

EXHIBIT “1”

SCHWARTZ FLANSBURG, PLLC
Retainer Agreement

1. **Parties.** This Retainer Agreement (this "Agreement"), executed in duplicate with each party receiving an executed original, is entered into between SCHWARTZ FLANSBURG, PLLC a Nevada Professional LLC (the "Firm"), and Victoria L. Nelson, the Chapter 7 Trustee in the bankruptcy case entitled *In re Ameri-Dream Realty, LLC* (Case Number BK-S-15-10110-LED), currently pending before the United States Bankruptcy Court for the District of Nevada ("Client").

2. **Scope of Engagement.** The Firm shall serve as special litigation bankruptcy counsel to the Client in the *In re Ameri-Dream Realty, LLC* (Case Number BK-S-15-10110-LED) for the purpose of evaluating and prosecuting, if appropriate, litigation for a claim filed on behalf of Ameri-Dream Realty, LLC with XL Select Professional Claims under Policy Number PEG9145932-7 which claim arose from the embezzlement of approximately \$1.2 million dollars by Elsie Peladas-Brown.

Client understands that Client is retaining the Firm, and not any particular attorney, and the services being rendered under the terms of this Agreement will not necessarily be performed by, or under the supervision of, any particular attorney. It is further understood by Client that the responsible attorney may delegate to others in the Firm services to Client. Any such delegation will not affect Client's obligation to pay the legal fees required under the terms of this Agreement.

3. **Responsibilities of Firm and Client.** The Firm will perform the legal services required under this Agreement, keep Client informed of progress and developments, and respond promptly to Client's inquiries and communications. Client will be truthful and cooperative with the Firm and its staff; keep the Firm informed of developments, including receipt of any notices or documents relating to this matter from others; supply the Firm with all information requested by the Firm (on a timely basis) to the extent necessary for the Firm to complete the legal services being provided for in this Agreement; and inform the Firm of any changes to Client's address, telephone number, facsimile number, email address, and whereabouts.

4. **Client's Address, Telephone and Email Address.** Absent Client's written notification of any change in Client's address, email address, or facsimile number, all notices will be either personally delivered to Client, sent to Client by facsimile or email, or delivered to Client by the United States Postal Service via first class mail or by overnight delivery at the Firm's option. Client's address, telephone, email address, and facsimile numbers for purposes of this Agreement are as follows: Victoria L. Nelson, Chapter 7 Trustee, 3900 Paradise Road, Suite U, Las Vegas, Nevada 89169.

5. **Compensation.** It is expressly recognized by the Firm that its retention by Client is subject to the entry of an appropriate order by the Bankruptcy Court and that payment of the Client's fees will be subject to Bankruptcy Court approval. The Firm shall comply with all relevant Bankruptcy Code and Rules with respect to payment of any attorneys' fees incurred in this matter. In no circumstances shall Client be personally

liable for the payment of the Firm's attorneys' fees. Pursuant to this Retainer Agreement, the Firm will be compensated as follows:

- **Pre-litigation activity.** The Firm shall be entitled to a contingency fee of 33 1/3% to be 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) generated from **all** work performed prior to filing a lawsuit or making a formal demand for arbitration. Such 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.

6. **Costs.** In addition to the Firm's fees for services, Client is responsible to reimburse the Firm for all reasonable out-of-pocket costs that the Firm incurs on behalf of Client. For example, charges for court reporting services, expenses associated with travel, long-distance telephone calls, computerized research services, courier services, fax and other forms of communication, and any other out-of-pocket expenses will be billed to Client. While the Firm may sometimes advance its funds to cover out-of-pocket expenses incurred on behalf of Client, the Firm reserves the right to pass any such expenses on to Client for payment directly to the person who provided the services.

7. **Client Confidential Material.** Client is informed that Nevada state law requires that the Firm not disclose confidential communications or secrets of a client.

8. **Settlement.** With respect to any legal services relating to disputed matters, the Firm will not settle Client's dispute without the approval of Client, who will have the absolute right

to accept or reject any proposed resolution of the disputed matter. The Firm will notify Client promptly of the terms of any proposed resolution or settlement offer received by the Firm relating to the disputed material

9. **Termination of the Firm.** Client may terminate the Firm at any time by written notice effective when received by the Firm. Unless specifically agreed by the Firm and Client, the Firm will provide no further services on Client's behalf after receipt of the notice. If the Firm is Client's attorney of record in any proceeding, Client will execute and return a substitution of attorney form immediately on its receipt from the Firm. Notwithstanding the discharge, Client will remain obligated to pay the Firm all attorney's fees and expenses required under the terms of this Agreement.

10. **Withdrawal of Attorney.** The Firm may withdraw at any time as permitted under the Rules of Professional Conduct of the State Bar of Nevada. The circumstances under which the Rules permit such withdrawal include, but are not limited to, the following: (a) Client consents; (b) Client's conduct renders it unreasonably difficult for the Firm to carry out the representation effectively; or (c) Client fails to pay attorney's fees as required by this Agreement. The Firm also has the right at its discretion to withdraw from Client's case if Client misrepresents or fails to disclose material facts to the Firm, fails to follow the Firm's advice, fails to cooperate in the preparation of the case, or in the event the Firm determines it is not in the Firm's and Client's mutual interests to continue the representation.

11. **Expert Witnesses.** It may become necessary in the preparation of Client's case for the Firm to hire expert witnesses, consultants, or investigators. The Firm will not hire such persons unless Client agrees to pay their fees and charges, but the Firm will select which persons should be hired. Client's refusal to authorize hiring of such persons when the Firm considers them necessary could greatly injure Client's case, and if the absence of such persons makes it impossible, in the Firm's discretion, to continue with the case, the Firm may withdraw from the representation.

12. **Records Management Retention and Disposition.** When Client's matter is concluded, the Firm shall send Client written notice that the Firm will be closing the file for that matter, and Client can then inform the Firm if Client wants to obtain copies of any items in Client's file. If the Firm does not receive a written request from Client for Client's file, all its contents will be sent to offsite storage. If Client's file is sent off-site for storage before Client has given the Firm a timely request for Client's file, the Firm may charge Client an administrative and shipping cost for retrieval of materials from storage. Except for Client Material and as discussed below, in the event Client wishes to obtain copies of any materials in Client's file, Client agrees to pay reasonable reproduction costs expended to prepare and produce copies of all materials delivered to Client.

The Firm and Client agree that all client-supplied material (hereafter "Client Material") are the property of Client. "Lawyer End Product" includes, for example, finalized contracts, pleadings, and trust documents. In the event Client wishes to obtain copies of Lawyer End Product during the representation, at the conclusion of the representation, or thereafter, the Firm shall deliver the requested copies, but Client shall pay the costs of reproduction as provided above. The Firm and Client agree that "Lawyer Work Product" is

the property of the Firm. Lawyer Work Product includes, for example drafts, notes, internal memoranda, electronic files, and lawyer representation and administration materials, including lawyer-client correspondence and conflicts materials. The Firm shall retain all Lawyer Work Product and shall have no obligation to supply copies of Lawyer Work Product to Client.

At the end of the established retention period, normally seven (7) years after Client's matter is closed, the Firm will send a Final Notice of Intent to Destroy Records (the "Final Notice") to Client at Client's last known address. Client will have the opportunity to retrieve Client's Client Materials or obtain copies of the Lawyer End Product within forty-five (45) days after the date of Final Notice is sent, or Client may direct the Firm to forward the Client Materials or copies of the Lawyer End Product to Client or to another legal representative, at Client's expense. If Client fails to retrieve the Client Materials or obtain copies of the Lawyer End Product or request the Firm to forward them within forty-five (45) days of the Final Notice, the Firm will consider Client's non-response as Client's authorization to destroy the Client Materials and Client's entire file.

13. **Disclaimer of Guaranty.** Although the Firm may offer an opinion about possible results regarding the subject matter of this Agreement, the Firm cannot guarantee any particular result. Client acknowledges that the Firm has made no promises about the outcome and that any opinion offered by the Firm in the future will not constitute a guaranty.

14. **Client Concerns.** In the event Client has concerns with the manner in which Client's matter is being handled by the Firm, Client has any unresolved concerns with any statement for services received from the Firm, or Client has other matters that it wishes to discuss regarding the terms of this Agreement, Client may, at its discretion, address those concerns to the Firm. The Firm agrees to negotiate in good faith to resolve any Client concerns in a manner equitable to both parties.

15. **Independent Determination as to Fairness and Reasonability.** Client acknowledges that (a) the Firm did not act as its counsel in preparing or negotiating this Agreement; (b) Client has made sufficient investigation and inquiry to determine that the terms of this Agreement are fair and reasonable; (c) this Agreement was the product of an arm's length negotiation between Client and the Firm; (d) Client has had ample opportunity to review this Letter of Engagement independently and to the extent that Client has chosen to do so, with separate counsel; and (e) Client is entering into this Letter of Engagement freely and voluntarily.

16. **Severability.** In case any one or more of the provisions in this Agreement shall be found unenforceable in any respect, we have agreed that such unenforceability shall not affect any other provision, and that all other provisions of this Letter of Engagement shall remain valid and enforceable.

17. **Integration/Amendment.** This Agreement constitutes the final and only agreement of the parties hereto regarding the Firm's representation of Client in the Bankruptcy Case, and it supersedes any prior written or oral understandings or agreements between the parties regarding that subject. This Agreement may not be modified, amended, or replaced except in a writing signed by the parties hereto.

18. **Execution in Counterparts.** It is understood and agreed that this Agreement may be signed in a number of identical counterparts, each of which shall be deemed an original for all purposes, but all of which shall constitute one and the same agreement.

19. **Effective Date of Agreement.** The effective date of this Agreement will be the date when, having been executed by Client, one copy of this Agreement is received by the Firm.

The foregoing is agreed to by:

VICTORIA L. NELSON,
CHAPTER 7 TRUSTEE



4-1-15
Date

SCHWARTZ FLANSBURG, PLLC



4-1-15
Date

Name: Samuel A. Schwartz