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Electronically Filed On: February 2, 2015

5 *[Proposed] Counsel for Victoria L. Nelson, Chapter 7 Trustee*

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8 **UNITED STATES BANKRUPTCY COURT**
9 **DISTRICT OF NEVADA**

10 In re:
11 AMERI-DREAM REALTY, LLC,
12 Debtor.

Case No. BK-S-15-10110-LED
Chapter 7

**EX PARTE MOTION FOR LEAVE TO
REJECT MORE THAN ONE HUNDRED
(100) EXECUTORY CONTRACTS IN A
SINGLE MOTION PURSUANT TO
FEDERAL RULE OF BANKRUPTCY
PROCEDURE 6006(f)**

Date of Hearing: N/A
Time of Hearing: N/A

Judge: Honorable Laurel E. Davis

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19 Victoria L. Nelson, the appointed Chapter 7 Trustee in the above-captioned bankruptcy
20 case (the “Trustee”), by and through her proposed counsel of record, Jacob L. Houmand, Esq. of
21 the law firm of Nelson & Houmand, P.C., hereby files this Ex Parte Motion for Leave to Reject
22 More Than One Hundred (100) Executory Contracts In A Single Motion Pursuant to Federal Rule
23 of Bankruptcy Procedure 6006(f) (the “Motion”).¹

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26 ¹ Unless otherwise indicated, all chapter and section references are to the Bankruptcy Code, 11
27 U.S.C. §§ 101-1532, and to the Federal Rules of Bankruptcy Procedure, Rules 1001-9037. The
28 Federal Rules of Civil Procedure will be referred to as “FRCP” and the Federal Rules of
Bankruptcy Procedure will be referred to as “FRBP.” The Local Rules of Practice for the United
States Bankruptcy Court for the District of Nevada shall be referred to as the “Local Rules

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1 The Motion is based on the following Memorandum of Points and Authorities, the
2 Declaration of Victoria L. Nelson In Support of the Ex Parte Motion for Leave to Reject More
3 Than One Hundred (100) Executory Contracts In A Single Motion Pursuant to Federal Rule of
4 Bankruptcy Procedure 6006(f) (the "Nelson Declaration"), which is filed separately and
5 concurrently with this Court pursuant to Local Rule 9014(c)(2). The Motion is also based on the
6 pleadings and papers on file herein. A copy of the proposed order granting the Motion is attached
7 hereto as **Exhibit "1"**.²

8 Dated this 2nd day of February, 2015.

9 **NELSON & HOUMAND, P.C.**

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27 ² The Trustee also requests that the Court take judicial notice of all pleadings filed in the above-
28 referenced bankruptcy case, including adversary proceedings, pursuant to Rule of Evidence 201,
incorporated by reference by FRBP 9017.

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Ameri-Dream Realty, LLC (the “Debtor”) is a real estate brokerage firm that represented clients in the purchase and sale of real property throughout Las Vegas, Nevada. The Debtor also had a property management division that managed several thousand real properties located throughout the valley in Las Vegas, Nevada. As part of its property management division, the Debtor has executed real property management agreements (collectively, the “Property Management Agreements”) with landowners whereby the Debtor agreed to perform the following services: (a) the monthly collection of rents from tenants, (b) payment of Homeowner Association (“HOA”) fees, (c) the general repair and maintenance of the properties at issue, and (d) the segregation of security deposits (the “Security Deposits”) pursuant to Nevada Revised Statute (“N.R.S.”) Chapter 645. Despite the fact that the Debtor was required to maintain the Security Deposits in a segregated trust account for the benefit of the various landowners and tenants, the Trustee is informed and believes that the spouse of the Debtor’s principal embezzled approximately One Million One Hundred Thousand Dollars (\$1,100,000) of the Security Deposits. As a result, there is currently an insufficient balance in the Security Deposit trust account to cover the full amount of the Security Deposits that are required to be segregated pursuant to the Property Management Agreements.

This deficiency has made it necessary for the Trustee to reject the Property Management Agreements, which are executory contracts, pursuant to Section 365. The rejection of the Property Management Agreements will allow all of the affected landowners to obtain new property managers for the various real properties at issue. Inasmuch as FRBP 6006(f) only permits a party to reject one hundred (100) executory contracts as part of a single motion, the Trustee would be required to file a significant amount of identical omnibus motions in order to reject all of the Property Management Agreements pursuant to Section 365. In order to decrease administrative expenses and confusion among the various non-debtor parties to the Property Management Agreements, the Trustee requests leave to reject all of the Property Management Agreements as part of a single omnibus motion. The contracts that would be rejected as part of

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1 the omnibus motion would only relate to the Property Management Agreements, the terms of
2 which are identical.

3 **II. JURISDICTION AND VENUE**

4 The Court has jurisdiction over the bankruptcy case and the subject matter of this
5 Objection pursuant to 28 U.S.C. §§ 157 and 1334. The Objection is a core proceeding under 28
6 U.S.C. § 157(b)(2). Pursuant to Local Rule 9014.2, if the Court determines that absent consent of
7 the parties the Court cannot enter final orders or judgment regarding the Objection consistent with
8 Article III of the United States Constitution, the Trustee consents to entry of final orders and
9 judgment by this Court. Venue before this Court is appropriate under 28 U.S.C. §§ 1408 and
10 1409.

11 The statutory predicates for the relief requested in the Objection herein are Section 365,
12 FRBP 6006, and Local Rule 6006.

13 **III. STATEMENT OF FACTS**

14 1. On January 9, 2015, the Debtor filed a voluntary bankruptcy pursuant to Chapter 7
15 of Title 11 of the United States Code [ECF No. 1].³ See Nelson Declaration.

16 2. On January 9, 2015, Victoria L. Nelson was appointed as the Chapter 7 Trustee in
17 the Debtor’s bankruptcy case [ECF No. 4]. See Nelson Declaration.

18 3. The Debtor is a real estate brokerage firm that represented clients in the purchase
19 and sale of real property throughout Las Vegas, Nevada. See Nelson Declaration.

20 4. The Debtor also had a property management division that managed thousands of
21 rental properties for various landowners and tenants throughout Las Vegas, Nevada. As part of its
22 property management division, the Debtor has executed the Property Management Agreements
23 with landowners whereby the Debtor agreed to perform the following services: (a) the monthly
24 collection of rents from tenants, (b) payment of Homeowner Association (“HOA”) fees, (c) the
25 general repair and maintenance of the properties at issue, and (d) the segregation of security

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27 ³ All references to “ECF No.” are to the numbers assigned to the documents filed in the case as
28 they appear on the docket maintained by the clerk of the court.

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1 deposits (the “Security Deposits”) pursuant to Nevada Revised Statute (“N.R.S.”) Chapter 645.
2 See Nelson Declaration.

3 5. At the time of the Debtor’s bankruptcy filing it was a party to several thousand
4 property management agreements. See Nelson Declaration.

5 6. After the filing of the Debtor’s bankruptcy case, the Trustee was informed that the
6 spouse of the Debtor’s principal improperly transferred approximately One Million One Hundred
7 Thousand Dollars (\$1,100,000) from the Security Deposits to the Philippines. These actions have
8 resulted in a significant deficiency in the amount of Security Deposits that the Debtor was
9 required to hold in trust pursuant to the Property Management Agreements and N.R.S. Chapter
10 645. See Nelson Declaration.

11 7. As a result of the alleged embezzlement and significant deficiency of the Security
12 Deposits, the Property Management Agreements cannot be sold, assigned, or otherwise
13 transferred to third parties by the Trustee in good faith. See Nelson Declaration.

14 8. Under the terms of the Property Management Agreements and in accordance with
15 Nevada State Law, the services must be performed by a licensed property manager working under
16 a broker authorized by the Department of Business and Industry, Real Estate Division, further
17 preventing the Trustee from assuming the Property Management Agreements. See Nelson
18 Declaration.

19 9. On January 23, 2015, the Debtor filed its Schedules of Assets and Statement of
20 Liabilities [ECF No. 10]. The Debtor’s Schedule G identifies the significant number of Property
21 Management Agreements that constitute executory contracts under Section 365. See Nelson
22 Declaration.

23 10. The Trustee has spoken with counsel for the Debtor and counsel for the majority of
24 the Non-Debtor parties to the Property Management Agreements, and all are in agreement that
25 rejection of the Property Management Agreements is in the best interest of the Estate. See Nelson
26 Declaration.

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IV. LEGAL ARGUMENT

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Section 365(a) provides a Chapter 7 Trustee with the authority to assume or reject executory contracts:

Except as provided in Sections 765 and 766 of this title and in subsections (b), (c), and (d) of this section, the trustee, subject to the court’s approval may assume or reject any executory contract or unexpired lease of the debtor.

11 U.S.C. § 365(a).

A Trustee is permitted to “join requests for authority to reject multiple executory contracts or unexpired leases in one motion.” FED. R. BANKR. P. 6006(e). Omnibus motions to reject executory contracts, however, are limited to one hundred (100) executory contracts. FED. R. BANKR. P. 6006(f).

As set forth above, the Debtor is a party to hundreds of Property Management Agreements that the Trustee will seek authority to reject pursuant to Section 365 and FRBP 6006. If the Court does not grant the relief requested herein, the Trustee will be required to file numerous identical omnibus motions to reject the Property Management Agreements. This will have the effect of significantly increasing administrative expenses to the bankruptcy estate and result in confusion to the non-debtor parties to the Property Management Contracts. If the Court permits the Trustee to reject the Property Management Contracts as part of a single motion, the Trustee will comply with all of the remaining procedural safeguards in FRBP 6006(f) including, but not limited to, the alphabetical listing of the parties to the Property Management Agreements. Allowing all of the Property Management Agreements to be rejected as part of a single motion will permit all parties to more easily identify their contract at issue. The Trustee will also only seek the rejection of the Property Management Contracts in the omnibus motion, which contain identical terms. Any other executory contracts will be rejected as part of a separate motion. Accordingly, the Trustee requests that she be permitted to reject all of the Property Management Agreements as part of a single omnibus motion.

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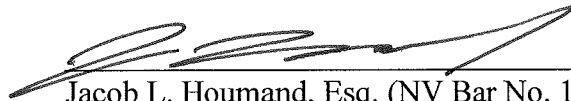
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V. CONCLUSION

For the foregoing reasons, the Trustee respectfully requests that the Court enter an Order permitting the Trustee to request the rejection of more than one hundred contracts as part of a single omnibus motion and for such other and further relief as is just and proper.

Dated this 2nd day of February, 2015.

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EXHIBIT "1"

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[PROPOSED ORDER]

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

AMERI-DREAM REALTY, LLC,

Debtor.

Case No. BK-S-15-10110-LED
Chapter 7

**ORDER GRANTING EX PARTE
MOTION FOR LEAVE TO REJECT
MORE THAN ONE HUNDRED (100)
EXECUTORY CONTRACTS IN A
SINGLE MOTION PURSUANT TO
FEDERAL RULE OF BANKRUPTCY
PROCEDURE 6006(f)**

Date of Hearing: N/A
Time of Hearing: N/A

Judge: Honorable Laurel E. Davis

This matter came before this court on the Ex Parte Motion for Leave to Reject More Than One Hundred (100) Executory Contracts In A Single Motion Pursuant to Federal Rule of Bankruptcy Procedure 6006(f) (the "Motion"), filed on January 28, 2015, by Victoria L. Nelson, the Chapter 7 Trustee in the above-captioned bankruptcy case (the "Trustee") by and through her

1 proposed counsel of record, Jacob L. Houmand, Esq. of the Law Firm of Nelson & Houmand,
2 P.C. The Motion sought authority to reject more than one hundred (100) executory contracts as
3 part of a single omnibus motion pursuant to 11 U.S.C. § 365 and Federal Rule of Bankruptcy
4 Procedure 6006.

5 The Court reviewed the Motion, the Declaration of Victoria L. Nelson In Support of Ex
6 Parte Motion for Leave to Reject More Than One Hundred (100) Executory Contracts In A Single
7 Motion Pursuant to Federal Rule of Bankruptcy Procedure 6006(f), and all of the pleadings and
8 papers on file herein. Based on this review and consideration and good cause appearing, it is
9 hereby,

10 **ORDERED** that the Motion is **GRANTED** in its entirety.

11 **IT IS FURTHER ORDERED** that the Trustee is permitted to seek rejection of more than
12 one hundred (100) executory contracts in a single omnibus motion pursuant to 11 U.S.C. § 365
13 and Federal Rule of Bankruptcy Procedure 6006.

14 **IT IS SO ORDERED.**

15 Prepared and Submitted By:

16 **NELSON & HOUMAND, P.C.**

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