and hearings in multiple locations throughout the Western District of Pennsylvania, including Johnstown.

Hearings in Johnstown were conducted several times a month in what were known as the “Judge’s Chambers.” This room was located on the second floor of what was known as the Park Building on Main Street in downtown Johnstown. The Judge’s Chambers was a large room, with a small bench and wooden chairs, and was used primarily for state court arbitration cases. During the period that the Judge’s Chambers were used for bankruptcy hearings in Johnstown, it was not unusual, particularly on hot days in the summer, for status conferences to be moved one door down Main Street to the air-conditioned interior and comfortably padded booths of Johnnie’s Restaurant.

In 1980, with a growing case load due to the enactment of the Bankruptcy Code in 1978 and difficulty in reserving the “Judge’s Chambers” due to an increase in the state court arbitration cases, the Johnstown Court was relocated to a room on the second floor of the U.S. Post Office Building on Locust Street in downtown Johnstown. The Court had a large courtroom area, with a permanent bench, and a small private office area for the Judges to use to robe and review case files, as well as to conduct status conferences in “Chambers” when conducting hearings in Johnstown.

In November of 1991, a new federal courthouse in Johnstown was officially dedicated. Efforts to construct the courthouse began in the early 1970s, when Congressman John P. Saylor was successful in his efforts to add Johnstown to the Judiciary Act as a court location. After Congressman Saylor’s death, his successor, Congressman John P. Murtha, continued Saylor’s efforts to establish an actual federal courthouse in Johnstown for the conduct of District Court proceedings. Aside from matters assigned to Federal Magistrate William Glosser, who dealt on a part-time basis with the occasional federal court matters

initiated in what was the “Johnstown Division” for the District Court,<sup>1</sup> all other Johnstown Division cases in the District Court had been handled solely by Judges assigned to the Pittsburgh Division.

After years of efforts by the Congressmen and members of the Cambria County Bar to establish a court facility, along with the successful efforts of Senator Arlen Specter to secure funding for such a facility, it was finally decided that the Federal Court House Facility in Johnstown would be located in the Penn Traffic Building on Washington Street in downtown Johnstown. This building formerly housed Johnstown’s major downtown department store, the Penn Traffic Department Store.

The basement and first floor sales area of the Penn Traffic Department Store was badly damaged in the Johnstown flood of 1977



**Penn Traffic Department Store**

and the department store never reopened for business. The Penn Traffic Building was renovated and converted into office space. The design for the Johnstown court facility included two fully furnished courtrooms, one for the District Court and one for the Bankruptcy Court, two fully furnished Judge’s Chambers and office areas for support staff, a

room for a law library, and related facilities. This facility houses the Bankruptcy Court to this date.

Another highlight of the history of the Johnstown Bankruptcy Court was the full implementation of a video conferencing program beginning in 1998. Through the use of new technology, the Bankruptcy Judge could sit in a courtroom along with counsel and witnesses in Pittsburgh, and could see and hear counsel and witnesses in the Johnstown courtroom, while counsel and witnesses in Johnstown could see and hear the Judge, other counsel, and witnesses sitting and appearing in Pittsburgh. This new technology allowed the Court to efficiently conduct trials, hearings and motions, without requiring the Judge, counsel or witnesses to drive more than two hours between Johnstown and Pittsburgh.

---

<sup>1</sup> Slightly different from the “Johnstown Counties” in the Pittsburgh Division of the Bankruptcy Court, the “Johnstown Division” of the District Court is limited to cases in which the plaintiff or defendant resides in or is domiciled in Bedford, Blair, Cambria, Clearfield, or Somerset Counties.

## • Johnstown Bankruptcy Court Judges •

**Gerald K. Gibson** of Ebensburg became part-time Bankruptcy Referee in 1955 and, in 1972, full-time Bankruptcy Judge, holding hearings in Johnstown until his death in June 1985.

**William B. Washabaugh, Jr.**, of Erie became part-time Bankruptcy Referee in 1959 and conducted Johnstown hearings until 1976.

**Bernard Schaffler** became Bankruptcy Judge in 1976 and held Johnstown hearings until his return to private practice in 1980.

**Joseph L. Cosetti** was appointed as Bankruptcy Judge in 1980, sharing Johnstown hearings with Judge Gibson. He assumed all Johnstown cases upon Judge Gibson's death.

**Bernard Markovitz**, who was appointed as Bankruptcy Judge in 1985, began hearing all Johnstown cases in 1992 and, in 2002, was reassigned to Chapter 7 and Chapter 11 Johnstown cases.

**Judith K. Fitzgerald** of Cambria County was appointed in 1987 as Bankruptcy Judge and heard all Johnstown cases until 1992. In 2002, Judge Fitzgerald began hearing all Johnstown Chapter 12 and 13 cases and, in April 2004, began sharing them with Judge Thomas Agresti. From September 2009 to April 2010, Judge Fitzgerald and Judge Deller shared Johnstown Chapter 12 and Chapter 13 cases.

**Thomas P. Agresti** of Erie began sharing Johnstown Chapter 12 and Chapter 13 cases with Judge Fitzgerald upon his appointment as Bankruptcy Judge in April 2004.

**Jeffery A. Deller**, upon being appointed as Bankruptcy Judge in October 2005, joined Judge Agresti and Judge Fitzgerald in hearing Johnstown Chapter 13 cases. In April 2010, Judge Deller also assumed Johnstown Chapter 7 and Chapter 11 cases.

