

1 Jacob L. Houmand, Esq. (NV Bar No. 12781)  
Email: jhoumand@nelsonhoumand.com  
2 NELSON & HOUMAND, P.C.  
3900 Paradise Road; Suite U  
3 Las Vegas, Nevada 89169-0903  
Telephone: 702/720-3370  
4 Facsimile: 702/720-3371

*Electronically Filed On: April 3, 2015*

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

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7  
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

**DECLARATION OF VICTORIA L. NELSON IN SUPPORT OF APPLICATION TO EMPLOY SCHWARTZ FLANSBURG, PLLC, AS SPECIAL BANKRUPTCY COUNSEL FOR VICTORIA L. NELSON, CHAPTER 7 TRUSTEE PURSUANT TO 11 U.S.C. §§ 327(a) AND 328(a) AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 2014**

Date of Hearing: May 5, 2015  
Time of Hearing: 2:30 p.m.  
Place: Courtroom No. 3, Third Floor  
Foley Federal Building  
300 Las Vegas Blvd., S.  
Las Vegas, NV 89101

Judge: Honorable Laurel E. Davis

22 I, Victoria L. Nelson, declare as follows:

23 1. I am over the age of 18 years and I am competent to make this declaration. I have  
24 personal knowledge of the facts set forth herein, except for those facts stated on information and  
25 belief and, as to those facts, I am informed and believe them to be true. If called as a witness, I  
26 could and would testify as to the matters set forth below based upon my personal knowledge.

27 2. I am the appointed Chapter 7 Trustee in the above-captioned bankruptcy case.

28 ...

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1 3. I make this declaration in support of the Application to Employ Schwartz  
2 Flansburg, PLLC as Special Bankruptcy Counsel for Victoria L. Nelson, Chapter 7 Trustee  
3 Pursuant to 11 U.S.C. §§ 327(a) and 328(a) and Federal Rule of Bankruptcy Procedure 2014 (the  
4 "Application").<sup>1</sup>

5 4. On January 9, 2015, Ameri-Dream Realty, LLC (the "Debtor") filed a voluntary  
6 bankruptcy pursuant to Chapter 7 of Title 11 of the United States Code [ECF No. 1].<sup>2</sup>

7 5. On January 9, 2015, I was appointed as the Chapter 7 Trustee in the Debtor's  
8 bankruptcy case [ECF No. 4].

9 6. The Debtor was a real estate brokerage firm that represented clients in the purchase  
10 and sale of real property throughout Clark County, Nevada.

11 7. The Debtor also had a property management division that managed over one  
12 thousand rental properties for various landowners and tenants throughout Las Vegas, Nevada.

13 8. Subsequent to the filing of the Debtor's bankruptcy case, I was informed that Elsie  
14 Peladas-Brown, the spouse of the Debtor's principal, John Brown, allegedly embezzled  
15 approximately One Million Two Hundred Thousand Dollars (\$1,200,000) from the Security  
16 Deposits Trust Account and wired these monies to the Philippines.

17 9. Prior to the filing of the Debtor's bankruptcy case, a claim was made under the  
18 Debtor's Errors and Omissions insurance policy with XL Select Professional Claims (the  
19 "Claim").

20 10. In order to assist me in pursuing the Claim, I now desire to employ the law firm of  
21 Schwartz Flansburg, PLLC (the "Firm"), as special bankruptcy counsel in the Debtor's  
22 bankruptcy case to prosecute any and all actions related to the Claim.

23  
24  
25 <sup>1</sup> Unless otherwise indicated, all chapter and section references are to the Bankruptcy Code, 11  
26 U.S.C. §§ 101-1532, and to the Federal Rules of Bankruptcy Procedure, Rules 1001-9037. The  
27 Federal Rules of Civil Procedure will be referred to as "FRCP" and the Federal Rules of  
28 Bankruptcy Procedure will be referred to as "FRBP." Unless otherwise expressly stated herein,  
all undefined, capitalized terms shall have the meaning ascribed to them in the Application.

<sup>2</sup> All references to "ECF No." are to the numbers assigned to the documents filed in the case as  
they appear on the docket maintained by the clerk of the court.

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1 11. I have selected the Firm as my special litigation counsel to investigate, evaluate,  
2 and, if appropriate, prosecute the Claim on behalf of the Debtor. I have concluded that the Firm is  
3 the best qualified and, in my judgment, is best able to provide the required services and the Firm  
4 most likely to secure a favorable outcome in the best interests of the estate. My conclusion is  
5 based on the firm's extensive experience in the practice of business, commercial and complex  
6 litigation, with expertise in areas of substantive law likely to become relevant in prosecution of  
7 the Claim.

8 12. I desire to employ the Firm as my special counsel in this bankruptcy case to render  
9 the following professional services: take the role of lead counsel with respect to the evaluation  
10 and, if applicable, prosecute the Claim; continue a detailed investigation into all matters related to  
11 the Claim, including any adversary proceeding which may result following my investigation (the  
12 "Adversary Proceeding"); maintain and settle the Claim, including the Adversary Proceeding; and  
13 perform such other legal services (including, but not limited to, appearing before this Court, any  
14 other federal court, state court, or appellate courts) as may be required in connection with, and in  
15 furtherance of, the foregoing and which are in the interests of the bankruptcy estate.

16 13. I am informed that the Firm is a disinterested person within the meaning of 11  
17 U.S.C. § 101(14) for purposes of 11 U.S.C. § 327(a), as it pertains to representing the bankruptcy  
18 estate's interest as special bankruptcy counsel.

19 14. The fees incurred by the Firm will be handled on a contingency fee basis with the  
20 Firm's fees being dependent upon recovery through settlement or trial, except in the event of  
21 discharge from representation as provided below. The Firm's fees, costs and expenses will be  
22 paid as follows:

23 **Pre-litigation activity.** The Firm shall be entitled to a contingency fee  
24 of 33 1/3% to be calculated on the gross amount of recovery (i.e., before  
25 deducting for or seeking reimbursement of any expenses paid by the  
26 Client to the Firm or otherwise) generated from **all** work performed  
27 prior to filing a lawsuit or making a formal demand for arbitration. Such  
28 work may include, but is not limited to, factual investigation, claims  
investigation and analysis, document review, factual and legal research,  
work with experts in preparation of a complaint and the requisite reports  
that must be filed with a complaint, preparation of demand letters, pre-  
suit settlement negotiations, preparation of a complaint and/or  
arbitration demand, and pre-suit mediation(s), if any.

**Post-filing litigation activity.** Once any litigation is initiated, either through the filing of a complaint or making a formal demand for arbitration, the Firm shall be entitled to a 40% contingency fee calculated on the gross amount of recovery (i.e., before deducting for or seeking reimbursement of any expenses paid by the Client to the Firm or otherwise). Any work performed in the context of an arbitration following a demand for arbitration shall constitute "Post-filing litigation activity."

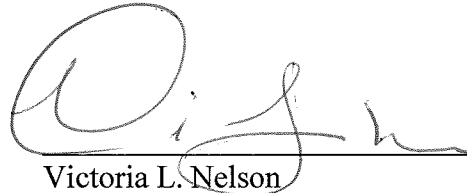
**Appellate activity.** In the event that a notice of appeal is filed by any party, the Firm shall be entitled to a 50% contingency fee calculated on the gross amount of recovery (i.e., before deducting for or seeking reimbursement of any expenses paid by the Client to the Firm or otherwise).

**Payment of Contingency Fee.** With respect to any recovery by the Client arising out of, pertaining to, or resulting from the pursuit of the claims in the Litigation, whether through any settlement, judgment, arbitration award, or otherwise, the Client shall pay the appropriate contingency fee to the Firm within fourteen (14) days of receipt of such recovery or within fourteen (14) days of court approval, if any is required.

15. The Employment of the Firm will assist me in fulfilling my statutory obligations under Section 704 by collecting and reducing to money assets of the Debtor's bankruptcy estate. See 11 U.S.C. § 704(a)(1).

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Dated this 3rd day of April, 2015.

  
Victoria L. Nelson

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