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Electronically Filed On: October 27, 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

REPLY TO OPPOSITION TO MOTION
FOR (1) TURNOVER OF SECURITY
DEPOSITS HELD IN TRUST ACCOUNT
OF MCDONALD CARANO WILSON
PURSUANT TO 11 U.S.C. § 542 AND (2)
AUTHORITY TO ADMINISTER
SECURITY DEPOSITS THROUGH THE
DEBTOR’S BANKRUPTCY ESTATE
PURSUANT TO 11 U.S.C. § 105(a)

Date of Hearing: November 3, 2015
Time of Hearing: 11:00 a.m.
Place: Courtroom No. 3, Third Floor
Foley Federal Building
300 Las Vegas Blvd., S.
Las Vegas, NV 89101

Judge: Honorable Laurel E. Davis¹

21
22 VICTORIA L. NELSON, the duly appointed Chapter 7 Trustee in above-captioned
23 bankruptcy case (the “Trustee”), hereby files this *Reply to Opposition Motion For (1) Turnover of*
24 *Security Deposits Held In Trust Account of McDonald Carano Wilson Pursuant to 11 U.S.C. §*
25

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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1 542 and (2) Authority to Administer Security Deposits Through the Debtor's Bankruptcy Estate
 2 Pursuant to 11 U.S.C. § 105(a) (the "Reply").

3 On September 30, 2015, the Trustee filed the *Motion For (1) Turnover of Security*
 4 *Deposits Held In Trust Account of McDonald Carano Wilson Pursuant to 11 U.S.C. § 542 and (2)*
 5 *Authority to Administer Security Deposits Through the Debtor's Bankruptcy Estate Pursuant to*
 6 *11 U.S.C. § 105(a)* [ECF No. 181]² (the "Motion"). The purpose of the Motion is twofold: (a)
 7 permitting the remaining balance of security deposits in the approximate amount of \$707,567.29
 8 (the "Security Deposits") currently held in the IOLTA Account of McDonald Carano Wilson, the
 9 Debtor's bankruptcy counsel, to be turned over to the Trustee and (b) obtaining an order allowing
 10 the Trust Funds to be administered for the benefit of the Debtor's creditors. The relief requested
 11 in the Motion was premised on the fact that the Security Deposits cannot be traced to a particular
 12 landowner or tenant, the vast majority of the proof of claims filed in the Debtor's bankruptcy case
 13 relate to unpaid security deposits, and the Nevada Real Estate Division has no intention of
 14 administering the funds for landowners and tenants. In other words, if the Security Deposits are
 15 not administered through the Debtor's bankruptcy estate, it is unclear how they will be
 16 administered for the benefit of the affected landlords and tenants.

17 On October 26, 2015, the Trustee received a letter from Jonathan Huang on behalf of
 18 Giachuan Huang ("Mr Huang") via facsimile indicating that Mr. Huang objected to the relief
 19 requested in the Motion (the "Opposition").³ The Opposition states that Mr. Huang is the owner
 20 of one of the real properties that was formerly managed by the Debtor and objects to the relief
 21 requested in the Motion on the following grounds: "I object to the relief since both myself and the
 22 _____

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

25 ³ The Opposition requested that counsel for the Trustee arrange for it to be filed with the Court.
 26 Accordingly, on October 27, 2015, the Trustee filed a *Notice of Receipt of Opposition to Motion*
 27 *for (1) Turnover of Security Deposits Held In Trust Account of McDonald Carano Wilson*
 28 *Pursuant to 11 U.S.C. § 542 and (2) Authority to Administer Security Deposits Through the*
Debtor's Bankruptcy Estate Pursuant to 11 U.S.C. § 105(a) [ECF No. 191] (the "Notice of
Receipt of Opposition") that attached a copy of the letter received on October 26, 2015, as Exhibit
 "1".

1 tenant are innocent victim [sic] of the situation and would sustain personal financial damage by
2 the relief.” See Exhibit “1” to Notice of Receipt of Opposition [ECF No. 191-1]. While the
3 Opposition includes a blanket assertion that Mr. Huang will be prejudiced if the Security Deposits
4 are administered through the Debtor’s bankruptcy estate, it does not provide any details regarding
5 whether an alternative forum would be more efficient or equitable to the Debtors’ creditors.
6 Moreover, the Opposition does not challenge the legal authority underlying the Motion or contend
7 that Mr. Huang can trace the security deposit related to his real property to the remaining Security
8 Deposits.

9 The Trustee has served the Debtor’s entire creditor matrix with notice of the relief
10 requested in the Motion and has only received one (1) response/opposition. This is despite the
11 fact that Counsel for the Trustee has discussed the status of the bankruptcy case and explained the
12 specific relief requested in the Motion with a significant number of individuals and entities that
13 have filed claims in the Debtor’s bankruptcy case and has instructed each party that they have a
14 right to file an opposition to the Motion if they object to the transfer of the Security Deposits to
15 the Debtor’s bankruptcy estate.

16 Accordingly, the Trustee believes that permitting the Security Deposits to be administered
17 through the Debtor’s bankruptcy estate is in the best interests of creditors and requests that the
18 Court grant the Motion in its entirety.

19 Dated this 27th day of October, 2015.

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

21 */s/ Jacob L. Houmand*

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28 *Trustee*